



Regular Meeting Agenda February 16, 2021

Placentia City Council

Placentia City Council Acting as Successor Agency to the
Placentia Redevelopment Agency
Placentia Industrial Commercial Development Authority
Placentia Public Financing Authority

SPECIAL PROCEDURES NOTICE DURING COVID-19 EMERGENCY

On March 4, 2020, Governor Newsom proclaimed a State of Emergency as a result of the threat of the COVID-19 virus.

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Given the health risks associated with COVID-19, please be advised that the City Council Chambers are closed to the public and some, or all, of the Placentia City Council Members may attend this meeting via teleconference. Those locations are not listed on the agenda and are not accessible to the public.

How to Observe the Meeting

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Americans with Disabilities Act Accommodation

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Until further notice the City will implement the guidelines of the California Department of Public Health regarding social distancing.

The City of Placentia thanks you in advance for taking all precautions to prevent the spread of the COVID-19 virus.

The City will return to normal City Council meeting procedures as soon as the emergency has ended.



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Placentia Redevelopment Agency
Placentia Industrial Commercial Development Authority
Placentia Public Financing Authority

Mayor Craig S. Green
District 2

Mayor Pro Tem Chad P. Wanke
District 4

Rhonda Shader
Councilmember
District 1

Ward L. Smith
Councilmember
District 5

Jeremy B. Yamaguchi
Councilmember
District 3

Robert S. McKinnell
City Clerk

Kevin A. Larson
City Treasurer

Damien R. Arrula
City Administrator

Christian L. Bettenhausen
City Attorney

City of Placentia
401 E. Chapman Avenue
Placentia, CA 92870

Phone: (714) 993-8117

Fax: (714) 961-0283

Email:

administration@placentia.org

Website: www.placentia.org

Mission Statement

The City Council is committed to keeping Placentia a pleasant place by providing a safe family atmosphere, superior public services and policies that promote the highest standards of community life.

Vision Statement

The City of Placentia will maintain an open, honest, responsive, and innovative government that delivers quality services in a fair and equitable manner while optimizing available resources.

Copies of all agenda materials are available for public review in the Office of the City Clerk, online at www.placentia.org, and at the Placentia Library Reference Desk. Persons who have questions concerning any agenda item may call the City Clerk's Office, (714) 993-8231, to make inquiry concerning the nature of the item described on the agenda.

Procedures for Addressing the Council/Board Members

Any person who wishes to speak regarding an item on the agenda or on a subject within the City's jurisdiction during the "**Oral Communications**" portion of the agenda should fill out a "**Speaker Request Form**" and give it to the City Clerk BEFORE that portion of the agenda is called. Testimony for Public Hearings will only be taken at the time of the hearing. Any person who wishes to speak on a Public Hearing item should fill out a "**Speaker Request Form**" and give it to the City Clerk BEFORE the item is called.

The Council and Board members encourage free expression of all points of view. To allow all persons the opportunity to speak, please keep your remarks brief. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of an entire group. To encourage all views, the Council and Board discourage clapping, booing or shouts of approval or disagreement from the audience.

PLEASE SILENCE ALL PAGERS, CELL PHONES, AND OTHER ELECTRONIC EQUIPMENT WHILE COUNCIL AND BOARD MEMBERS ARE IN SESSION.

Special Accommodations

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(28 CFR 35.102.35.104 ADA Title II)

In compliance with California Government Code § 54957.5, any writings or documents provided to a majority of the City Council regarding any item on this agenda that are not exempt from disclosure under the Public Records Act will be made available for public inspection at the City Clerk's Office at City Hall, 401 East Chapman Avenue, Placentia, during normal business hours.

Study Sessions are open to the public and held in the City Council Chambers or City Hall Community Room. Executive Sessions are held in the Council Caucus Room. While the public may be in attendance during oral announcements preceding Executive Sessions, Executive Sessions are not open to the public.

**PLACENTIA CITY COUNCIL
PLACENTIA CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE
PLACENTIA REDEVELOPMENT AGENCY
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY
PLACENTIA PUBLIC FINANCING AUTHORITY
REGULAR MEETING AGENDA - CLOSED SESSION
February 16, 2021
5:30 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER:

PRIOR TO ROLL CALL:

ROLL CALL: Councilmember/Board Member Shader
Councilmember/Board Member Smith
Councilmember/Board Member Yamaguchi
Mayor Pro Tem/Board Vice Chair Wanke
Mayor/Board Chair Green

ORAL COMMUNICATIONS: (PLEASE SEE PAGE ONE FOR SPECIAL INSTRUCTIONS ON SUBMITTING PUBLIC COMMENT DURING THE COVID-19 CRISIS)

At this time, the public may address the City Council and Boards of Directors concerning any items on the Closed Session Agenda only. There is a five (5) minute time limit for each individual addressing the City Council and Boards of Directors.

The City Council and Boards of Directors will recess to the City Council Caucus Room for the purpose of conducting their Closed Session proceedings.

1. Pursuant to Government Code Section 54956.9 (d)(2):
CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation
Significant exposure to litigation: (1 Case)
2. Pursuant to Government Code Section 54956.9 (d)(1):
CONFERENCE WITH LEGAL COUNSEL – Existing Litigation
City of Placentia vs. Onward Engineering; Case No. 30- 2018-01040701
3. Pursuant to Government Code Section 54956.8
CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Property: 120 S. Bradford Avenue
Agency Negotiator: Damien R. Arrula, City Administrator
Negotiating Parties: Emergency Ambulance Services, Inc.
Under Negotiations: Price and Terms of Payment
4. Pursuant to Government Code Section 54956.9(d)(1):
CONFERENCE WITH LEGAL COUNSEL – Existing Litigation
Kelly Kenehan vs. City of Placentia, Case: WCAB No. ADJ10204615

RECESS: The City Council and Boards of Directors will recess to their 7:00 p.m. Regular Meeting.

**PLACENTIA CITY COUNCIL
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PLACENTIA REDEVELOPMENT AGENCY
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY
PLACENTIA PUBLIC FINANCING AUTHORITY
REGULAR MEETING AGENDA
February 16, 2021
7:00 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER:

PRIOR TO ROLL CALL:

ROLL CALL: Councilmember/Board Member Shader
Councilmember/Board Member Smith
Councilmember/Board Member Yamaguchi
Mayor Pro Tem/Board Vice Chair Wanke
Mayor/Board Chair Green

INVOCATION: Fernando Villicana

PLEDGE OF ALLEGIANCE:

PRESENTATION: None

CLOSED SESSION REPORT:

CITY ADMINISTRATOR REPORT:

ORAL COMMUNICATIONS: (PLEASE SEE PAGE ONE FOR SPECIAL INSTRUCTIONS ON SUBMITTING PUBLIC COMMENT DURING THE COVID-19 CRISIS)

At this time, the public may address the City Council and Boards of Directors concerning any agenda item, which is not a public hearing item, or on matters within the jurisdiction of the City Council and Boards of Directors. There is a five (5) minute time limit for each individual addressing the City Council and Boards of Directors.

CITY COUNCIL/BOARD MEMBER COMMENTS:

1. CONSENT CALENDAR (Items 1.a. through 1.g):

All items on the Consent Calendar are considered routine and are enacted by one motion approving the recommended action listed on the Agenda. Any Member of the City Council and Boards of Directors or City Administrator may request an item be removed from the Consent Calendar for discussion. All items removed shall be considered immediately following action on the remaining items.

- 1.a. **Consideration to Waive Reading in Full of all Ordinances and Resolutions**
Fiscal Impact: None
Recommended Action: Approve

- 1.b. **Minutes**
City Council/Successor/ICDA/PPFA Regular Meeting: February 2, and Special Meeting: February 4, 2021
Recommended Action: Approve
- 1.c. **City Fiscal Year 2020-21 Register for February 16, 2021**
Check Register
Fiscal Impact: \$ 625,669.15
Electronic Disbursement Register
Fiscal Impact: \$ 819,721.09
Recommended Action: It is recommended that the City Council:
 1) Receive and file
- 1.d. **Acceptance of Resignations from the Senior Advisory Committee**
Fiscal Impact: None
Recommended Action: It is recommended that the City Council:
 1) Accept the resignations of Donald Palmer and Robert Dewey from the Senior Advisory Committee; and
 2) Update the City's master Commission/Committee vacancy list to include the vacancies on the Senior Advisory Committee.
- 1.e. **Professional Services Agreement with JMDiaz, Inc. for Professional Engineering Services for Quiet Zone Grade Crossing Recertification Services**
Fiscal Impact: Expense: \$ 27,651 Professional Services Agreement
 Budget: \$ 27,651 FY 2020-21 General Fund (103551-6099)
 (Included in FY 2020-21 Mid-Year Adjustment)
Recommended Action: It is recommended that the City Council:
 1) Approve a Professional Services Agreement with JMDiaz, Inc., for professional engineering consulting services to assist with re-certification of the Placentia Quiet Zone in the amount of \$27,651; and
 2) Authorize the City Administrator to approve contract amendments up to 10% of the contract, or \$2,765; and
 3) Authorize the City Administrator and/or his designee to execute all the necessary documents, in a form approved by the City Attorney.
- 1.f. **Purchase of Police Department Duty Pistols**
Fiscal Impact: Expense: \$29,727.21
 Revenue: \$29,727.21 Measure U Funds
 No General Fund dollars will be utilized for this purchase
Recommended Action: It is recommended that the City Council:
 1) Approve the purchase of replacement Department issued duty handguns and necessary equipment and configuration with ProForce Law Enforcement for an amount not-to-exceed \$29,727.21; and
 2) Authorize the City Administrator and/or his designee, to execute all the necessary documents, in a form approved by the City Attorney.
- 1.g. **Ordinance Approving the Intent of the Placentia Public Safety Communications Center to Identify as an Independent Communication Service Agency and to Participate in the California Peace Officer Standards and Training (POST) Program**
Fiscal Impact: To be determined
Recommended Action: It is recommended that the City Council:
 1) Waive full reading, by title only, and introduce for first reading Ordinance No. O-2021-01, an Ordinance of the City Council of the City of Placentia, California, accepting the requirements of Penal Code Sections 13501(C), 13522 and 13512 relating to recruitment and training standards for Public Safety Dispatchers; and
 2) Authorize the Placentia Public Safety Communications Manager to send a letter of intent to participate in the POST program.

2. PUBLIC HEARING:

2.a. Public Hearing and Consideration of Proposed Programs and Activities to Be Submitted to the County of Orange for Community Development Block Grant (CDBG) Funding for Fiscal Year 2021-22

Fiscal Impact: CDBG Funds in the amount of \$391,027 for Fiscal Year 2021-22

Recommended Action: It is recommended that the City Council:

- 1) Open the Public Hearing to consider proposed programs and activities for the Community Development Block Grant Funding for Fiscal Year 2021-22; and
- 2) Receive the Staff report, consider all public testimony, ask any questions of Staff; and
- 3) Close the Public Hearing; and
- 4) Authorize the City Administrator to submit an application to the County of Orange to receive CDBG Funds to support public service programs, public facilities improvements, housing rehabilitation needs, and administrative expenses for Fiscal Year 2021-22; and
- 5) Authorize the City Administrator to execute all necessary documents, in a form approved by the City Attorney.

3. REGULAR AGENDA:

3.a. Gas Tax Bond Refinancing: Resolution of the City Council of the City of Placentia Approving an Installment Sale Agreement and an Escrow Deposit and Trust Agreement; and Authorizing Certain Actions in Connection Therewith

Fiscal Impact: Budget savings and additional Gas Tax revenue available to apply toward road and transportation projects

Recommended Action: It is recommended that the City Council:

- 1) Approve Resolution R-2021-08, a Resolution of the City Council of the City of Placentia approving an Installment Sale Agreement and an Escrow Deposit and Trust Agreement; and authorizing certain actions in connection therewith.

3.b. Comprehensive Annual Financial Report for the Period Ending June 30, 2020

Fiscal Impact: None

Recommended Action: It is recommended that the City Council:

- 1) Receive and file the Comprehensive Annual Financial Report for the period ending June 30, 2020 as recommended by the Financial Audit Oversight Committee.

[Presentation](#)

3.c. Mid-Year Budget Report

| <u>Fiscal Impact:</u> | Fund | Revenues (Including Transfers-In) | Appropriations (Including Capital & Transfers-Out) |
|-----------------------|------------------|---|--|
| | General Fund | \$1,121,447 | \$1,738,580 |
| | Special Revenue | \$3,791,555 | \$3,012,890 |
| | Capital Projects | \$123,142 | \$0 |
| | Internal Service | \$235,102 | \$348,413 |
| | Other Agencies | \$1,818,005 | \$1,818,005 |
| | Total | \$7,089,252 | \$6,917,888 |

Recommended Action: It is recommended that the City Council:

- 1) Approve Resolution No. R-2021-09, a Resolution of the City Council of the City of Placentia, California authorizing a budget amendment in Fiscal Year 2020-21 in compliance with City Charter of the City of Placentia Section 1206 pertaining to appropriations for actual expenditures; and
- 2) Direct Staff to return to Council to amend the City's position allocation plan.

Recommended Action: It is recommended that the Placentia Public Financing Authority (PPFA) take the following action:

- 1) Approve the Mid-Year Budget Report and adopt Resolution No. PPFA-2021-01, a Resolution of the Placentia Public Financing Authority of the City of Placentia, California taking actions necessary to adopt the Fiscal Year 2020-21 Annual Budget.

3.d. **Amendment No. 5 to City Administrator Employment Agreement**

Fiscal Impact: \$12,532

Recommended Action: It is recommended that the City Council:

- 1) Approve Amendment No. 5 to the City Administrator's Employment Agreement, to be executed by the Mayor, in a form approved by the City Attorney.

CITY COUNCIL/BOARD MEMBERS REQUESTS:

Council/Board Members may make requests or ask questions of Staff. If a Council/Board Member would like to have formal action taken on a requested matter, it will be placed on a future Council or Board Agenda.

Adjourned in Memory of

Tony Manzella, Longtime Placentia Resident and Owner of Tony's Little Italy Restaurant

ADJOURNMENT:

The City Council/Successor Agency/ICDA/PPFA Board of Directors will adjourn to a regular City Council meeting on Tuesday, March 2, 2021 at 5:30 p.m.

TENTATIVE AGENDA FORECAST

The Tentative Agenda Forecast is subject to change up until the posting of the Agenda for the Council Meeting listed below:

- Second Reading Police Officer Standard and Training (POST) Ordinance for Placentia's Public Safety Communications Center (PSCC)
- Approval of Public Safety Center Bond Package
- Annual Update of Citywide and TOD Development Impact Fees

CERTIFICATION OF POSTING

I, Karen O'Leary, Deputy City Clerk of the City of Placentia and Assistant Secretary of the Industrial Commercial Development Authority, the Successor Agency, and the Placentia Public Financing Authority hereby certify that the Agenda for the February 16, 2021 meetings of the City Council, Successor Agency, Industrial Commercial Development Authority, and the Placentia Public Financing Authority was posted on February 11, 2021.

Karen O'Leary
Deputy City Clerk

DRAFT

**PLACENTIA CITY COUNCIL
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PLACENTIA REDEVELOPMENT AGENCY
PLACENTIA INDUSTRIAL COMMERCIAL DEVELOPMENT AUTHORITY
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REGULAR MEETING MINUTES
February 2, 2021
5:30 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

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CALL TO ORDER: Mayor Green called the meeting to order at 5:31 p.m.

ROLL CALL:

PRESENT: Councilmember/Board Member Smith, Wanke, Green
PRESENT ELECTRONICALLY: Councilmember/Board Member Shader, Yamaguchi
ABSENT: None

ORAL COMMUNICATIONS:

Mayor Green opened Oral Communications for the Closed Session. City Clerk McKinnell read written comments received by the City Clerk's Office for the Closed Session from the following: El Monte City Clerk Jonathan Hawes regarding an embezzlement investigation in El Monte.

The City Council and Boards of Directors recessed to the City Council Caucus Room for the purpose of conducting their Closed Session proceedings on the following:

1. Pursuant to Government Code Section 54957(b)(1):
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: City Administrator
2. Pursuant to Government Code Section 54956.9 (d)(2):
CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation
Significant exposure to litigation: (3 Cases)
3. Pursuant to Government Code Section 54956.8
CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Property: 207-209 W. Crowther Avenue
Agency Negotiator: Damien R. Arrula, City Administrator
Negotiating Parties: USA Properties
Under Negotiations: Price and Terms of Payment

RECESS: The City Council and Boards of Directors recessed to their 7:00 p.m. Regular Meeting.

CALL TO ORDER: Mayor Green called the meeting to order at 7:12 p.m.

PRIOR TO ROLL CALL:

Prior to Roll Call City Attorney Bettenhausen read into the record a notice regarding teleconferencing public meetings under the Brown Act during the COVID-19 health risks. He noted that although the Council Chambers are currently closed to the public, public comment can be made by email to cityclerk@placentia.org. He advised that because the meeting was teleconferenced all votes must be taken by roll call vote.

ROLL CALL:

PRESENT: Councilmember/Board Member Smith, Wanke, Green
PRESENT ELECTRONICALLY: Councilmember/Board Member Shader, Yamaguchi
ABSENT: None

STAFF PRESENT: City Attorney/Authority Counsel Christian Bettenhausen; City Administrator Damien Arrula; Deputy City Administrator Luis Estevez; Chief of Police Darin Lenyi; Fire Chief J. Pono Van Gieson; Assistant to the City Administrator/Economic Development Manager Jeannette Ortega

STAFF PRESENT ELECTRONICALLY: Deputy City Administrator Rosanna Ramirez; Director of Finance Jessica Brown; Director of Community Services Karen Crocker, Director of Development Services Joe Lambert

INVOCATION: Fernando Villicana

PLEDGE OF ALLEGIANCE: Mayor Green

PRESENTATIONS:

Mayor Green announced that Supervisor Chaffee was unable to attend the meeting and the two (2) presentations that the Supervisor was scheduled to make will be rescheduled.

c. Proclamation of February 2021 as "Career and Technical Education Month"

Presenter: Mayor Green

Recipient: North Orange County ROP

CLOSED SESSION REPORT:

City Attorney/Agency Counsel Bettenhausen stated that there was nothing to report from the Closed Session.

CITY ADMINISTRATOR REPORT:

City Administrator Arrula noted that there was no City Administrator Report.

City Council/Board Member Comments were taken out of order.

CITY COUNCIL/BOARD MEMBER COMMENTS:

Councilmember Shader reported that she had attended several meetings on behalf of the City, most of which are centered around legislation being proposed by Sacramento legislators. She stated that her intent is to evaluate the proposed legislation and become acquainted with the legislators in order to watch the process and to have an influence on legislation that might affect the City of Placentia.

Councilmember Smith announced that the City of Placentia, in partnership with JPI Development, would be hosting a virtual groundbreaking ceremony on February 3, 2021 at 10:00 a.m. to celebrate the new mixed-use development located on West Crowther Avenue. The ceremony would mark the official start of construction for the project which will include 418 residential units and feature approximately 10,500 square feet of high-quality retail-commercial space on the ground floor. The virtual groundbreaking was available to view live on the City's Facebook page at www.facebook.com/placentiaCA.

Councilmember Smith noted his participation in a number of virtual meetings including the Orange County Council of Governments (OCCOG) which covered a wide range of topics concerning Orange County, including the Regional Housing Needs Assessment (RHNA). He reported that he acted as assistant to Mayor Green in ongoing meetings with Orange County mayors, and in a weekly meeting with Orange County Health Officer Doctor Clayton Chau and County Executive Officer (CEO) Frank Kim.

Councilmember Yamaguchi noted that the Golden Avenue restriping project is nearing completion. He congratulated Penske Audi on the groundbreaking for the new dealership on Yorba Linda Boulevard. He welcomed Penske Audi to the community and wished them the best of luck on their construction project.

Mayor Pro Tem Wanke announced that funding was allocated to the County of Orange from the U.S. Department of the Treasury for the implementation of an Emergency Rental Assistance (ERA) Program which provides funding to households that have been unable to pay rent and utilities due to the COVID-19 pandemic. For more information on the ERA Program and eligibility, visit www.placentia.org under *Placentia Spotlights*.

Mayor Pro Tem Wanke noted his participation in a virtual Orange County Sanitation Department (OC SAN) meeting and announced that OC SAN has come to an agreement with the City of Fountain Valley to expand OC SAN's facilities and relocate the laboratory and Administration Building. He reported that he was reappointed to chair the OC SAN Administration Committee.

Mayor Green announced that during the rainy season, sandbags and sand are available to Placentia residents at the City's Corporation Yard at 2999 La Jolla Street in Anaheim, Monday through Thursday from 6:00 a.m. to 4:30 p.m. Proof of residency will be required, and residents must bring their own shovels to fill their bags with sand. The number of sandbags is limited to 15 sandbags per household. Residents may also pick up sandbags at Fire Station No. 2 at 1530 N. Valencia Avenue. He mentioned

that sandbags can be very useful in diverting water, protecting slopes and structures, and assisting in erosion control. For more information, please contact the Public Works Department at (714) 993-8131.

Mayor Pro Tem Wanke added that the Orange County Board of Supervisors has allocated additional business grant funds and Placentia businesses may be eligible to receive \$5,000 in grant funds. More information will be posted on the City's website as it become available.

Oral Communications was taken out of order.

ORAL COMMUNICATIONS:

Mayor Green opened Oral Communications. City Clerk McKinnell read written comments received by the City Clerk's Office from the following: South Coast Air Quality Management District (AQMD) Senior Public Information Specialist Cristina Lopez discussing an opportunity for eligible middle school and high School students called the *Why Healthy Air Matters (WHAM) Program*, and Chris Walsh introducing himself as the Field Representative for the U.S. Representative for California's 39th Congressional District Congresswoman Young Kim.

1. CONSENT CALENDAR (Items 1.a. through 1.g):

City Attorney Bettenhausen announced that Councilmember Shader had requested an amendment to the draft Minutes of the January 26, 2021 City Council Meeting (Item 1.b.). He noted that a redlined version of the Minutes was provided to Councilmembers and he read the changes into the record. Motion by Wanke, seconded by Smith, and carried a (5-0) vote to approve the Consent Calendar Items 1.a through 1.g, as recommended with the amendment to Item 1.b.

- 1.a. **Consideration to Waive Reading in Full of all Ordinances and Resolutions**
Fiscal Impact: None
Recommended Action: Approve
(Approved 5-0, as recommended)

- 1.b. **Minutes**
City Council/Successor/ICDA/PPFA Regular Meeting: January 26, 2021
Recommended Action: Approve
(Approved 5-0, as amended)

- 1.c. **City Fiscal Year 2020-21 Register for February 2, 2021**
Check Register
Fiscal Impact: \$1,207,726.87
Electronic Disbursement Register
Fiscal Impact: \$ 445,313.53
Recommended Action: It is recommended that the City Council:
1) Receive and file
(Received and filed, as recommended)

- 1.d. **Tentative Parcel Map (TPM) 2013-147: A Proposed Parcel Map to Subdivide an Approximately 0.42 Acre (18,400 Square Feet) Lot into Three (3) Lots and a Remainder Parcel for a Property within the R-1 (O) (Single-Family Residential - Combining Oil District) Located on the South Side of Vincente Avenue between Van Buren Street and Maria Avenue (Assessor's Parcel Number 346-172-07)**
Fiscal Impact: Approximately \$30,000 of Development Impact Fee revenue concurrent with Construction of three (3) new single-family residences
Recommended Action: It is recommended that the City Council:
1) Adopt Resolution R-2021-06, a Resolution of the City Council of the City of Placentia, California, adopting a categorical exemption pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000-21177 and §15000 et seq. of Title 14 of the California Code of Regulations) (CEQA) and approving Tentative Parcel Map (TPM) 2013-147 pertaining to the subdivision of property located on the south side of Vincente Avenue between Van Buren Street and Maria Avenue (Assessor's Parcel Number 346-172-07) and making findings in support thereof.
(Approved 5-0, as recommended)

1.e. **Extension of Time Limit for a Total of 12 Additional Months for Tentative Parcel Map (TPM) No. 2007-186 Pertaining to the Subdivision of a +/- 0.57 Acre Lot into Three Parcels Located at 1802 North Valencia Avenue, East Side of Valencia Avenue between Valencia Avenue and the Western Terminus of Alcott Avenue**

Fiscal Impact: Approximately \$20,000 of Development Impact Fee revenue prior to construction of two (2) new single-family residences

Recommended Action: It is recommended that the City Council:

- 1) Adopt Resolution R-2021-07, a resolution of the City Council of the City of Placentia, California, adopting a categorical exemption pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000-21177 and §15000 et seq. of Title 14 of the California Code of Regulations) (CEQA) and approving the extension of approval for a total of 12 months of Tentative Parcel Map (TPM) 2007-186 pertaining to the subdivision of property located on the east side of Valencia Avenue between Valencia Avenue and the west terminus of Alcott Avenue (Assessor's Parcel Number 346-361-50) and making findings in support thereof.

(Approved 5-0, as recommended)

1.f. **Continuation of the Placentia Small Business Emergency Relief Grant Program to Assist Small Businesses Affected by the COVID-19 Pandemic**

Fiscal Impact: County of Orange District 4 Small Business Grant Relief Program (County Funds): \$170,000

Recommended Action: It is recommended that the City Council:

- 1) Authorize the continuation of the Placentia Small Business Emergency Relief Grant Program to assist Placentia small businesses affected by COVID-19 with working capital of up to \$5,000; and
- 2) Authorize the City Administrator and/or City Attorney to make non-substantive changes to the program guidelines, application, associated documents, as necessary; and
- 3) Approve a budgetary action in the amount of \$170,000 for use of County's District 4 grant funds for this purpose; and
- 4) Authorize the City Administrator and/or his designee to execute all necessary documents, in a form approved by the City Attorney to receive County's District 4 funds and distribute the funds.

(Approved 5-0, as recommended)

1.g. **Acceptance of Construction Work, Approval of Contract Change Order No. 1, and Notice of Completion for Transit Station Electric Utility Relocation Project**

Fiscal Impact: Expense: \$ 24,960 Construction Contract Amount
\$ 1,998 Contract Change Order No. 1
\$ 26,958 Total Construction Cost

Budget: \$ 213,300 Total Project Budget
\$ 213,300 SB 1/RMRA CIP (605801-6185 FY 2020-21)

Recommended Action: It is recommended that the City Council:

- 1) Accept the work performed by Gandzjuk Electric Inc. for electrical service connections associated with the Transit Station Utility Relocation Project, City Project No. 5801, for a grand total amount of \$26,958; and
- 2) Authorize the City Administrator to file a Notice of Completion with the Orange County Clerk-Recorder's Office for the Project; and
- 3) Authorize the City Administrator to approve Contract Change Order No. 1 in the amount of \$1,996; and
- 4) Approve Amendment No. 1 to the Public Works Agreement with Gandzjuk Electric Inc. to extend the term of the agreement for an additional 12 months in a form approved by the City Attorney; and

5) Authorize the City Administrator to release retention funds in accordance with the terms of the contract.

(Approved 5-0, as recommended)

2. PUBLIC HEARING: None

3. REGULAR AGENDA:

3.a. **Purchase of Opticom Emergency Vehicle Traffic Signal Preemption Devices**

Fiscal Impact: Expense: \$88,325.44 Total Purchase Price
Budget: \$90,000.00 FY 2020-21 CIP Budget (652102-6840 Citywide Traffic Development Impact Fees)

No General Fund dollars will be utilized on this purchase

Recommended Action: It is recommended that the City Council:

- 1) Authorize the City Administrator to approve a purchase order to DDL Traffic Inc. for the purchase and installation of nine (9) Opticom EVS Traffic Signal Preemption Devices for a not-to-exceed amount of \$88,325.44; and
- 2) Authorize the City Administrator to execute all necessary documents, in a form approved by the City Attorney.

(Approved 5-0, as recommended)

City Administrator Arrula introduced Deputy City Administrator Estevez who provided a brief presentation on the purchase of Opticom emergency vehicle traffic signal preemptive devices which included improving emergency response times, background on Placentia's new Fire and EMS services, and the City's existing corridors.

Councilmember Yamaguchi noted that the traffic signal preemptive devices require drivers to become accustomed to the system, but he has experienced the benefits and supports the purchase of additional devices for the City.

Councilmember Shader expressed agreement with Councilmember Yamaguchi's statements, celebrated the fact that the current City Council made different decisions on how the City spends money, and loves that the City can spend money on protecting the public in their greatest time of need and get them the help they need faster. She thanked the Staff for keeping this process moving and she looks forward to having the traffic signal preemptive devices all across the City.

Mayor Green expressed his support and stated that in emergency situations seconds count.

Motion by Wanke, seconded by Yamaguchi, and carried a (5-0) vote to approve Item 3.a. as recommended.

CITY COUNCIL/BOARD MEMBERS REQUESTS:

Mayor Green praised Councilmember Shader's ardent, in-depth digging on budget items and thanked her for her hard work.

ADJOURNMENT:

The City Council/Successor Agency/ICDA/PPFA Board of Directors adjourned at 7:38 p.m. to a regular City Council meeting on Tuesday, February 16, 2021 at 5:30 p.m.

Craig S. Green, Mayor/Agency Chair

ATTEST:

Robert S. McKinnell, City Clerk/Agency Secretary

DRAFT

**PLACENTIA CITY COUNCIL
SPECIAL MEETING MINUTES
February 4, 2021
4:30 p.m. – City Council Chambers
401 E. Chapman Avenue
Placentia, CA 92870**

SPECIAL PROCEDURES NOTICE DURING COVID-19 EMERGENCY

On March 4, 2020, Governor Newsom proclaimed a State of Emergency as a result of the threat of the COVID-19 virus.

On March 17, 2020, Governor Newsom issued Executive Order N-29-20, which temporarily suspends requirements of the Brown Act allowing City Council Members to hold public meetings via teleconferencing and make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the City Council.

Given the health risks associated with COVID-19, please be advised that the City Council Chambers are closed to the public and some, or all, of the Placentia City Council Members may attend this meeting telephonically. Those locations are not listed on the agenda and are not accessible to the public.

How to Observe the Meeting

To maximize public safety while maintaining transparency and public access, all City Council meetings are available to view live on AT&T U-verse (Channel 99), Spectrum (Channel 3), and online at www.placentia.org/pctv.

How to Submit Public Comment

Members of the public may provide public comment by sending comments for City Council consideration by email to the City Clerk at cityclerk@placentia.org. Please limit to 200 words or less. Comments received before or during a Council meeting, until the close of the Oral Communications portion of the agenda, may not be read during the City Council meeting but will be summarized in the public record, subject to the regular time limitations per speaker. Longer submittals will be included in the public record. If you are unable to provide your comments in writing, please contact the City Clerk's office for assistance at (714) 993-8231.

Americans with Disabilities Act Accommodation

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at cityclerk@placentia.org or by calling (714) 993-8231. Notification 48 hours prior to the meeting will generally enable City Staff to make reasonable arrangements to ensure accessibility while maintaining public safety. (28 CFR 35.102.35.104 ADA Title II)

Until further notice the City will implement the guidelines of the California Department of Public Health regarding social distancing.

The City of Placentia thanks you in advance for taking all precautions to prevent the spread of the COVID-19 virus.

The City will return to normal City Council meeting procedures as soon as the emergency has ended.

CALL TO ORDER: Mayor Smith called the meeting to order at 4:39 p.m.

ROLL CALL:

PRESENT: None
PRESENT ELECTRONICALLY: Councilmember Shader, Smith, Yamaguchi, Green
ABSENT: Wanke

STAFF PRESENT: Deputy City Clerk Karen O’Leary

STAFF PRESENT ELECTRONICALLY: City Attorney Christian L. Bettenhausen

ORAL COMMUNICATIONS:

Deputy City Clerk O’Leary stated that no public comment had been received.

CLOSED SESSION:

The City Council recessed to the City Council Caucus Room for the purpose of conducting their Closed Session proceedings on the following:

1. Pursuant to Government Code Section 54956.9 (d)(2):
CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation

CLOSED SESSION REPORT:

City Attorney Bettenhausen noted that one (1) item was discussed and there was nothing to report from Closed Session.

ADJOURNMENT:

The City Council adjourned at 4:54 p.m. to its Regular Meeting on Tuesday, February 16, 2021, at 5:30 p.m.

Craig S. Green, Mayor

ATTEST:

Robert S. McKinnell, City Clerk

City of Placentia
Check Register
For 02/16/2021

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
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| Check Totals by ID | | | | | | | | | |
| | AP | | | | 625,669.15 | | | | |
| | EP | | | | 0.00 | | | | |
| | IP | | | | 0.00 | | | | |
| | OP | | | | 0.00 | | | | |
| | | | | | Void Total: | 0.00 | | | |
| | | | | | Check Total: | 625,669.15 | | | |
| Check Totals by Fund | | | | | | | | | |
| | Fund Name | | | | | | | | |
| | 101-General Fund (0010) | | | | 185,382.37 | | | | |
| | 117-Measure U Fund (0079) | | | | 98,732.09 | | | | |
| | 208-Secssr Agncy Ret Oblg (0054) | | | | 173.82 | | | | |
| | 211-PEG Fund (0058) | | | | 2,892.50 | | | | |
| | 242-City Pub Sfty Impct Fee (0067) | | | | 2,250.00 | | | | |
| | 261-Public Safety CFD (0055) | | | | 30,000.00 | | | | |
| | 265-Landscape Maintenance (0029) | | | | 1,793.12 | | | | |
| | 275-Sewer Maintenance (0048) | | | | 21,186.97 | | | | |
| | 501-Refuse Administration (0037) | | | | 276,496.83 | | | | |
| | 605-Risk Management (0040) | | | | 6,222.00 | | | | |
| | 701-Special Deposits (0044) | | | | 539.45 | | | | |
| | Check Total: | | | | 625,669.15 | | | | |

Funds will be transferred from the Cash Basis Fund as needed to fund the warrants included on this warrant register

City of Placentia
Check Register
For 02/09/2021

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
|---------------------|-----------------------------------|-------------------------|-----------------------------------|----------|-----------------|--------------|------|----------|------------|
| MW OH | CALIFORNIA STATE V004813 | PE 01/23/21 PD 01/29/21 | 0029-2196 Garnishments W/H | PY21002 | 9.23 | 2700/2101002 | | 00106781 | 02/02/2021 |
| MW OH | CALIFORNIA STATE V004813 | PE 01/23/21 PD 01/29/21 | 0010-2196 Garnishments W/H | PY21002 | 1,544.75 | 2700/2101002 | | 00106781 | 02/02/2021 |
| MW OH | CALIFORNIA STATE V004813 | PE 01/23/21 PD 01/29/21 | 0048-2196 Garnishments W/H | PY21002 | 46.15 | 2700/2101002 | | 00106781 | 02/02/2021 |
| MW OH | CALIFORNIA STATE V004813 | PE 01/23/21 PD 01/29/21 | 0037-2196 Garnishments W/H | PY21002 | 69.23 | 2700/2101002 | | 00106781 | 02/02/2021 |
| Check Total: | | | | | 1,669.36 | | | | |
| MW OH | FRANCHISE TAX BOARD V000404 | PE 01/23/21 PD 01/29/21 | 0010-2196 Garnishments W/H | PY21002 | 350.00 | 2710/2101002 | | 00106782 | 02/02/2021 |
| Check Total: | | | | | 350.00 | | | | |
| MW OH | ORANGE COUNTY V000699 | PE 01/23/21 PD 01/29/21 | 0029-2176 PCEA/OCEA Assoc Dues | PY21002 | 6.44 | 2610/2101002 | | 00106783 | 02/02/2021 |
| MW OH | ORANGE COUNTY V000699 | PE 01/23/21 PD 01/29/21 | 0010-2176 PCEA/OCEA Assoc Dues | PY21002 | 388.82 | 2610/2101002 | | 00106783 | 02/02/2021 |
| MW OH | ORANGE COUNTY V000699 | PE 01/23/21 PD 01/29/21 | 0054-2176 PCEA/OCEA Assoc Dues | PY21002 | 2.16 | 2610/2101002 | | 00106783 | 02/02/2021 |
| MW OH | ORANGE COUNTY V000699 | PE 01/23/21 PD 01/29/21 | 0037-2176 PCEA/OCEA Assoc Dues | PY21002 | 1.63 | 2610/2101002 | | 00106783 | 02/02/2021 |
| MW OH | ORANGE COUNTY V000699 | PE 01/23/21 PD 01/29/21 | 0048-2176 PCEA/OCEA Assoc Dues | PY21002 | 14.61 | 2610/2101002 | | 00106783 | 02/02/2021 |
| Check Total: | | | | | 413.66 | | | | |
| MW OH | ORANGE COUNTY SHERIFFS V005007 | PE 01/23/21 PD 01/29/21 | 0010-2196 Garnishments W/H | PY21002 | 12.61 | 2714/2101002 | | 00106784 | 02/02/2021 |
| Check Total: | | | | | 12.61 | | | | |
| MW OH | PCEA C/O NORTH ORANGE V000679 | PE 01/23/21 PD 01/29/21 | 0010-2176 PCEA/OCEA Assoc Dues | PY21002 | 40.42 | 2615/2101002 | | 00106785 | 02/02/2021 |
| MW OH | PCEA C/O NORTH ORANGE V000679 | PE 01/23/21 PD 01/29/21 | 0029-2176 | PY21002 | 0.67 | 2615/2101002 | | 00106785 | 02/02/2021 |

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| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
|---------------------|----------------------------------|--------------------------|---|----------|--------------|--------------|------|----------|------------|
| | V000679 | | PCEA/OCEA Assoc Dues | | | | | | |
| MW OH | PCEA C/O NORTH ORANGE V000679 | CRE 01/23/21 PD 01/29/21 | 0037-2176 PCEA/OCEA Assoc Dues | PY21002 | 0.17 | 2615/2101002 | | 00106785 | 02/02/2021 |
| MW OH | PCEA C/O NORTH ORANGE V000679 | CRE 01/23/21 PD 01/29/21 | 0054-2176 PCEA/OCEA Assoc Dues | PY21002 | 0.22 | 2615/2101002 | | 00106785 | 02/02/2021 |
| MW OH | PCEA C/O NORTH ORANGE V000679 | CRE 01/23/21 PD 01/29/21 | 0048-2176 PCEA/OCEA Assoc Dues | PY21002 | 1.52 | 2615/2101002 | | 00106785 | 02/02/2021 |
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| MW OH | VANTAGEPOINT TRANSFER V007191 | PE 01/23/21 PD 01/29/21 | 0037-2170 Deferred Comp Payable - ICMA | PY21002 | 29.65 | 2606/2101002 | | 00106786 | 02/02/2021 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | PE 01/23/21 PD 01/29/21 | 0010-2170 Deferred Comp Payable - ICMA | PY21002 | 1,778.08 | 2606/2101002 | | 00106786 | 02/02/2021 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | PE 01/23/21 PD 01/29/21 | 0048-2170 Deferred Comp Payable - ICMA | PY21002 | 114.71 | 2606/2101002 | | 00106786 | 02/02/2021 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | PE 01/23/21 PD 01/29/21 | 0054-2170 Deferred Comp Payable - ICMA | PY21002 | 8.25 | 2606/2101002 | | 00106786 | 02/02/2021 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | PE 01/23/21 PD 01/29/21 | 0029-2170 Deferred Comp Payable - ICMA | PY21002 | 190.29 | 2606/2101002 | | 00106786 | 02/02/2021 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | PE 01/23/21 PD 01/29/21 | 0010-2170 Deferred Comp Payable - ICMA | PY21002 | 1,163.06 | 2608/2101002 | | 00106786 | 02/02/2021 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | PE 01/23/21 PD 01/29/21 | 0037-2170 Deferred Comp Payable - ICMA | PY21002 | 12.84 | 2608/2101002 | | 00106786 | 02/02/2021 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | PE 01/23/21 PD 01/29/21 | 0048-2170 Deferred Comp Payable - ICMA | PY21002 | 9.17 | 2608/2101002 | | 00106786 | 02/02/2021 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | PE 01/23/21 PD 01/29/21 | 0054-2170 Deferred Comp Payable - ICMA | PY21002 | 9.17 | 2608/2101002 | | 00106786 | 02/02/2021 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | PE 01/23/21 PD 01/29/21 | 0048-2170 Deferred Comp Payable - ICMA | PY21002 | 6.45 | 2609/2101002 | | 00106786 | 02/02/2021 |
| MW OH | VANTAGEPOINT TRANSFER V007191 | PE 01/23/21 PD 01/29/21 | 0054-2170 Deferred Comp Payable - ICMA | PY21002 | 6.45 | 2609/2101002 | | 00106786 | 02/02/2021 |

**City of Placentia
Check Register
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|---------------------|---|--------------------------------|---|----------|------------------|--------------|--------|----------|------------|
| MW OH | VANTAGEPOINT TRANSFER PE 01/23/21 PD 01/29/21 V007191 | | 0037-2170 Deferred Comp Payable - ICMA | PY21002 | 9.03 | 2609/2101002 | | 00106786 | 02/02/2021 |
| MW OH | VANTAGEPOINT TRANSFER PE 01/23/21 PD 01/29/21 V007191 | | 0010-2170 Deferred Comp Payable - ICMA | PY21002 | 120.56 | 2609/2101002 | | 00106786 | 02/02/2021 |
| Check Total: | | | | | 3,457.71 | | | | |
| MW OH | ACTION DUCT CLEANING COFD STN #1 HVAC CLEANING V004148 | | 675105-6185 Construction Services | AP020221 | 750.00 | 57285A | | 00106787 | 02/03/2021 |
| MW OH | ACTION DUCT CLEANING COFD STN #1 HVAC CLEANING V004148 | | 675105-6185 Construction Services | AP020221 | 1,500.00 | 67286A | | 00106787 | 02/03/2021 |
| Check Total: | | | | | 2,250.00 | | | | |
| MW OH | ADMINSURE V004980 | DEC WORKERS' COMP ADMIN SVS | 404580-6025 Third Party Administration | AP020221 | 6,222.00 | 13887 | | 00106788 | 02/03/2021 |
| Check Total: | | | | | 6,222.00 | | | | |
| MW OH | ALL CITY MANAGEMENT V000005 | 10/1-10 CROSSING GUARD SVS | 103047-6290 Dept. Contract Services | AP020221 | 1,842.05 | 68341 | P11942 | 00106789 | 02/03/2021 |
| MW OH | ALL CITY MANAGEMENT V000005 | 11/1-14 CROSSING GUARD SVS | 103047-6290 Dept. Contract Services | AP020221 | 4,692.38 | 68461 | P11942 | 00106789 | 02/03/2021 |
| MW OH | ALL CITY MANAGEMENT V000005 | 11/15-28 CROSSING GUARD SVS | 103047-6290 Dept. Contract Services | AP020221 | 2,055.53 | 68595 | P11942 | 00106789 | 02/03/2021 |
| MW OH | ALL CITY MANAGEMENT V000005 | 11/29-12/12 CROSSING GUARD SVS | 103047-6290 Dept. Contract Services | AP020221 | 5,283.78 | 68714 | P11942 | 00106789 | 02/03/2021 |
| Check Total: | | | | | 13,873.74 | | | | |
| MW OH | ALLIANCE BUSINESS V011660 | JAN FD DEDICATED INTERNET | 109595-6215 Telephone | AP020221 | 1,334.27 | 1120879 | | 00106790 | 02/03/2021 |
| Check Total: | | | | | 1,334.27 | | | | |
| MW OH | ANAHEIM FULLERTON V006631 | 7/1/16 TOWING SVS | 103047-6181 Towing Services | AP020221 | 185.00 | 17131 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | 4/29/16 TOWING SVS | 103047-6181 Towing Services | AP020221 | 185.00 | 171843 | | 00106791 | 02/03/2021 |

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| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
|-------|------------------------------|-----------------------------|--------------------------------|----------|--------|----------|------|----------|------------|
| MW OH | ANAHEIM FULLERTON V006631 | 1/1/16 TOWING SVS | 103047-6181 Towing Services | AP020221 | 185.00 | 172293 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | 4/28/16 TOWING SVS | 103047-6181 Towing Services | AP020221 | 185.00 | 190518 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | OCT TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 101.75 | 213270 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | OCT TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 185.00 | 214304 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | NOV TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 185.00 | 214871 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | NOV TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 185.00 | 214966 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | NOV TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 101.75 | 21500 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | NOV TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 101.75 | 215014 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | NOV CSUF PD TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 185.00 | 216131 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | NOV TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 101.75 | 216136 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | NOV TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 101.75 | 216137 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | NOV TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 101.75 | 216146 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | NOV TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 185.00 | 216219 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | OCT TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 101.75 | 216289 | | 00106791 | 02/03/2021 |
| MW OH | ANAHEIM FULLERTON V006631 | NOV TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 185.00 | 21632 | | 00106791 | 02/03/2021 |

City of Placentia
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| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
|---------------------|------------------------------|-----------------------------|--------------------------------|----------|-----------------|---------------|------|----------|------------|
| MW OH | ANAHEIM FULLERTON V006631 | NOV TOWING SERVICES | 103047-6181 Towing Services | AP020221 | 101.75 | 216547 | | 00106791 | 02/03/2021 |
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| MW OH | AT & T V008736 | DEC SPORTS COMPLEX INTERNET | 296561-6215 Telephone | AP020221 | 52.79 | DEC LMD 20 | | 00106792 | 02/03/2021 |
| MW OH | AT & T V008736 | JAN POWELL BLDG INTERNET | 109595-6215 Telephone | AP020221 | 52.79 | JAN 2021 | | 00106792 | 02/03/2021 |
| MW OH | AT & T V008736 | JAN FD STN 2 INTERNET | 109595-6215 Telephone | AP020221 | 52.79 | JAN FD 2 2021 | | 00106792 | 02/03/2021 |
| MW OH | AT & T V008736 | JAN FD STN 1 INTERNET | 109595-6215 Telephone | AP020221 | 42.80 | JAN FD1 2021 | | 00106792 | 02/03/2021 |
| MW OH | AT & T V008736 | JAN CH HVAC INTERNET | 109595-6215 Telephone | AP020221 | 42.73 | JAN HVAC 21 | | 00106792 | 02/03/2021 |
| MW OH | AT & T V008736 | JAN SPORTS COMPLEX INTERNET | 296561-6215 Telephone | AP020221 | 52.79 | JAN LMD 21 | | 00106792 | 02/03/2021 |
| MW OH | AT & T V008736 | JAN PD YARD INTERNET | 109595-6215 Telephone | AP020221 | 42.80 | JAN PD 21 | | 00106792 | 02/03/2021 |
| MW OH | AT & T V008736 | DEC KOCH PARK INTERNET | 109595-6215 Telephone | AP020221 | 42.09 | KP DEC 20 | | 00106792 | 02/03/2021 |
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| MW OH | AT & T MOBILITY V008709 | JAN IPAD CHARGES | 109595-6215 Telephone | AP020221 | 644.42 | X01152021 | | 00106793 | 02/03/2021 |
| MW OH | AT & T MOBILITY V008709 | DEC IPAD CHARGES | 109595-6215 Telephone | AP020221 | 641.13 | X12152020 | | 00106793 | 02/03/2021 |
| Check Total: | | | | | 1,285.55 | | | | |
| MW OH | AT&T V004144 | NOV-DEC PHONE CHARGES | 109595-6215 Telephone | AP020221 | 4,785.23 | 120620 | | 00106794 | 02/03/2021 |
| MW OH | AT&T V004144 | NOV-DEC PHONE CHARGES | 296561-6215 Telephone | AP020221 | 624.20 | 120620 | | 00106794 | 02/03/2021 |
| MW OH | AT&T | NOV-DEC PHONE CHARGES | 109595-6215 / 21008-6215 | AP020221 | 11.49 | 122820 | | 00106794 | 02/03/2021 |

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| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
|---------------------|----------------------------|------------------------------|---|----------|-----------------|-------------|--------|----------|------------|
| | V004144 | | Telephone | | | | | | |
| MW OH | AT&T V004144 | NOV-DEC PHONE CHARGES | 296561-6215 Telephone | AP020221 | 68.94 | 122820 | | 00106794 | 02/03/2021 |
| MW OH | AT&T V004144 | NOV-DEC PHONE CHARGES | 109595-6215 Telephone | AP020221 | 541.12 | 122820 | | 00106794 | 02/03/2021 |
| Check Total: | | | | | 6,030.98 | | | | |
| MW OH | AT&T V007715 | JAN FD STN 1 PHONE CHARGES | 109595-6215 Telephone | AP020221 | 64.34 | STA1 JAN 21 | | 00106795 | 02/03/2021 |
| MW OH | AT&T V007715 | JAN FD STN 2 PHONE CHARGES | 109595-6215 Telephone | AP020221 | 64.34 | STA2 JAN 21 | | 00106795 | 02/03/2021 |
| Check Total: | | | | | 128.68 | | | | |
| MW OH | AT&T V011041 | JAN CH DEDICATED INTERNET | 109595-6215 Telephone | AP020221 | 1,155.74 | 7095089502 | | 00106796 | 02/03/2021 |
| MW OH | AT&T V011041 | DEC CH DEDICATED INTERNET | 109595-6215 Telephone | AP020221 | 1,223.64 | 8764319501 | | 00106796 | 02/03/2021 |
| Check Total: | | | | | 2,379.38 | | | | |
| MW OH | AT&T MOBILITY V011025 | DEC PW WIRELESS CHARGES | 109595-6215 Telephone | AP020221 | 1,350.24 | 17384091 | | 00106797 | 02/03/2021 |
| MW OH | AT&T MOBILITY V011025 | DEC FD & PD WIRELESS CHARGES | 109595-6215 Telephone | AP020221 | 3,418.34 | 17390137 | | 00106797 | 02/03/2021 |
| Check Total: | | | | | 4,768.58 | | | | |
| MW OH | BEAR ELECTRICAL V010997 | NOV RESPONSE SIGNAL MAINT | 103590-6099 / 21009-6099 Professional Services | AP020221 | 88.88 | 11797 | P11754 | 00106798 | 02/03/2021 |
| MW OH | BEAR ELECTRICAL V010997 | NOV RESPONSE SIGNAL MAINT | 103590-6099 Professional Services | AP020221 | 4,990.62 | 11797 | P11754 | 00106798 | 02/03/2021 |
| MW OH | BEAR ELECTRICAL V010997 | NOV RESPONSE SIGNAL MAINT | 103590-6099 / 21011-6099 Professional Services | AP020221 | 35.00 | 11797 | P11754 | 00106798 | 02/03/2021 |
| Check Total: | | | | | 5,114.50 | | | | |
| MW OH | BOA ARCHITECTURE | REMODEL FIRE STATIONS | 795101-6185 | AP020221 | 2,000.00 | 20-2916-1 | P11935 | 00106799 | 02/03/2021 |

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| | V010118 | | Construction Services | | | | | | |
| | | | | Check Total: | 2,000.00 | | | | |
| MW OH | CALIFORNIA FORENSIC V000232 | DEC PD BLOOD DRAWS | 103040-6055 Medical Services | AP020221 | 679.80 | 1507 | P11791 | 00106800 | 02/03/2021 |
| | | | | Check Total: | 679.80 | | | | |
| MW OH | CALIFORNIA STATE V006510 | SEPT CSUF PD IMPOUND FEES | 103047-6183 CSUF PD Reimburse Impound Fees | AP020221 | 17.50 | 19-1008 | | 00106801 | 02/03/2021 |
| MW OH | CALIFORNIA STATE V006510 | JUNE CSUF PD IMPOUND FEES | 103047-6183 CSUF PD Reimburse Impound Fees | AP020221 | 211.62 | 19-1127 | | 00106801 | 02/03/2021 |
| | | | | Check Total: | 229.12 | | | | |
| MW OH | CANON FINANCIAL SERVICES V008979 | SEC COPIER LEASE, USAGE FEES | 109595-6175 Office Equipment Rental | AP020221 | 2,390.01 | 22220460 | | 00106802 | 02/03/2021 |
| | | | | Check Total: | 2,390.01 | | | | |
| MW OH | CLEAR CHOICE LIEN SALES V005847 | DEC LIEN SERVICES | 103047-6182 Lien Services | AP020221 | 25.00 | 244C | | 00106803 | 02/03/2021 |
| MW OH | CLEAR CHOICE LIEN SALES V005847 | DEC LIEN SERVICES | 103047-6182 Lien Services | AP020221 | 25.00 | 245C | | 00106803 | 02/03/2021 |
| MW OH | CLEAR CHOICE LIEN SALES V005847 | DEC LIEN SERVICES | 103047-6182 Lien Services | AP020221 | 25.00 | 249F | | 00106803 | 02/03/2021 |
| MW OH | CLEAR CHOICE LIEN SALES V005847 | DEC LIEN SERVICES | 103047-6182 Lien Services | AP020221 | 25.00 | 254D | | 00106803 | 02/03/2021 |
| MW OH | CLEAR CHOICE LIEN SALES V005847 | DEC LIEN SERVICES | 103047-6182 Lien Services | AP020221 | 25.00 | 258C | | 00106803 | 02/03/2021 |
| MW OH | CLEAR CHOICE LIEN SALES V005847 | DEC LIEN SERVICES | 103047-6182 Lien Services | AP020221 | 75.00 | 262A | | 00106803 | 02/03/2021 |
| MW OH | CLEAR CHOICE LIEN SALES V005847 | DEC LIEN SERVICES | 103047-6182 Lien Services | AP020221 | 90.00 | 3787 | | 00106803 | 02/03/2021 |
| MW OH | CLEAR CHOICE LIEN SALES V005847 | JULY LIEN SERVICES | 103047-6182 Lien Services | AP020221 | 15.00 | 6152A | | 00106803 | 02/03/2021 |

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| MW OH | CLEAR CHOICE LIEN SALES V005847 | DEC LIEN SERVICES | 103047-6182 Lien Services | AP020221 | 15.00 | 6252 | | 00106803 | 02/03/2021 |
| Check Total: | | | | | 320.00 | | | | |
| MW OH | CONTRERAS, ALEJANDRA V011763 | DISPATCH MEALS REIMBURSEMENT | 109595-6999 Other Expenditure | AP020221 | 34.69 | 121920 | | 00106804 | 02/03/2021 |
| Check Total: | | | | | 34.69 | | | | |
| MW OH | COUNTY OF ORANGE V008881 | DEC CLETS SERVICES | 103043-6099 Professional Services | AP020221 | 1,104.51 | SH 58210 | P11803 | 00106805 | 02/03/2021 |
| Check Total: | | | | | 1,104.51 | | | | |
| MW OH | DURATECH USA INC V009370 | NETMOTION SUBSCRIPTION | 103043-6099 Professional Services | AP020221 | 2,210.00 | 5529 | | 00106806 | 02/03/2021 |
| Check Total: | | | | | 2,210.00 | | | | |
| MW OH | ECIS V006623 | OCT FOG INSPECTION SVS | 103593-6099 Professional Services | AP020221 | 2,420.00 | COPGCD1320 | P11752 | 00106807 | 02/03/2021 |
| Check Total: | | | | | 2,420.00 | | | | |
| MW OH | EJ WARD INC V001108 | FUEL MGMT SYSTEM SOFTWARE | 796114-6185 Construction Services | AP020221 | 12,801.01 | 0073530-IN | P11820 | 00106808 | 02/03/2021 |
| MW OH | EJ WARD INC V001108 | FUEL MGMT SYSTEM SOFTWARE | 796114-6185 Construction Services | AP020221 | 13,087.88 | 0073934-IN | P11820 | 00106808 | 02/03/2021 |
| MW OH | EJ WARD INC V001108 | FUEL PUMP SOFTWARE PARTS | 796114-6840 Machinery & Equipment | AP020221 | 3,840.00 | 0073935-IN | P11820 | 00106808 | 02/03/2021 |
| Check Total: | | | | | 29,728.89 | | | | |
| MW OH | EMPIRE MEDIA V010651 | DEC MEDIA PRODUCTION SVS | 581573-6099 Professional Services | AP020221 | 2,892.50 | 0185 | P11896 | 00106809 | 02/03/2021 |
| Check Total: | | | | | 2,892.50 | | | | |
| MW OH | ENTERPRISE FLEET V003312 | DEC PD VEHICLE LEASE PMT | 103042-6165 / 50070-6165 Vehicle Rental | AP020221 | 7,025.44 | FBN4084673 | P11818 | 00106810 | 02/03/2021 |
| MW OH | ENTERPRISE FLEET V003312 | DEC CHIEF'S VEHICLE LEASE PMT | 798105-6165 Vehicle Rental | AP020221 | 688.29 | FBN4084673 | P11818 | 00106810 | 02/03/2021 |

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| | | | | Check Total: | 7,713.73 | | | | |
| MW OH | FAST SIGNS OF BREA V011616 | CITY LOGO MATS | 105105-6105 Custodial | AP020221 | 1,571.00 | 261-10137 | | 00106811 | 02/03/2021 |
| MW OH | FAST SIGNS OF BREA V011616 | INSTALL/REMOVE VEHICLE DECAL | 103658-6301 Special Department Supplies | AP020221 | 794.71 | 261-9502 | | 00106811 | 02/03/2021 |
| | | | | Check Total: | 2,365.71 | | | | |
| MW OH | FIFTH AVENUE CLEANERS V010431 | DEC PD DRY CLEANING SVS | 103040-6290 Dept. Contract Services | AP020221 | 260.78 | DECEMBER 20 | | 00106812 | 02/03/2021 |
| | | | | Check Total: | 260.78 | | | | |
| MW OH | FM THOMAS AIR V010634 | HVAC BLOWER MOTOR COVER | 103654-6290 Dept. Contract Services | AP020221 | 120.00 | 42032 | P11774 | 00106813 | 02/03/2021 |
| | | | | Check Total: | 120.00 | | | | |
| MW OH | GOLDEN STATE WATER V000928 | NOV-JAN WATER CHARGES | 109595-6335 Water | AP020221 | 3,959.67 | 011221 | | 00106814 | 02/03/2021 |
| MW OH | GOLDEN STATE WATER V000928 | NOV-JAN WATER CHARGES | 296561-6335 Water | AP020221 | 138.08 | 011221 | | 00106814 | 02/03/2021 |
| | | | | Check Total: | 4,097.75 | | | | |
| MW OH | GST V009410 | LOGITECH WEB CAMERAS | 101523-6840 Machinery & Equipment | AP020221 | 683.17 | INV58449 | | 00106815 | 02/03/2021 |
| | | | | Check Total: | 683.17 | | | | |
| MW OH | HINDERLITER DE LLAMAS & 2ND QTR SALES TAX AUDIT SVS V000465 | | 102020-6099 Professional Services | AP020221 | 4,063.68 | SIN005676 | | 00106816 | 02/03/2021 |
| MW OH | HINDERLITER DE LLAMAS & 2ND QTR TRANSACTION TAX SVS V000465 | | 102020-6099 Professional Services | AP020221 | 300.00 | SIN005929 | | 00106816 | 02/03/2021 |
| | | | | Check Total: | 4,363.68 | | | | |
| MW OH | HOUSTON & HARRIS PCS IN DEC SEWER LINE CLEANING V010110 | | 484356-6120 R & M/Sewer & Storm Drain | AP020221 | 20,824.64 | 20-23290 | P11772 | 00106817 | 02/03/2021 |
| | | | | Check Total: | 20,824.64 | | | | |
| MW OH | ICMA RETIREMENT TRUST | ICMA P/E 1/23 PD 1/29 | 0010-2170 | AP020221 | 2,695.77 | PR2101002 | | 00106818 | 02/03/2021 |

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| | V010029 | | Deferred Comp Payable - ICMA | | | | | | |
| MW OH | ICMA RETIREMENT TRUST V010029 | ICMA P/E 1/23 PD 1/29 | 0054-2170 Deferred Comp Payable - ICMA | AP020221 | 53.76 | PR2101002 | | 00106818 | 02/03/2021 |
| MW OH | ICMA RETIREMENT TRUST V010029 | ICMA 401 P/E 1/23 PD 1/29 | 0010-2170 Deferred Comp Payable - ICMA | AP020221 | 7,129.28 | PR2101002A | | 00106818 | 02/03/2021 |
| Check Total: | | | | | 9,878.81 | | | | |
| MW OH | IMPERIAL SPRINKLER V006506 | IRRIGATION SUPPLIES | 103655-6130 Repair & Maint/Facilities | AP020221 | 52.16 | 4491448-00 | | 00106819 | 02/03/2021 |
| MW OH | IMPERIAL SPRINKLER V006506 | IRRIGATION SUPPLIES | 103655-6130 Repair & Maint/Facilities | AP020221 | 1,053.83 | 4496454-00 | | 00106819 | 02/03/2021 |
| Check Total: | | | | | 1,105.99 | | | | |
| MW OH | JOHN HANCOCK USA-PARS V010625 | PARS P/E 1/23 PD 1/29 | 0010-2131 Employer PARS/ARS Payable | AP020221 | 797.94 | PR2101002 | | 00106820 | 02/03/2021 |
| MW OH | JOHN HANCOCK USA-PARS V010625 | PARS P/E 1/23 PD 1/29 | 0054-2131 Employer PARS/ARS Payable | AP020221 | 27.88 | PR2101002 | | 00106820 | 02/03/2021 |
| MW OH | JOHN HANCOCK USA-PARS V010625 | PARS P/E 1/23 PD 1/29 | 0054-2131 Employer PARS/ARS Payable | AP020221 | 42.71 | PR2101002 | | 00106820 | 02/03/2021 |
| MW OH | JOHN HANCOCK USA-PARS V010625 | PARS P/E 1/23 PD 1/29 | 0010-2131 Employer PARS/ARS Payable | AP020221 | 1,047.34 | PR2101002 | | 00106820 | 02/03/2021 |
| MW OH | JOHN HANCOCK USA-PARS V010625 | PARS P/E 1/23 PD 1/29 | 0054-2131 Employer PARS/ARS Payable | AP020221 | 23.22 | PR2101002 | | 00106820 | 02/03/2021 |
| MW OH | JOHN HANCOCK USA-PARS V010625 | PARS P/E 1/23 PD 1/29 | 0010-2131 Employer PARS/ARS Payable | AP020221 | 363.55 | PR2101002 | | 00106820 | 02/03/2021 |
| MW OH | JOHN HANCOCK USA-PARS V010625 | PARS P/E 1/23 PD 1/29 | 0048-2131 Employer PARS/ARS Payable | AP020221 | 42.71 | PR2101002 | | 00106820 | 02/03/2021 |
| MW OH | JOHN HANCOCK USA-PARS V010625 | PARS P/E 1/23 PD 1/29 | 0048-2131 Employer PARS/ARS Payable | AP020221 | 110.18 | PR2101002 | | 00106820 | 02/03/2021 |
| MW OH | JOHN HANCOCK USA-PARS V010625 | PARS P/E 1/23 PD 1/29 | 0037-2131 Employer PARS/ARS Payable | AP020221 | 59.79 | PR2101002 | | 00106820 | 02/03/2021 |
| MW OH | JOHN HANCOCK USA-PARS | PARS P/E 1/23 PD 1/29 | 0037-2131 | AP020221 | 215.59 | PR2101002 | | 00106820 | 02/03/2021 |

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| | V010625 | | Employer PARS/ARS Payable | | | | | | |
| MW OH | JOHN HANCOCK USA-PARS V010625 | PARS P/E 1/23 PD 1/29 | 0029-2131 Employer PARS/ARS Payable | AP020221 | 19.69 | PR2101002 | | 00106820 | 02/03/2021 |
| | | | | Check Total: | 2,750.60 | | | | |
| MW OH | JOHN L HUNTER & V009056 | OCT NPDES CONSULTING SVS | 103593-6099 Professional Services | AP020221 | 6,566.25 | PLA1MS412010 P11931 | | 00106821 | 02/03/2021 |
| | | | | Check Total: | 6,566.25 | | | | |
| MW OH | JONES & MAYER V009822 | OCT LEGAL SERVICES | 0044-2042 / 45077-2042 Construction Deposits | AP020221 | 539.45 | 100381 | | 00106822 | 02/03/2021 |
| MW OH | JONES & MAYER V009822 | OCT LEGAL SERVICES | 102531-6099 / 45057-6099 Professional Services | AP020221 | 178.75 | 100383 | | 00106822 | 02/03/2021 |
| MW OH | JONES & MAYER V009822 | OCT LITIGATON SERVICES | 101005-6006 Litigation | AP020221 | 446.88 | 100388 | | 00106822 | 02/03/2021 |
| MW OH | JONES & MAYER V009822 | OCT LEGAL SERVICES | 101005-6005 Legal Services | AP020221 | 1,295.95 | 100389 | | 00106822 | 02/03/2021 |
| MW OH | JONES & MAYER V009822 | OCT LEGAL SERVICES | 101005-6005 Legal Services | AP020221 | 145.24 | 100391 | | 00106822 | 02/03/2021 |
| MW OH | JONES & MAYER V009822 | OCT LITIGATON SERVICES | 101005-6006 Litigation | AP020221 | 17.20 | 100397 | | 00106822 | 02/03/2021 |
| MW OH | JONES & MAYER V009822 | OCT LITIGATON SERVICES | 101005-6006 Litigation | AP020221 | 245.78 | 100398 | | 00106822 | 02/03/2021 |
| MW OH | JONES & MAYER V009822 | OCT LITIGATON SERVICES | 101005-6006 Litigation | AP020221 | 1,675.79 | 100399 | | 00106822 | 02/03/2021 |
| MW OH | JONES & MAYER V009822 | OCT LITIGATON SERVICES | 101005-6006 Litigation | AP020221 | 156.41 | 100400 | | 00106822 | 02/03/2021 |
| MW OH | JONES & MAYER V009822 | OCT LEGAL SERVICES | 101005-6005 Legal Services | AP020221 | 1,493.87 | 100403 | | 00106822 | 02/03/2021 |
| MW OH | JONES & MAYER V009822 | OCT LEGAL SERVICES | 101005-6005 Legal Services | AP020221 | 2,178.55 | 100404 | | 00106822 | 02/03/2021 |
| MW OH | JONES & MAYER | OCT LEGAL SERVICES | 101005-6005 | AP020221 | 829.92 | 100406 | | 00106822 | 02/03/2021 |

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| | V009822 | | Legal Services | | | | | | |
| MW OH | JONES & MAYER V009822 | OCT LEGAL SERVICES | 101005-6005 Legal Services | AP020221 | 663.95 | 100408 | | 00106822 | 02/03/2021 |
| MW OH | JONES & MAYER V009822 | OCT LITIGATON SERVICES | 101005-6006 Litigation | AP020221 | 89.38 | 100409 | | 00106822 | 02/03/2021 |
| MW OH | JONES & MAYER V009822 | OCT LEGAL SERVICES | 101005-6005 Legal Services | AP020221 | 16,748.78 | 100590 | | 00106822 | 02/03/2021 |
| Check Total: | | | | | 26,705.90 | | | | |
| MW OH | KRIZO, DENISE V010563 | SUPPLIES REIMBURSEMENT | 103040-6301 Special Department Supplies | AP020221 | 28.00 | 1902430 | | 00106823 | 02/03/2021 |
| MW OH | KRIZO, DENISE V010563 | SUPPLIES REIMBURSEMENT | 103040-6301 Special Department Supplies | AP020221 | 43.08 | 1973963 | | 00106823 | 02/03/2021 |
| Check Total: | | | | | 71.08 | | | | |
| MW OH | LEGAL SHIELD V008104 | DEC LEGAL SERVICES | 0010-2192 Police Legal Services | AP020221 | 101.72 | DECEMBER 20 | | 00106824 | 02/03/2021 |
| MW OH | LEGAL SHIELD V008104 | DEC LEGAL SERVICES | 0048-2192 Police Legal Services | AP020221 | 16.83 | DECEMBER 20 | | 00106824 | 02/03/2021 |
| Check Total: | | | | | 118.55 | | | | |
| MW OH | LRM ASSOCIATES INC V011764 | KRAEMER PARK ARCHITECTURE SV | 809595-6999 Other Expenditure | AP020221 | 7,000.00 | 92962 | P11950 | 00106825 | 02/03/2021 |
| Check Total: | | | | | 7,000.00 | | | | |
| MW OH | MATTHEW BENDER & CO INC V000163 | 2021 CA PENAL CODE BOOK | 103040-6320 Books & Periodicals | AP020221 | 804.05 | 2283091X | | 00106826 | 02/03/2021 |
| Check Total: | | | | | 804.05 | | | | |
| MW OH | NAHILL, PATRICIA V011087 | CONSULTING SERVICES | 100000-4305 / 45069-4305 Planning Division Fees | AP020221 | 2,400.00 | 394 | | 00106827 | 02/03/2021 |
| Check Total: | | | | | 2,400.00 | | | | |
| MW OH | NATIONAL AUTO FLEET V010853 | 2020 FORD F550 | 558004-6842 Vehicles | AP020221 | 30,000.00 | 05119336 | P11851 | 00106828 | 02/03/2021 |

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| MW OH | NATIONAL AUTO FLEET V010853 | 2020 FORD F550 | 798004-6842 Vehicles | AP020221 | 44,494.03 | 05119336 | P11851 | 00106828 | 02/03/2021 |
| | | | | | Check Total: | 74,494.03 | | | |
| MW OH | NV5 INC V011256 | NOV SLURRY SEAL SVS | 791002-6185 Construction Services | AP020221 | 2,000.00 | 192138 | P11875 | 00106829 | 02/03/2021 |
| | | | | | Check Total: | 2,000.00 | | | |
| MW OH | OFFICE INDUSTRIES V007477 | PAPER | 109595-6315 Office Supplies | AP020221 | 78.84 | 67709 | | 00106830 | 02/03/2021 |
| | | | | | Check Total: | 78.84 | | | |
| MW OH | ORANGE COUNTY V007306 | 2ND QTR ANIMAL SHELTER CONST | 103045-6130 Repair & Maint/Facilities | AP020221 | 15,768.65 | AC2190034 | P11880 | 00106831 | 02/03/2021 |
| | | | | | Check Total: | 15,768.65 | | | |
| MW OH | PARS V006999 | NOV PARS ARS FEES | 109595-6295 City Admin Services | AP020221 | 810.40 | 47197 | | 00106832 | 02/03/2021 |
| MW OH | PARS V006999 | NOV PARS REP FEES | 109595-6295 City Admin Services | AP020221 | 400.00 | 47279 | | 00106832 | 02/03/2021 |
| | | | | | Check Total: | 1,210.40 | | | |
| MW OH | POWERSTRIDE BATTERY COBATTERIES V000785 | | 103658-6134 Vehicle Repair & Maintenance | AP020221 | 99.00 | C67568 | | 00106833 | 02/03/2021 |
| | | | | | Check Total: | 99.00 | | | |
| MW OH | REPUBLIC WASTE SERVICES V007205 | DEC REFUSE COLLECTION SVS | 374386-6101 Disposal | AP020221 | 275,812.74 | 646-004292437 | P11830 | 00106834 | 02/03/2021 |
| | | | | | Check Total: | 275,812.74 | | | |
| MW OH | SHRED-IT USA V000905 | DEC DOC SHRED SVS | 374386-6299 Other Purchased Services | AP020221 | 286.16 | 8181220610 | | 00106835 | 02/03/2021 |
| | | | | | Check Total: | 286.16 | | | |
| MW OH | SOUTHERN CALIFORNIA V000910 | DEC-JAN ELECTRICAL CHARGES | 109595-6330 / 21009-6330 Electricity | AP020221 | 65.93 | 011421 | | 00106836 | 02/03/2021 |
| MW OH | SOUTHERN CALIFORNIA | DEC-JAN ELECTRICAL CHARGES | 296561-6330 | AP020221 | 630.00 | 011421 | | 00106836 | 02/03/2021 |

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| | V000910 | | Electricity | | | | | | |
| MW OH | SOUTHERN CALIFORNIA V000910 | DEC-JAN ELECTRICAL CHARGES | 109595-6330 / 21012-6330 Electricity | AP020221 | 19.81 | 011421 | | 00106836 | 02/03/2021 |
| MW OH | SOUTHERN CALIFORNIA V000910 | DEC-JAN ELECTRICAL CHARGES | 109595-6330 Electricity | AP020221 | 6,499.08 | 011421 | | 00106836 | 02/03/2021 |
| MW OH | SOUTHERN CALIFORNIA V000910 | DEC-JAN ELECTRICAL CHARGES | 109595-6330 / 21011-6330 Electricity | AP020221 | 127.43 | 011421 | | 00106836 | 02/03/2021 |
| | | | | Check Total: | 7,342.25 | | | | |
| MW OH | SPARKLETTS V000967 | JAN FD STN 2 COFFEE, WATER | 109595-6301 Special Department Supplies | AP020221 | 67.38 | 20551398 012321 | | 00106837 | 02/03/2021 |
| MW OH | SPARKLETTS V000967 | JAN FD STN 1 COFFEE, WATER | 109595-6301 Special Department Supplies | AP020221 | 1,091.18 | 20555120 012321 | | 00106837 | 02/03/2021 |
| MW OH | SPARKLETTS V000967 | DEC WATER FILTRATION SVS | 109595-6301 Special Department Supplies | AP020221 | 59.76 | 20765979 122620 | | 00106837 | 02/03/2021 |
| MW OH | SPARKLETTS V000967 | JAN COFFEE, WATER SVS | 109595-6301 Special Department Supplies | AP020221 | 1,520.45 | 4106122 011721 | | 00106837 | 02/03/2021 |
| | | | | Check Total: | 2,738.77 | | | | |
| MW OH | SWANK MOTION PICTURES V004927 | 12/12 MOVIE LICENSING | 104071-6299 / 79397-6299 Other Purchased Services | AP020221 | 685.00 | 2957007 | | 00106838 | 02/03/2021 |
| | | | | Check Total: | 685.00 | | | | |
| MW OH | SWRCB V000957 | 20/21 STORMWATER PERMIT FEES | 103593-6257 Licenses & Permits | AP020221 | 1,736.00 | WD-0183543 | | 00106839 | 02/03/2021 |
| | | | | Check Total: | 1,736.00 | | | | |
| MW OH | TANGO TANGO INC V011054 | RADIO CHANNEL INTEGRATION APP | 103042-6301 Special Department Supplies | AP020221 | 645.00 | 2286 | | 00106840 | 02/03/2021 |
| | | | | Check Total: | 645.00 | | | | |
| MW OH | TEAM ONE MANAGEMENT V010070 | DEC PARK JANITORIAL SVS | 103655-6290 Dept. Contract Services | AP020221 | 5,170.83 | 56 | P11805 | 00106841 | 02/03/2021 |
| | | | | Check Total: | 5,170.83 | | | | |

**City of Placentia
Check Register
For 02/09/2021**

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
|---------------------|-------------------------------------|------------------------------|---|----------|------------------|----------------|--------|----------|------------|
| MW OH | TIME WARNER CABLE V004450 | JAN PD FIBER CHARGES | 109595-6215 Telephone | AP020221 | 619.00 | 0528002011421 | | 00106842 | 02/03/2021 |
| MW OH | TIME WARNER CABLE V004450 | JAN FRIENDLY CTR INTERNET | 104071-6299 Other Purchased Services | AP020221 | 140.98 | 0619546011421 | | 00106842 | 02/03/2021 |
| Check Total: | | | | | 759.98 | | | | |
| MW OH | TRANSUNION RISK & V009317 | DEC PD DATABASE TRANSACTIONS | 103042-6290 Dept. Contract Services | AP020221 | 200.20 | 49451-202012-1 | | 00106843 | 02/03/2021 |
| Check Total: | | | | | 200.20 | | | | |
| MW OH | TURBO DATA SYSTEMS INC V001238 | DEC CITATION PROCESSING SVS | 103047-6290 Dept. Contract Services | AP020221 | 547.25 | 34114 | | 00106844 | 02/03/2021 |
| Check Total: | | | | | 547.25 | | | | |
| MW OH | UNIQUE PRINTING V010259 | PD FORMS PRINTING SVS | 103040-6230 Printing & Binding | AP020221 | 1,049.21 | 42495 | | 00106845 | 02/03/2021 |
| Check Total: | | | | | 1,049.21 | | | | |
| MW OH | US BANK PARS #6746022400 V008781 | PARS P/E 1/23 PD 1/29 | 0010-2126 Employee PARS/ARS W/H | AP020221 | 1,304.76 | PR2101002 | | 00106846 | 02/03/2021 |
| MW OH | US BANK PARS #6746022400 V008781 | PARS P/E 1/23 PD 1/29 | 0010-2131 Employer PARS/ARS Payable | AP020221 | 1,304.76 | PR2101002 | | 00106846 | 02/03/2021 |
| Check Total: | | | | | 2,609.52 | | | | |
| MW OH | VMI INC. V006672 | CHAMBER VIDEO UPGRADES | 109595-6999 / 50500-6999 Other Expenditure | AP020221 | 9,943.34 | 302677 | P11782 | 00106847 | 02/03/2021 |
| MW OH | VMI INC. V006672 | CHAMBER VIDEO UPGRADES | 109595-6999 / 50500-6999 Other Expenditure | AP020221 | 5,543.54 | 302677 | P11782 | 00106847 | 02/03/2021 |
| Check Total: | | | | | 15,486.88 | | | | |
| MW OH | WATERLOGIC AMERICAS LLC V010708 | DEC PD WATER SERVICES | 103041-6301 Special Department Supplies | AP020221 | 97.07 | 365297 | | 00106848 | 02/03/2021 |
| MW OH | WATERLOGIC AMERICAS LLC V010708 | DEC-JAN PD ICE, WATER | 103041-6301 Special Department Supplies | AP020221 | 57.10 | 400343 | | 00106848 | 02/03/2021 |
| MW OH | WATERLOGIC AMERICAS LLC | JAN PD WATER SERVICE | 103041-6301 | AP020221 | 97.07 | 412997 | | 00106848 | 02/03/2021 |

**City of Placentia
Check Register
For 02/09/2021**

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Check # | Check Date |
|-------|--------------------------------------|------------------------------|--|---------------------|-------------------|------------|--------|----------|------------|
| | V010708 | | Special Department Supplies | | | | | | |
| | | | | Check Total: | 251.24 | | | | |
| MW OH | WAXIE SANITARY SUPPLY V001132 | CLEANING SUPPLIES | 103654-6301 Special Department Supplies | AP020221 | 369.92 | 79725706 | | 00106849 | 02/03/2021 |
| MW OH | WAXIE SANITARY SUPPLY V001132 | CLEANING SUPPLIES | 103654-6301 Special Department Supplies | AP020221 | 5.39 | 79735482 | | 00106849 | 02/03/2021 |
| | | | | Check Total: | 375.31 | | | | |
| MW OH | WELLS FARGO VENOR FIN V010076 | JAN NS COPIER LEASE PMT | 104071-6301 Special Department Supplies | AP020221 | 188.36 | 5013301472 | | 00106850 | 02/03/2021 |
| | | | | Check Total: | 188.36 | | | | |
| MW OH | WEST COAST ARBORISTS INC V001124 | 2/16-31 TREE TRIMMING SVS | 103655-6116 Tree Maintenance | AP020221 | 1,900.00 | 168220 | P11804 | 00106851 | 02/03/2021 |
| | | | | Check Total: | 1,900.00 | | | | |
| MW OH | WEST COAST LIGHTS & SIREN V006106 | INSTALL EQUIPMENT IN UNIT 14 | 798003-6842 Vehicles | AP020221 | 3,254.03 | 20760 | P11844 | 00106852 | 02/03/2021 |
| MW OH | WEST COAST LIGHTS & SIREN V006106 | INSTALL EQUIPMENT IN UNIT 14 | 798003-6842 Vehicles | AP020221 | 1,566.85 | 20849 | P11844 | 00106852 | 02/03/2021 |
| MW OH | WEST COAST LIGHTS & SIREN V006106 | INSTALL EQUIPMENT IN UNIT 14 | 798106-6842 Vehicles | AP020221 | 15,000.00 | 20849 | P11844 | 00106852 | 02/03/2021 |
| | | | | Check Total: | 19,820.88 | | | | |
| MW OH | YORBA LINDA FEED STORE V003242 | K9 DOG FOOD | 103041-6301 Special Department Supplies | AP020221 | 64.64 | 741773 | | 00106853 | 02/03/2021 |
| MW OH | YORBA LINDA FEED STORE V003242 | K9 DOG FOOD | 103041-6301 Special Department Supplies | AP020221 | 128.20 | 743844 | | 00106853 | 02/03/2021 |
| | | | | Check Total: | 192.84 | | | | |
| | | | | Type Total: | 625,669.15 | | | | |
| | | | | Check Total: | 625,669.15 | | | | |

City of Placentia
Electronic Disbursement Register
For 02/16/2021

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount Invoice# | PO # | Ref # | Ref Date |
|------|----------------|-------------|---------------------|----------|---------------------|-------------------|-------|----------|
| | | | | | Grand Total: | 360,960.77 | | |

| <u>EDR Totals by ID</u> | |
|-------------------------|------------|
| AP | 0.00 |
| EP | 360,960.77 |
| IP | 0.00 |
| OP | 0.00 |

| Fund Name | <u>EDR Totals by Fund</u> | Void Total: | 0.00 |
|------------------------------------|---------------------------|-------------|------------|
| 101-General Fund (0010) | 145,298.11 | EDR Total: | 360,960.77 |
| 208-Scssr Agency Ret Oblg (0054) | 1,075.40 | | |
| 228-NOC-Public Safety Grant(0061) | 1,529.71 | | |
| 229-Comm Trans Hous Grant (0062) | 0.93 | | |
| 265-Landscape Maintenance (0029) | 465.22 | | |
| 275-Sewer Maintenance (0048) | 2,252.67 | | |
| 501-Refuse Administration (0037) | 1,189.71 | | |
| 601-Employee Health & Wlfre (0039) | 209,149.02 | | |

Electronic Disbursement Sub Totals: 360,960.77

ACH Payroll Direct Deposit for 01/29//2021: 458,760.32

Electronic Disbursement Total: 819,721.09

Funds will be transferred from the Cash Basis Fund as needed to fund the warrants included on this warrant register

City of Placentia
Electronic Disbursement Register
For 02/09/2021

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Ref # | Ref Date |
|---------------------|----------------------------------|-------------------------|---|-----------|------------------|--------------|------|----------|------------|
| EP | ICMA RETIREMENT TRUST V000496 | PE 01/23/21 PD 01/29/21 | 0029-2170 Deferred Comp Payable - ICMA | PY21002 | 36.75 | 2995/2101002 | | 00014169 | 02/02/2021 |
| EP | ICMA RETIREMENT TRUST V000496 | PE 01/23/21 PD 01/29/21 | 0037-2170 Deferred Comp Payable - ICMA | PY21002 | 91.95 | 2995/2101002 | | 00014169 | 02/02/2021 |
| EP | ICMA RETIREMENT TRUST V000496 | PE 01/23/21 PD 01/29/21 | 0048-2170 Deferred Comp Payable - ICMA | PY21002 | 304.69 | 2995/2101002 | | 00014169 | 02/02/2021 |
| EP | ICMA RETIREMENT TRUST V000496 | PE 01/23/21 PD 01/29/21 | 0010-2170 Deferred Comp Payable - ICMA | PY21002 | 20,780.65 | 2995/2101002 | | 00014169 | 02/02/2021 |
| EP | ICMA RETIREMENT TRUST V000496 | PE 01/23/21 PD 01/29/21 | 0054-2170 Deferred Comp Payable - ICMA | PY21002 | 144.29 | 2995/2101002 | | 00014169 | 02/02/2021 |
| EP | ICMA RETIREMENT TRUST V000496 | PE 01/23/21 PD 01/29/21 | 0061-2170 Deferred Comp Payable - ICMA | PY21002 | 509.20 | 2995/2101002 | | 00014169 | 02/02/2021 |
| Check Total: | | | | | 21,867.53 | | | | |
| EP | PLACENTIA POLICE V000839 | PE 01/23/21 PD 01/29/21 | 0010-2180 Police Mgmt Assn Dues | PY21002 | 804.14 | 2625/2101002 | | 00014170 | 02/02/2021 |
| Check Total: | | | | | 804.14 | | | | |
| EP | PLACENTIA POLICE V003519 | PE 01/23/21 PD 01/29/21 | 0010-2178 Placentia Police Assoc Dues | PY21002 | 2,456.88 | 2620/2101002 | | 00014171 | 02/02/2021 |
| EP | PLACENTIA POLICE V003519 | PE 01/23/21 PD 01/29/21 | 0061-2178 Placentia Police Assoc Dues | PY21002 | 74.23 | 2620/2101002 | | 00014171 | 02/02/2021 |
| Check Total: | | | | | 2,531.11 | | | | |
| EP | AMERICAN FIDELITY V010011 | P/E 1/23 PD 1/29 | 0010-2188 Health Care SSA | ACH020221 | 692.45 | 2091289 | | 00014172 | 02/02/2021 |
| EP | AMERICAN FIDELITY V010011 | P/E 1/23 PD 1/29 | 0054-2188 Health Care SSA | ACH020221 | 5.69 | 2091289 | | 00014172 | 02/02/2021 |
| EP | AMERICAN FIDELITY V010011 | P/E 1/23 PD 1/29 | 0010-2190 Dependent Care SSA | ACH020221 | 416.66 | 2091289 | | 00014172 | 02/02/2021 |
| EP | AMERICAN FIDELITY V010011 | P/E 1/23 PD 1/29 | 0037-2188 Health Care SSA | ACH020221 | 8.93 | 2091289 | | 00014172 | 02/02/2021 |
| EP | AMERICAN FIDELITY | P/E 1/23 PD 1/29 | 0048-2188 | ACH020221 | 16.65 | 2091289 | | 00014172 | 02/02/2021 |

City of Placentia
Electronic Disbursement Register
For 02/09/2021

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Ref # | Ref Date |
|------|-----------------------------|-----------------------------|--|---------------------|------------------|-----------|------|----------|------------|
| | V010011 | | Health Care SSA | | | | | | |
| | | | | Check Total: | 1,140.38 | | | | |
| EP | EMPLOYMENT V010052 | STATE TAX P/E 1/23 PD 1/29 | 0029-2135 Calif Income Tax W/H | ACH020221 | 71.30 | PR2101002 | | 00014173 | 02/02/2021 |
| EP | EMPLOYMENT V010052 | STATE TAX P/E 1/23 PD 1/29 | 0010-2135 Calif Income Tax W/H | ACH020221 | 27,427.35 | PR2101002 | | 00014173 | 02/02/2021 |
| EP | EMPLOYMENT V010052 | STATE TAX P/E 1/23 PD 1/29 | 0037-2135 Calif Income Tax W/H | ACH020221 | 259.27 | PR2101002 | | 00014173 | 02/02/2021 |
| EP | EMPLOYMENT V010052 | STATE TAX P/E 1/23 PD 1/29 | 0061-2135 Calif Income Tax W/H | ACH020221 | 238.56 | PR2101002 | | 00014173 | 02/02/2021 |
| EP | EMPLOYMENT V010052 | STATE TAX P/E 1/23 PD 1/29 | 0048-2135 Calif Income Tax W/H | ACH020221 | 401.13 | PR2101002 | | 00014173 | 02/02/2021 |
| EP | EMPLOYMENT V010052 | STATE TAX P/E 1/23 PD 1/29 | 0054-2135 Calif Income Tax W/H | ACH020221 | 228.06 | PR2101002 | | 00014173 | 02/02/2021 |
| | | | | Check Total: | 28,625.67 | | | | |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0010-2115 Employee Medicare W/H | ACH020221 | 9,133.91 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0010-2120 Employer Medicare Payable | ACH020221 | 9,133.91 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0029-2110 Federal Income Tax W/H | ACH020221 | 254.66 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0010-2110 Federal Income Tax W/H | ACH020221 | 71,760.95 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0029-2115 Employee Medicare W/H | ACH020221 | 43.81 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0061-2120 Employer Medicare Payable | ACH020221 | 84.74 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0029-2120 Employer Medicare Payable | ACH020221 | 43.81 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE | FED/MED/SS P/E 1/23 PD 1/29 | 0037-2110 | ACH020221 | 654.23 | PR2101002 | | 00014174 | 02/02/2021 |

City of Placentia
Electronic Disbursement Register
For 02/09/2021

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Ref # | Ref Date |
|------|------------------------------|-----------------------------|--|---------------------|------------------|-----------|------|----------|------------|
| | V010054 | | Federal Income Tax W/H | | | | | | |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0037-2115 Employee Medicare W/H | ACH020221 | 78.72 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0037-2120 Employer Medicare Payable | ACH020221 | 78.72 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0048-2110 Federal Income Tax W/H | ACH020221 | 1,102.31 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0048-2115 Employee Medicare W/H | ACH020221 | 142.85 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0048-2120 Employer Medicare Payable | ACH020221 | 142.85 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0054-2110 Federal Income Tax W/H | ACH020221 | 556.73 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0054-2115 Employee Medicare W/H | ACH020221 | 62.31 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0054-2120 Employer Medicare Payable | ACH020221 | 62.31 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0061-2110 Federal Income Tax W/H | ACH020221 | 537.27 | PR2101002 | | 00014174 | 02/02/2021 |
| EP | INTERNAL REVENUE V010054 | FED/MED/SS P/E 1/23 PD 1/29 | 0061-2115 Employee Medicare W/H | ACH020221 | 84.74 | PR2101002 | | 00014174 | 02/02/2021 |
| | | | | Check Total: | 93,958.83 | | | | |
| EP | WASHINGTON STATE V011597 | P/E 1/23 PD 1/29 | 0010-2196 Garnishments W/H | ACH020221 | 521.53 | PR2101002 | | 00014175 | 02/02/2021 |
| | | | | Check Total: | 521.53 | | | | |
| EP | AMERICAN FIDELITY V010011 | PE 1/19,1/23 PD 1/15,1/29 | 0029-2155 Per Sec Plan - Opt. Life | ACH020321 | 14.89 | D256757 | | 00014176 | 02/02/2021 |
| EP | AMERICAN FIDELITY V010011 | PE 1/19,1/23 PD 1/15,1/29 | 0037-2155 Per Sec Plan - Opt. Life | ACH020321 | 17.89 | D256757 | | 00014176 | 02/02/2021 |
| EP | AMERICAN FIDELITY | PE 1/19,1/23 PD 1/15,1/29 | 0048-2155 | ACH020321 | 142.19 | D256757 | | 00014176 | 02/02/2021 |

City of Placentia
Electronic Disbursement Register
For 02/09/2021

| Type | Vendor Name/ID | Description | Account/Description | Batch ID | Amount | Invoice# | PO # | Ref # | Ref Date |
|------|------------------------------|--------------------------------|---|---------------------|-------------------|----------------|------|----------|------------|
| | V010011 | | Per Sec Plan - Opt. Life | | | | | | |
| EP | AMERICAN FIDELITY V010011 | PE 1/19,1/23 PD 1/15,1/29 | 0010-2155 Per Sec Plan - Opt. Life | ACH020321 | 2,169.68 | D256757 | | 00014176 | 02/02/2021 |
| EP | AMERICAN FIDELITY V010011 | PE 1/19,1/23 PD 1/15,1/29 | 0054-2155 Per Sec Plan - Opt. Life | ACH020321 | 16.01 | D256757 | | 00014176 | 02/02/2021 |
| EP | AMERICAN FIDELITY V010011 | PE 1/19,1/23 PD 1/15,1/29 | 395000-2187 Voluntary Plan Life | ACH020321 | 1,834.94 | D256757 | | 00014176 | 02/02/2021 |
| EP | AMERICAN FIDELITY V010011 | PE 1/19,1/23 PD 1/15,1/29 | 0061-2155 Per Sec Plan - Opt. Life | ACH020321 | 0.97 | D256757 | | 00014176 | 02/02/2021 |
| EP | AMERICAN FIDELITY V010011 | PE 1/19,1/23 PD 1/15,1/29 | 0062-2155 Per Sec Plan - Opt. Life | ACH020321 | 0.93 | D256757 | | 00014176 | 02/02/2021 |
| | | | | Check Total: | 4,197.50 | | | | |
| EP | CALIFORNIA PUBLIC V006234 | FEB MEDICAL INSURANCE PMT | 395000-4715 ISF Health Ins Reimbursement | ACH020821 | 159,470.60 | 10000001630503 | | 00014177 | 02/08/2021 |
| EP | CALIFORNIA PUBLIC V006234 | FEB MEDICAL INSURANCE PMT | 395083-5161 Health Insurance Premiums | ACH020821 | 15,763.08 | 10000001630503 | | 00014177 | 02/08/2021 |
| EP | CALIFORNIA PUBLIC V006234 | FEB FIRE MEDICAL INSURANCE PMT | 395000-4715 ISF Health Ins Reimbursement | ACH020821 | 32,080.40 | 10000006305042 | | 00014177 | 02/08/2021 |
| | | | | Check Total: | 207,314.08 | | | | |
| | | | | Type Total: | 360,960.77 | | | | |
| | | | | Check Total: | 360,960.77 | | | | |



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF COMMUNITY SERVICES

DATE: FEBRUARY 16, 2021

SUBJECT: **ACCEPTANCE OF RESIGNATIONS FROM THE SENIOR ADVISORY COMMITTEE**

FISCAL
IMPACT: NONE

SUMMARY:

The City has received letters of resignation from Senior Advisory Committee members Donald Palmer and Robert Dewey. This action accepts the above indicated resignations and extends the City's sincere appreciation for their service to the community.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Accept the resignations of Donald Palmer and Robert Dewey from the Senior Advisory Committee; and
2. Update the City's master Commission/Committee vacancy list to include the vacancies on the Senior Advisory Committee.

DISCUSSION:

Mr. Palmer has served on the Senior Advisory Committee since July 15, 2014. He has volunteered his time to the community and to the Senior Center throughout his many years of service. Mr. Palmer has indicated his desire to resign from the Committee via his emailed letter dated January 14, 2021. Mr. Palmer has resigned from his duties effective immediately.

Mr. Dewey served on the Senior Advisory Committee from 2005-2017 and rejoined the committee in November 2019. He has volunteered his time to the community and to the Senior Center throughout his many years of service but has now moved out of the area. Mr. Dewey has indicated his desire to resign from the Committee via telephone call on January 20, 2021. Mr. Dewey has resigned from his duties effective immediately.

1. d.
February 16, 2021

Appointment to these vacancies are anticipated to be made as part of the City's Commission/Committee application/recruitment process.

Prepared by:



Veronica Ortiz
Community Services Supervisor

Reviewed and approved:



Karen Crocker
Director of Community Services

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachments:

1. Resignation letter from Donald Palmer
2. Resignation letter from Robert Dewey

Daniela Escobedo

From: Felipe Zambrano
Sent: Wednesday, February 03, 2021 3:18 PM
To: Daniela Escobedo
Subject: Fw: Senior Advisory Committee Meeting

Felipe Zambrano | Community Services Coordinator
| Community Services Department, City of Placentia | 401 E. Chapman Ave. Placentia, CA 92870
☎ (714)993-8232 | 📠 (714)961-0283 | ✉ fzambrano@placentia.org

From: Donald Palmer <donald@palmer4homes.com>
Sent: Thursday, January 14, 2021 10:28 AM
To: Felipe Zambrano <FZambrano@placentia.org>; regnsuzmail@gmail.com <regnsuzmail@gmail.com>; bobtom97@gmail.com <bobtom97@gmail.com>; virmar2003@yahoo.com <virmar2003@yahoo.com>; pmmontelongo@yahoo.com <pmmontelongo@yahoo.com>
Cc: Vinnie Villapando <vvillapando@placentia.org>; Ortiz, Veronica <vortiz@placentia.org>; Karen Crocker <kcrocker@placentia.org>
Subject: Re: Senior Advisory Committee Meeting

As we begin this New Year...

I Donald Palmer hereby wish to be removed, hereby resign, as a Commissioner/member of the Senior Advisory Committee...

I have not participated for the last year and wish the Committee success.

Thank You

From: Felipe Zambrano <FZambrano@placentia.org>
Sent: Thursday, January 7, 2021 2:32 PM
To: regnsuzmail@gmail.com <regnsuzmail@gmail.com>; bobtom97@gmail.com <bobtom97@gmail.com>; Donald Palmer <donald@palmer4homes.com>; virmar2003@yahoo.com <virmar2003@yahoo.com>; pmmontelongo@yahoo.com <pmmontelongo@yahoo.com>
Cc: Vinnie Villapando <vvillapando@placentia.org>; Ortiz, Veronica <vortiz@placentia.org>; Karen Crocker <kcrocker@placentia.org>
Subject: Senior Advisory Committee Meeting

Hello all,

We have scheduled the next Senior Advisory Committee Meeting for Wednesday, January 13th at 4:00pm. Unlike past meetings this will be a teleconference call. We will all be calling into the meeting. You will need to Dial 1-213-992-5910, you will then be asked to enter a Pin number, enter: 3143141# . We are attaching the agenda and the minutes from the January 2020 meeting. We will also be mailing these out via U.S. Postal Mail. Feel free to contact the Community Services Department if you have any additional questions. We look forward to our meeting next Wednesday, January 13th at 4:00pm.

Felipe Zambrano | Community Services Coordinator

Daniela Escobedo

From: Felipe Zambrano
Sent: Wednesday, February 03, 2021 3:18 PM
To: Daniela Escobedo
Subject: Fw: R. Dewey Senior Advisory Committee

Felipe Zambrano | Community Services Coordinator
| Community Services Department, City of Placentia | 401 E. Chapman Ave. Placentia, CA 92870
☎ (714)993-8232 | 📠 (714)961-0283 | ✉ fzambrano@placentia.org

From: Perez, Viviana <vperez@placentia.org>
Sent: Wednesday, January 20, 2021 9:59 AM
To: Felipe Zambrano <FZambrano@placentia.org>; Ortiz, Veronica <vortiz@placentia.org>
Subject: R. Dewey Senior Advisory Committee

Hello!

I just received a call from Robert Dewey, Committee member on the Senior Advisory Committee. He said that he moved out of Placentia to Huntington Beach in April 2020, and that he thought he had relinquished his duties from the Committee at that time. I let him know that we would reach out to him if we had any further questions. His phone number is (714) 794-4569.

Thank you!

Viviana Pérez | Clerical Aide | Community Services Department
City of Placentia | 401 E. Chapman Ave. Placentia, CA 92870
☎ (714) 993-8220 | 📠 (714) 961-0283 | ✉ vperez@placentia.org



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Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DEPUTY CITY ADMINISTRATOR / PUBLIC SERVICES AND INFRASTRUCTURE

DATE: FEBRUARY 16, 2021

SUBJECT: **PROFESSIONAL SERVICES AGREEMENT WITH JMDIAZ, INC. FOR PROFESSIONAL ENGINEERING SERVICES FOR QUIET ZONE GRADE CROSSING RECERTIFICATION SERVICES**

FISCAL
IMPACT: EXPENSE: \$27,651 PROFESSIONAL SERVICES AGREEMENT
BUDGET: \$27,651 FY 2020-21 GENERAL FUND (103551-6099)
(INCLUDED IN FY 2020-21 MID-YEAR ADJUSTMENT)

SUMMARY:

In August 2007, the City of Placentia, in association with the City of Anaheim, established a new 24-hour Quiet Zone ("QZ") along the Burlington Northern Santa Fe Railway (BNSF) Orangethorpe Rail Corridor in accordance with the regulatory provisions contained in Title 49 of the Code of Federal regulations, Parts 222 and 229. The QZ was established across eight (8) at-grade crossings, located within the two Cities. The recent completion of multiple grade separation projects at five (5) of these intersections necessitates an update to the existing QZ eliminating the five intersections noted above and to evaluate the current safety measures at the three (3) remaining grade crossings. In addition, Federal Railroad Administration (FRA) has notified the City that a new application for keeping the QZ in place for the three intersections noted above needs to be submitted for re-evaluation and approval on an expedited basis.

The City of Placentia, acting as the lead in collaboration with the City of Anaheim, needs to ensure that the QZ certification remains in place to prevent train whistles from being activated when trains cross these intersections. The re-certification process is very extensive, and it involves many government regulatory agencies, including FRA, California Public Utility Commission (CPUC) and the BNSF. The goal of this effort is to ensure that the existing QZ status remains active along BNSF's San Bernardino Subdivision and is not in any way modified or eliminated.

The City of Anaheim is currently in the process of re-certification of their own QZ on a different segment within Anaheim's City boundaries. They have retained the services of JMDiaz Inc. (JMD) to assist them with their application through FRA in order to re-certify and maintain their portion of the QZ status. JMD staff have served multiple Cities in the past with the Quiet Zone certification efforts, including Fullerton and Anaheim, in addition to working with all the major stakeholders including Metrolink, Orange County Transportation Authority (OCTA), CPUC and FRA.

1. e.
February 16, 2021

In addition, through the recertification, Staff's goal will be to address the safety issues at the City's existing at-grade crossings. Currently, BNSF is preparing plans and specifications for adding a third rail, crossing the Cities of Yorba Linda, Placentia, and Anaheim. JMD will be assisting the City with conducting a formal review of these plans to ensure BNSF addresses all of the issues effecting the City's at-grade crossings and coordinating with all of the regulatory agencies related to the QZ.

RECOMMENDATION:

It is recommended that City Council take the following actions:

1. Approve a Professional Services Agreement with JMDiaz, Inc., for professional engineering consulting services to assist with re-certification of the Placentia Quiet Zone in the amount of \$27,651; and
2. Authorize the City Administrator to approve contract amendments up to 10% of the contract, or \$2,765; and
3. Authorize the City Administrator and/or his designee to execute all the necessary documents, in a form approved by the City Attorney.

DISCUSSION:

The FRA Train Horn Rule (49 CFR Part 222) became effective on June 24, 2005. This rule provides a step-by-step process to determine what safety improvements can be implemented in order to formally silence train horns at these intersections and officially establish a QZ.

In August 2007, the City of Placentia, along with City of Anaheim established a 24-hour QZ along the Orangethorpe BNSF Corridor, affecting a total of eight (8) grade crossings in Placentia. In order to keep the QZ status in place, agencies must submit to the FRA periodic updates and undertake a recertification process that evaluates the existing safety measures, analyzes crash data, and identifies new improvements to further protect motorists and pedestrians at rail crossings. The City was informally notified by FRA that a recertification of Placentia's QZ was due now that the City has completed several grade separation projects and requested that the City provides FRA with an application for re-certification in compliance with the FRA's rule 222.47.

The re-certification process is extensive, technical in nature, and involves several government regulatory agencies, including the FRA and CPUC as well as working with BNSF who owns the right-of-way. Currently, the City of Anaheim is in the process of re-certifying their QZ on a different segment of the Orangethorpe Corridor within Anaheim's City boundaries. The City of Anaheim has retained the services of JMD to assist them with their QZ application and recertification process. JMD has served multiple Cities in the past with the QZ certification efforts, including Fullerton and Anaheim, in addition to working with all the major stakeholders, including Metrolink, OCTA, CPUC and FRA. Pursuant to Policy 430 the City is able to contract for professional engineering services without utilizing a formal proposal process. Given the highly technical nature of this work, JMD's extensive experience in this field as well as their familiarity with the City's

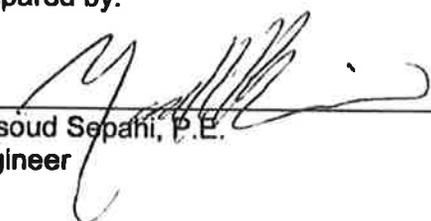
existing QZ and grade crossings, Staff recommends contracting with JMD directly for these services. JMD's current experience in assisting the City of Anaheim with its recertification process facilitates a smoother project and work effort for Placentia's recertification efforts.

In addition, JMD will be assisting the City with conducting a formal review of Metrolink's and BNSF's plans for the planned new third track to ensure any safety issues or recommended improvements affecting the City's three (3) remaining at-grade crossings included in the final improvement plans for the new third track project.

FISCAL IMPACT:

The recommended actions will approve a Professional Services Agreement with JMD, for a contract not-to-exceed amount of \$27,651. Funds for these services have been included in the FY 2020-21 mid-year budget amendment. Accordingly, sufficient funds exist for the recommended actions.

Prepared by:



Masoud Sepahi, P.E.
Engineer

Reviewed and approved:



Luis Estevez
Deputy City Administrator

Reviewed and approved:



Jessica Brown
Director of Finance

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachment:

PSA with JMD, Inc.

**CITY OF PLACENTIA
PROFESSIONAL SERVICES AGREEMENT
WITH
JMDIAZ INCORPORATED**

THIS AGREEMENT is made and entered into this 2nd day of February, 2021 ("Effective Date"), by and between the CITY OF PLACENTIA, a municipal corporation ("City"), and JMDiaz, Inc. (JMD), a California corporation ("Consultant").

WITNESSETH:

A. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to provide engineering services in support of the City's Quiet Zone certification and Metrolink Station review services, as more fully described herein; and

B. WHEREAS, Consultant represents that it is "design professional" as that term is defined by California Civil Code Section 2782.8 and has that degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. WHEREAS, City and Consultant desire to contract for the specific services described in Exhibit "A" (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

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

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

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in the Consultant's Proposal ("Proposal"), attached hereto as Exhibit "A" and incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement. Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. Officers and employees shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City and within the hereinafter specified. Evaluations of the work will be done by the City Administrator or his or her designee. If the quality of work is not

satisfactory, City in its discretion has the right to:

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

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.5. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Consultant agrees to post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.

Consultant shall, in all solicitations and advertisements for employees placed by, or on behalf of Consultant shall state that all qualified applicants will receive consideration for employment without regard to age, race, color, religion, sex, marital status, national origin, or mental or physical disability. Consultant shall cause the paragraphs contained in this Section to be inserted in all subcontracts for any work covered by the Agreement, provided that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials.

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

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

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

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "A". Consultant's total compensation shall not exceed Twenty Seven Thousand Six Hundred Fifty One Dollars (\$27,651.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal or which is inconsistent with or in violation of the provisions of this Agreement unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable. Should the City request in writing additional services that increase the hereinabove described "SCOPE OF SERVICES", an additional fee based upon the Consultant's standard hourly rates shall be paid to the Consultant for such additional services. Such increase in additional fees shall be limited to 25% of the total contract sum or \$25,000 whichever is more. The City Engineer is authorized to approve a Change Order for such additional services.

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

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

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit "A".

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party. If a delay beyond the control of the Consultant is encountered, a time

extension may be mutually agreed upon in writing by the City and the Consultant. The Consultant shall present documentation satisfactory to the City to substantiate any request for a time extension.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of 24 months, ending on February 2, 2023, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing at least fifteen (15) days prior written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City. If the City suspends, terminates or abandons a portion of this Agreement such suspension, termination or abandonment shall not make void or invalidate the remainder of this Agreement.

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

The City shall have the right, notwithstanding any other provisions of this Agreement, to terminate this Agreement, at its option and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement, immediately upon service of written notice of termination on the Consultant, if the latter should:

- a. Be adjudged a bankrupt;
- b. Become insolvent or have a receiver of its assets or property appointed because of insolvency;
- c. Make a general assignment for the benefit of creditors;
- d. Default in the performance of any obligation or payment of any indebtedness under this Agreement;
- e. Suffer any judgment against it to remain unsatisfied or unbonded of record for thirty (30) days or longer; or
- f. Institute or suffer to be instituted any procedures for reorganization or rearrangement of its affairs.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination within thirty-five (35) days after service of the notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the

effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant. City shall not be liable for any claim of lost profits.

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

5.0. INSURANCE

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

- (a) Broad-form commercial general liability, in a form at least as broad as ISO form #CG 00 01 04 13, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit. If Consultant maintains higher limits than the specified minimum limits, City requires and shall be entitled to coverage for the high limits maintained by the Consultant.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, each incident for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California and Employers Liability Insurance with a minimum limit of \$1,000,000 per accident **for any employee or employees of Consultant**. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers for losses arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

Before execution of this Agreement by the City, the Consultant shall file with the Public Works Director/City Engineer the following signed certification:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work.

The Consultant shall also comply with Section 3800 of the Labor Code by securing, paying for and maintaining in full force and effect for the duration of this Agreement, complete Workers' Compensation Insurance, and shall furnish a Certificate of Insurance to the Public Works Director/City Engineer before execution of this Agreement by the City. The City, its officers and employees shall not be responsible for any claims in law or equity occasioned by failure of the consultant to comply with this section.

- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

Neither the CITY nor any of its elected or appointed officials, officers, agents, employees, or volunteers makes any representation that the types of insurance and the limits specified to be carried by Consultant under this Agreement are adequate to protect Consultant. If Consultant believes that any such insurance coverage is insufficient, Consultant shall provide, at its own expense, such additional insurance as Consultant deems adequate.

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

- (a) Additional insureds: "The City of Placentia and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Consultant shall forthwith obtain and submit proof of substitute insurance. Should Consultant fail to immediately procure other insurance, as specified, to substitute for any canceled policy, the City may procure such insurance at Consultant's sole cost and expense."
- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Placentia, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of

Placentia shall be excess and not contributing with the insurance provided by this policy."

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

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

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

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

6.0. GENERAL PROVISIONS

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

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

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

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement. It shall be the Consultant's responsibility to assure that the Project Manager is kept informed of the progress of the performance of the services and the Consultant shall refer any decision, which must be made by City, to the Project Manager. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Project Manager.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement and who shall not be changed by Consultant without the express written approval by the City. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or if mailed, shall be addressed as set forth below and placed in a sealed envelope, postage prepaid, and deposited in the United States Postal Service. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 72 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

JMDiaz, Inc.
2400 East Katella Avenue
Suite 800
Anaheim, CA 92806
Tel: 714-627-2447
Fax: 714-627-2401
Attn: Juan M. Diaz
President/CEO

IF TO CITY:

City of Placentia
401 E. Chapman
Placentia, CA 92870
Tel: 714-993-8132
Fax: 714-961-0283
Attn: Masoud Sepahi, PE
City Engineer

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

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

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

6.8. Indemnification and Hold Harmless. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected and appointed officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of Consultant brought against the City, its elected and appointed officials, officers, agents and employees arising out of the performance of

the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply ~~without any advance showing of negligence, recklessness, or willful misconduct by the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, recklessness, or willful misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or~~ whenever any claim, action, complaint or suit asserts liability against the City, its elected and appointed officials, officers, agents and employees based upon the negligence, recklessness, or willful misconduct of the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

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

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

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

6.11. Cooperation. In the event any claim or action is brought against City relating to

Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.12. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, preliminary notes, working documents, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City, but shall be made available to the City within ten (10) days of request or within ten (10) days of termination. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, preliminary notes and working documents, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City. Consultant or Consultant's agents shall execute such documents as may be necessary from time to time to confirm City's ownership of the copyright in such documents.

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

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

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

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

6.17. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, the conflict shall be resolved by giving precedence in the following order, if applicable: This Agreement, the City's Request for Proposals, the Consultant's Proposal.

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

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

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

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

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

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

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

negotiations.

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

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

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

CITY OF PLACENTIA,
A municipal corporation

Damien R. Arrula, City Administrator

Date: _____

ATTEST:

Robert S. McKinnell, City Clerk and ex-officio Clerk
of the City of Placentia

CONSULTANT

Signature

Date: _____

Juan M. Diaz, President

Social Security or Taxpayer ID Number

APPROVED AS TO FORM:

Christian L. Bettenhausen, City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Rosanna Ramirez, Deputy City Administrator

Date: _____

APPROVED AS TO CONTENT:

Masoud Sepahi, City Engineer

Date: _____

DEPARTMENTAL APPROVAL

Luis Estevez, Deputy City Administrator

Date: _____

EXHIBIT A
CONSULTANT'S PROPOSAL



January 5, 2021

Mr. Masoud Sepahi
City Engineer
City of Placentia
401 E. Chapman Avenue
Placentia, CA 92870

2020.1112.0046.00

**Subject: Proposal to Provide Professional Engineering Services for
San Bernardino Subdivision Quiet Zone & Metrolink Station Review Services
Placentia, California**

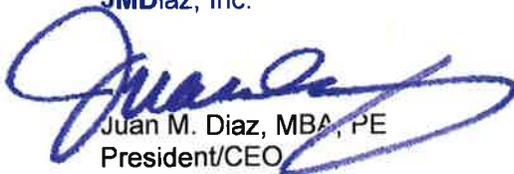
Dear Mr. Sepahi:

JMDiaz, Inc (JMD) is pleased to submit this proposal to provide engineering and design review services for the City's Quiet Zone and Metrolink Station projects on BNSF's San Bernardino Subdivision in the City of Placentia (City). Our proposal, which remains in effect for a period of 120 days, has been prepared in accordance with the City's request on December 15, 2020 and includes our proposed scope of services, schedule and fee estimate.

We appreciate the opportunity to submit our proposal for this important project. Should you have any questions regarding this proposal, please contact me at (626) 820-1137.

Sincerely,

JMDiaz, Inc.



Juan M. Diaz, MBA, PE
President/CEO

Enclosures



SCOPE OF SERVICES AND SCHEDULE

Scope of Services

As requested, JMD has customized the scope of services to be fully inclusive and comprehensive of what FRA truly needs to maintain the current railroad corridor quiet zones in the City of Placentia. Relying on its longest 24-year history in developing quiet zones and stations throughout the region, JMD staff have served every party (City of Placentia, Metrolink, OCTA and CPUC) involved. Our staff knows what is important to each party and how to control the City's expenditures and risks while working with the Burlington Northern Santa Fe Railway Company (BNSF) (landowner), Metrolink (railroad operator), OCTA (regional agency) and CPUC (Crossing Safety Jurisdiction and FRA's Clearinghouse for Quiet Zones). Our goal will be to address the primary issues (safety, quiet zone risk index and diagnostic needs) related to Quiet Zones in Placentia and ensure the existing Quiet Zone along BNSF's San Bernardino Subdivision is not in any way modified or eliminated.

JMD has developed the following scope of services to perform reviews for the quiet zone and future Metrolink Station along the San Bernardino Subdivision owned by BNSF and operated by the Southern California Regional Rail Authority or Metrolink. The quiet zone consists of the following crossings:

San Bernardino Subdivision

| Crossing Name | DOT No. |
|------------------|---------|
| Jefferson Street | 026570M |
| Van Buren Street | 026569T |
| Richfield Road | 026568L |

Our approach to this effort begins with clearly defining the project requirements and addressing those of highest risk to the project first. Essential to Quiet Zone projects is the need to address the following parameters:

Quiet Zone = QZRI + Diagnostic Needs

Legend:

QZRI = Quiet Zone Risk Index

JMD will obtain critical crossing data and visited the current crossings to confirm that pedestrian safety is not a major issue especially on the San Bernardino Subdivision. Pedestrian fatalities can put the existing quiet zone at risk and require special attention particularly where homeless encampments and schools exist nearby. JMD has the experience in identifying workable solutions that benefit all parties to maintain existing quiet zones.

In addition, most quiet zone projects require careful coordination and negotiation with local railroads and communities. JMD staff has extensive experience mediating between these parties, including Metrolink, OCTA, CPUC and FRA, and understand typical requirements by such entities with regards to grade crossing and quiet zone projects. In fact, JMD staff have assisted OCTA in developing the quiet zone policy throughout Orange County corridors. In addition, JMD staff developed the original countywide Grade Crossing Study for OCTA, in 2003, which determined safety enhancements and quiet zone improvements needed for 62 grade crossings including the subject crossings in Anaheim.

The proposed scope of work consists of the following phases and tasks:

Phase 0 – Project Initiation

Task 1 - Project Management, Meetings and Coordination

JMD will conduct project management activities designed to manage the project, team, and quality. This includes developing a baseline scope, budget and schedule to help control scope, budget and schedule while providing monthly reporting to the City via invoices and monthly progress reports.



JMD will attend one kickoff and one coordination meeting with the City and other agencies, as appropriate. JMD will coordinate project efforts with FRA, SCRRA/Metrolink and CPUC to discuss railroad design issues and deliverables, as appropriate. Meeting agendas will be prepared and distributed a minimum of three (3) working days prior to each meeting. This task assumes up to six (6) meetings and/or conference calls.

Deliverable(s): Baseline scope, budget and schedule. Monthly invoices and progress reports. Meeting agendas and meeting minutes with action items.

Task 2 – Project Reviews

JMD will conduct technical reviews of reports, designs and documents pertaining to the subject projects. JMD will provide review comments in writing for proper coordination with the City, railroad entities and third parties.

Deliverable(s): Review comments.

Task 3 – Right of Entry (ROE) Permit Application (Optional)

As an optional task, JMD will prepare a Right of Entry (ROE) permit application required to allow the City and JMD Team to enter the SCRRA/Metrolink railroad corridors to conduct field activities within 25 feet from the nearest track. The cost for preparing the ROE application, including obtaining flagging and Railroad Protective Liability Insurance (RPLI), are not included in this task. An optional “rush handling” fee is included, if necessary.

Deliverable(s): Right of entry permit.

Phase I – Preliminary Engineering

Task 4 – Research, Data Collection and Field Review

JMD will conduct detailed research including obtaining, crossing inventory, crossing accident and BNSF and Metrolink train “near hit” data to evaluate quiet zone risk index and diagnostic needs at each crossing.

Deliverable(s): Crossing and train data.

Task 5 – Field Survey and Base Mapping

JMD will obtain base mapping information and available topographic survey to validate existing conditions pertaining to access and ADA compliance. JMD will develop base plans covering the limits of the proposed improvements.

Deliverable(s): Base plans.

Task 6 – Quiet Zone Assessment

JMD will prepare a quiet zone assessment which evaluates each quiet zone in terms of meeting QZRI and diagnostic needs. QZRI calculations will be verified to ensure the quiet zone corridors still qualify based on current accident data. Diagnostic needs anticipated as well as ADA issues (to avoid tripping or sticking hazards especially for strollers), equipment upgrades (some flashers are still non-LED) and possible fencing or other solutions where encampments or high pedestrian accidents are factors.

Deliverable(s): Memorandum of findings and recommendations.

Task 7 – Plan of Compliance

JMD will prepare a draft and final plan of compliance that addresses the items identified in the FRA inspection reports. This will include supporting data to be submitted to FRA. Special attention will be given to the occurrence of pedestrian fatalities at several crossings along the Orange Subdivision. Such results require attention to avoid elimination of a quiet zone.

Deliverable(s): Draft and final plan of compliance.

Task 8 – Diagnostic Meeting/Agency Review (Optional)

As an optional task, JMD will schedule a field diagnostic meeting with the City of Anaheim, SCRRA/Metrolink and CPUC and Team to evaluate and discuss existing grade crossing conditions and proposed improvements. The diagnostic meeting presents the conceptual design plans to all parties for the purpose of obtaining input from all rail entities prior to beginning the final design effort. The

diagnostic meeting will confirm the basis for the proposed improvements and initiates the agency review process.

Deliverable(s): Meeting agenda and meeting minutes with action items.

Phase II – Final Design

Task 9 – Preliminary Design (Optional)

As an optional task and following the diagnostic meeting findings, JMD will prepare preliminary design in AutoCAD 2019 illustrating the temporary and proposed grade crossing improvements. JMD will provide special provisions for items to be included in the project specifications and City boilerplate specifications. JMD will prepare an opinion of probable construction costs including construction items and quantities for railroad items. The combined plans, specifications and estimates (PS&E) will serve as the 1st submittal equivalent to a 50% level design package. The preliminary design package to be submitted will include the following drawings:

| Plan Description | Qty |
|--------------------------------|----------|
| Title Sheet | 1 |
| Grade Crossing Plans | 3 |
| Estimated Total Sheets* | 4 |

* Railroad signal improvements by BNSF forces.

Deliverable(s): 3 sets of plans and specifications and estimates.

Task 10 – Final Design (Optional)

As an optional task and following review of the preliminary design, JMD will prepare the final revised design plan set (100% submittal) on 24"x36" Engineering Bond sheets. Prior to submittal, JMD will email a PDF format plan check set.

Deliverable(s): One (1) master set of bound plans, specifications (per City's latest format) and estimates, one (1) digital/electronic project PS&E set.

Task 11 – Easement/License Coordination (Optional)

As an optional task, JMD can coordinate with SCRRA/Metrolink for the preparation of easements or licenses required for new improvements to be constructed within OCTA property. The easements or licenses are assumed to be prepared and executed by SCRRA/Metrolink.

Deliverable(s): Easements or licenses by SCRRA.

Task 12 – Construction and Maintenance (C&M) Agreement (Optional)

As an optional task, JMD will coordinate the preparation of a Construction and Maintenance (C&M) agreement defining the roles and responsibilities of the City and SCRRA/Metrolink, if any. The C&M agreement will define payment responsibilities for construction of the grade crossing improvements and require an estimate for railroad signal improvements to be prepared by SCRRA/Metrolink. This task will only be needed if improvements to track and railroad signals are required.

Deliverable(s): Construction and Maintenance (C&M) Agreement by SCRRA.

Task 13 – CPUC Application (Optional)

As an optional task, JMD will prepare one (1) application to be submitted to the CPUC for the proposed grade crossing modifications. The CPUC application will cover the permanent grade crossing improvements.

Due to the unlikely need for right of way and vertically altering street profiles by more than six (6) inches, this task assumes a General Order 88-B (GO-88B) application will be required.

Deliverable(s): CPUC GO88-B Application.

Phase III – Bidding and Advertising

Task 14 – Bidding and Advertising Support (Optional)

As an optional task, JMD will provide bidding and advertising support to the City including attending the pre-bid meeting, responding to questions by potential bidders and assisting the City with preparing addenda should this be needed. This task assumes preparation of up to two (2) addenda.

Deliverable(s): Pre-Bid Meeting Minutes and Response Log.

Phase IV - Construction

Task 15 – Design Support During Construction (Optional)

As an optional task, JMD will provide design support during construction including responding to requests for information (RFI's), reviewing shop drawings and preparing as-built plans following construction completion.

Deliverable(s): Responses to RFI's, RFC's and Shop Drawing Submittals. Submittal response log. As-Built Plans.

Phase V – Closeout and Outreach

Task 16 – Letter of Affirmation (Optional)

As an optional task and upon completion of the proposed improvements, JMD will confirm, in writing, that all SSMs and ASMs, implemented or modified, confirm to the terms of Quiet Zone approval by FRA. A Letter of Affirmation will be prepared for each Quiet Zone Subdivision

including all supporting analysis, calculations and data.

Deliverable(s): Letters of Affirmation including supporting analysis, calculations and data.

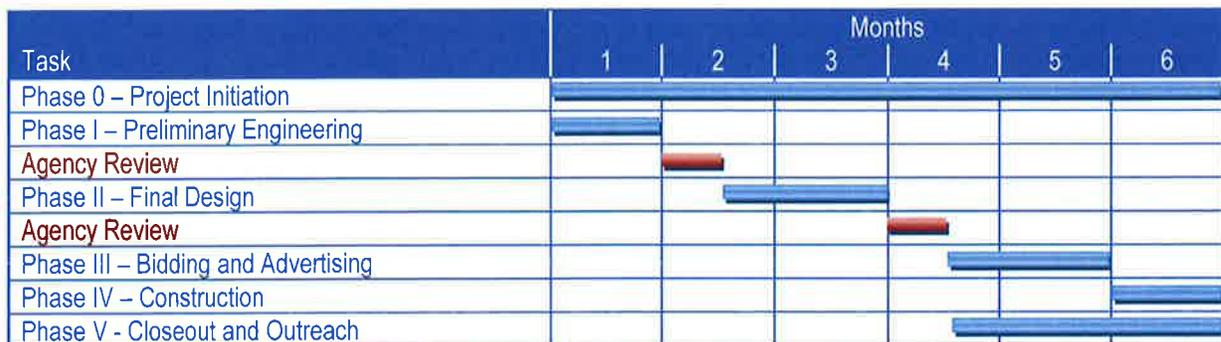
Task 17 – Public Awareness Program (Optional)

As an optional task and recognizing the importance of optimizing safety along the quiet zone corridors in the City of Anaheim, JMD proposes to coordinate a brief public awareness program building on the three E's, namely, Education, Engineering and Enforcement. The program would serve local neighborhoods and schools immediately adjacent to the Orange and Olive Subdivisions. Education would rely on free lesson plans in English and Spanish to raise awareness of crossing safety. One or two classes per corridor can be scheduled. Engineering is covered by the services in this proposal via engineering design modifications to improve safety. Enforcement would consist of increased enforcement by the City of Anaheim Police Department at those locations with greatest risk for a period, say 21 days, determined to be effective to change behavior.

Deliverable(s): Class and Enforcement Schedule.

Schedule

The following project schedule has been customized for the Quiet Zone Audit Review and Reaffirmation in the City of Placentia. Once given the Notice to Proceed, JMD anticipates that the major project milestones will be completed as follows:





Fee Proposal^{a-c}

San Bernardino Subdivision Quiet Zone and Metrolink Station Review Services

City of Placentia

Submitted by: JMD

January 5, 2021

| TASK | DESCRIPTION | PRINCIPAL/ PROJECT MGR | QA/QC MGR | SR PROJ ENG | SR ANALYST | PROJ ENG | DES ENG | CAD OPER | CLERICAL | INTERN | TOTAL LABOR HOURS | DIRECT COSTS* | TOTAL COSTS | REMARKS |
|---|--|------------------------------|--------------|-------------------|---------------|-------------|------------|-------------|-----------|-----------|-------------------------|------------------|------------------|-----------------------------------|
| | | \$ 104.77 | \$ 71.14 | \$ 73.40 | \$ 51.50 | \$ 45.00 | \$ 36.75 | \$ 32.62 | \$ 25.24 | \$ 18.00 | | | | |
| PHASE 0 - PROJECT INITIATION | | | | | | | | | | | | | | |
| 1 | Project Management, Meetings and Coordination (assumes 6 meetings) | 16 | 0 | 0 | 12 | 0 | 0 | 0 | 8 | 0 | 36 | \$240 | \$5,365 | * Deliveries/Mileage/Reproduction |
| 2 | Project Reviews | 24 | 8 | 8 | 12 | 0 | 0 | 0 | 12 | 0 | 64 | \$0 | \$9,404 | * Deliveries/Mileage/Reproduction |
| 3 | Right of Entry Application (Optional) | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | \$11,500 | \$12,278 | * Rush Handling ROE Application |
| PHASE I - PRELIMINARY ENGINEERING | | | | | | | | | | | | | | |
| 4 | Research, Data Collection and Field Review | 2 | 0 | 0 | 8 | 0 | 8 | 8 | 0 | 4 | 30 | \$120 | \$3,009 | * Deliveries/Mileage/Reproduction |
| 5 | Field Survey and Base Mapping | 2 | 0 | 0 | 0 | 8 | 8 | 8 | 0 | 4 | 30 | \$120 | \$2,885 | * Deliveries/Mileage/Reproduction |
| 6 | Quiet Zone Assessment | 4 | 0 | 0 | 8 | 0 | 4 | 4 | 4 | 4 | 28 | \$60 | \$2,944 | * Deliveries/Mileage/Reproduction |
| 7 | Plan of Compliance | 4 | 0 | 0 | 8 | 0 | 0 | 0 | 4 | 0 | 16 | \$60 | \$2,090 | * Deliveries/Mileage/Reproduction |
| 8 | Diagnostic Meeting/Agency Review | 4 | 0 | 0 | 4 | 4 | 0 | 0 | 2 | 0 | 14 | \$120 | \$1,954 | * Deliveries/Mileage/Reproduction |
| PHASE II - FINAL DESIGN | | | | | | | | | | | | | | |
| 9 | Preliminary Design (Optional) | 2 | 4 | 4 | 4 | 8 | 8 | 8 | 0 | 4 | 42 | \$60 | \$4,544 | * Deliveries/Mileage/Reproduction |
| 10 | Final Design (Optional) | 2 | 4 | 4 | 4 | 8 | 8 | 8 | 0 | 4 | 42 | \$60 | \$4,544 | * Deliveries/Mileage/Reproduction |
| 11 | Easement/License Coordination (Optional) | 2 | 0 | 0 | 4 | 0 | 0 | 0 | 4 | 0 | 10 | \$0 | \$1,149 | |
| 12 | Construction & Maintenance Agreement (Optional) | 2 | 0 | 0 | 4 | 0 | 0 | 0 | 4 | 0 | 10 | \$0 | \$1,149 | |
| 13 | CPUC Application (Optional) | 2 | 2 | 2 | 8 | 8 | 8 | 8 | 2 | 4 | 44 | \$0 | \$4,496 | |
| PHASE III - BIDDING AND ADVERTISING | | | | | | | | | | | | | | |
| 14 | Bidding and Advertising Support (Optional) | 2 | 0 | 0 | 0 | 8 | 8 | 8 | 4 | 0 | 30 | \$120 | \$2,962 | * Deliveries/Mileage/Reproduction |
| PHASE IV - CONSTRUCTION | | | | | | | | | | | | | | |
| 15 | Design Support During Construction (Optional) | 2 | 0 | 4 | 4 | 4 | 8 | 8 | 4 | 0 | 34 | \$240 | \$3,767 | * Deliveries/Mileage/Reproduction |
| PHASE V - CLOSEOUT AND OUTREACH | | | | | | | | | | | | | | |
| 16 | Letter of Affirmation (Optional) | 2 | 0 | 0 | 4 | 0 | 0 | 0 | 4 | 0 | 10 | \$0 | \$1,149 | |
| 17 | Public Awareness Program (Optional) | 8 | 0 | 0 | 24 | 0 | 0 | 0 | 12 | 0 | 44 | \$120 | \$5,432 | * Deliveries/Mileage/Reproduction |
| TOTAL ESTIMATED LABOR HOURS | | 68 | 18 | 22 | 76 | 48 | 60 | 60 | 44 | 24 | 488 | \$1,200 | | |
| TOTAL ESTIMATED DESIGN COST (WITHOUT OPTIONAL TASKS) | | | | | | | | | | | | | \$ 27,651 | |

Notes:
a Rates are subject to a 5% annual increase on January 1 without altering the total budget.
b All tasks will be on a not-to-exceed basis. Additional services must have prior approval from the City.
c Geotechnical investigations and potholing are not included.

EXHIBIT B
CERTIFICATES OF INSURANCE AND ENDORSEMENTS



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/11/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | | |
|--|--|--|
| PRODUCER Edgewood Partners Insurance Center (EPIC) 19000 MacArthur Blvd. PH Floor Irvine, CA 92612 www.edgewoodins.com | CONTACT NAME: Roxanne Camping PHONE (A/C, No, Ext): 949-417-9175 FAX (A/C, No): 949-809-2375 E-MAIL ADDRESS: roxanne.camping@epicbrokers.com | |
| | INSURER(S) AFFORDING COVERAGE | |
| INSURED JM Diaz, Inc. DBA: JMD 18645 E. Gale Ave., Ste #212 City of Industry CA 91748 | INSURER A: Travelers Property Casualty Company of America NAIC # 25674 | |
| | INSURER B: Travelers Casualty and Surety Co America 31194 | |
| | INSURER C: | |
| | INSURER D: | |
| | INSURER E: | |
| INSURER F: | | |

COVERAGES

CERTIFICATE NUMBER: 59647026

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-------------------------------------|-------------------------------------|-----------------|-------------------------|-------------------------|---|
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER: | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | 6802J3309942047 | 6/27/2020 | 6/27/2021 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Deductible \$ None |
| A | <input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | BA4J37394120GRP | 6/27/2020 | 6/27/2021 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| | <input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$ | | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| A | <input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | <input type="checkbox"/> | <input type="checkbox"/> | UB6K8694022047 | 6/27/2020 | 6/27/2021 | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |
| B | <input type="checkbox"/> Professional Liability <input type="checkbox"/> Claims Made Form <input type="checkbox"/> Knowledge Date: 4/8/2005 | | | 105263164 | 6/27/2020 | 6/27/2021 | \$2,000,000 per Claim \$2,000,000 Aggregate \$10,000 Per Claim Deductible |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: City of Placentia - Professional Services Agreement
 Certificate holder(s) are named as Additional Insureds as respects General Liability and Automobile Liability per the attached endorsement(s). General Liability and Automobile Liability are primary and noncontributory per the attached endorsement(s). Waiver of Subrogation applies to General Liability, Automobile Liability and Workers Compensation per the attached endorsement(s).
 30 Days Notice of Cancellation except 10 Days for nonpayment of premium.

CERTIFICATE HOLDER**CANCELLATION**

| | |
|--|---|
| City of Placentia and its elected and appointed boards, officers, officials, agents, employees and volunteers 401 E. Chapman Avenue Placentia CA 92870 | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE  Todd Holliday |
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ACORD 25 (2016/03)

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EXHIBIT B

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED (ARCHITECTS, ENGINEERS AND SURVEYORS)

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. The following is added to SECTION II – WHO IS AN INSURED:

Any person or organization that you agree in a "written contract requiring insurance" to include as an additional insured on this Coverage Part, but:

- a. Only with respect to liability for "bodily injury", "property damage" or "personal injury"; and
- b. If, and only to the extent that, the injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the "written contract requiring insurance" applies, or in connection with premises owned by or rented to you.

The person or organization does not qualify as an additional insured:

- c. With respect to the independent acts or omissions of such person or organization; or
- d. For "bodily injury", "property damage" or "personal injury" for which such person or organization has assumed liability in a contract or agreement.

The insurance provided to such additional insured is limited as follows:

- e. This insurance does not apply on any basis to any person or organization for which coverage as an additional insured specifically is added by another endorsement to this Coverage Part.
- f. This insurance does not apply to the rendering of or failure to render any "professional services".
- g. In the event that the Limits of Insurance of the Coverage Part shown in the Declarations exceed the limits of liability required by the "written contract requiring insurance", the insurance provided to the additional insured shall be limited to the limits of liability required by that "written contract requiring insurance". This endorsement does not increase the limits of insurance described in Section III – Limits Of Insurance.

- h. This insurance does not apply to "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless the "written contract requiring insurance" specifically requires you to provide such coverage for that additional insured, and then the insurance provided to the additional insured applies only to such "bodily injury" or "property damage" that occurs before the end of the period of time for which the "written contract requiring insurance" requires you to provide such coverage or the end of the policy period, whichever is earlier.

2. The following is added to Paragraph 4.a. of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

The insurance provided to the additional insured is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to the additional insured for a loss we cover. However, if you specifically agree in the "written contract requiring insurance" that this insurance provided to the additional insured under this Coverage Part must apply on a primary basis or a primary and non-contributory basis, this insurance is primary to other insurance available to the additional insured which covers that person or organizations as a named insured for such loss, and we will not share with the other insurance, provided that:

- (1) The "bodily injury" or "property damage" for which coverage is sought occurs; and
- (2) The "personal injury" for which coverage is sought arises out of an offense committed;

after you have signed that "written contract requiring insurance". But this insurance provided to the additional insured still is excess over valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under any other insurance.

JM Diaz, Inc.
DBA: JMD

- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation Or Fraud

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceals or misrepresents a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee – Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However,

while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own; or
- (2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".

- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT – OTHER INSURANCE CONDITION – ENGINEERS, ARCHITECTS OR SURVEYORS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following replaces the part of the first paragraph of Paragraph 4., **Other Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** that precedes Paragraph a.:

If valid and collectible other insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as described in Paragraphs **a.** and **b.** below.

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies;
- (iii) Any risk retention group;
- (iv) Any self-insurance method or program, including any failure to buy insurance, or decision to not buy insurance, for any reason, in which case the insured will be deemed to be the provider of other insurance; or
- (v) Any similar risk transfer or risk management method.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of

Insurance shown in the Declarations of this Coverage Part.

As used anywhere in this Coverage Part, other insurer means a provider of other insurance. As used in Paragraph **c.** below, insurer means a provider of insurance.

2. The first Subparagraph (2) of Paragraph 4.b., **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** regarding any other primary insurance available to you is deleted.
3. The following is added to Paragraph 4.b., **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is added as an additional insured under any other policy, including any umbrella or excess policy.

4. The following is added to Paragraph 4.b. **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is Professional Liability or similar coverage, to the extent the loss is not subject to the professional services exclusion of Coverage **A** or Coverage **B**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARCHITECTS, ENGINEERS AND SURVEYORS COVERAGE XTEND ENDORSEMENT

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- A. Broadened Named Insured
- B. Incidental Medical Malpractice
- C. Reasonable Force – Bodily Injury Or Property Damage
- D. Non-Owned Watercraft – Increased To Up To 75 feet
- E. Aircraft Chartered With Crew
- F. Damage To Premises Rented To You
- G. Malicious Prosecution – Exception To Knowing Violation Of Rights Of Another Exclusion
- H. Medical Payments – Increased Limit
- I. Increased Supplementary Payments
- J. Additional Insured – Owner, Manager Or Lessor Of Premises
- K. Additional Insured – Lessor Of Leased Equipment
- L. Additional Insured – State Or Political Subdivisions – Permits Relating To Premises
- M. Additional Insured – State Or Political Subdivisions – Permits Relating To Operations
- N. Who Is An Insured – Newly Acquired Or Formed Organizations
- O. Knowledge And Notice Of Occurrence Or Offense
- P. Unintentional Omission
- Q. Waiver Of Transfer Of Rights Of Recovery Against Others To Us When Required By Written Contract
- R. Amended Insured Contract Definition – Railroad Easement

PROVISIONS

A. BROADENED NAMED INSURED

1. The following is added to SECTION II – WHO IS AN INSURED:

Any organization, other than a partnership or joint venture, over which you maintain ownership or majority interest on the effective date of the policy qualifies as a Named Insured. However, coverage for any such additional organization will cease as of the date during the policy period that you no longer maintain ownership of, or majority interest in, such organization.

B. INCIDENTAL MEDICAL MALPRACTICE

1. The following is added to the definition of "occurrence" in the DEFINITIONS Section:

Unless you are in the business or occupation of providing professional health care services, "occurrence" also means an act or omission committed in providing or failing to provide first aid or "Good Samaritan services" to a person.

2. The following is added to the DEFINITIONS Section:

"Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.

3. The following is added to Paragraph 2.a.(1) of SECTION II – WHO IS AN INSURED:

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above

COMMERCIAL GENERAL LIABILITY

does not apply to any "bodily injury" arising out of any providing or failing to provide first aid or "Good Samaritan services" by any of your "employees", other than an employed doctor. Any such "employees" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

4. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** in **COVERAGES**:

Sale of Pharmaceuticals

"Bodily injury" or "property damage" arising out of the willful violation of a penal statute or ordinance relating to the sale of pharmaceuticals committed by, or with the knowledge or consent of, the insured.

5. The following is added to Paragraph 5. of **SECTION III – LIMITS OF INSURANCE**:

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in the providing or failing to provide first aid or "Good Samaritan services" to any one person will be considered one "occurrence".

6. The following is added to Paragraph 4.b., **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

This insurance is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to any of your "employees" for "bodily injury" that arises out of providing or failing to provide first aid or "Good Samaritan services" to any person to the extent not subject to Paragraph 2.a.(1) of Section II – Who Is An Insured.

C. REASONABLE FORCE – BODILY INJURY OR PROPERTY DAMAGE

The following replaces Exclusion a., **Expected Or Intended Injury**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

a. Expected Or Intended injury Or Damage

"Bodily injury" or "property damage" expected or intended from the standpoint of the

insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect any person or property.

D. NON-OWNED WATERCRAFT – INCREASED TO UP TO 75 FEET

1. The following replaces Paragraph (2) of Exclusion g., **Aircraft, Auto Or Watercraft**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

(2) A watercraft you do not own that is:

(a) Less than 75 feet long; and

(b) Not being used to carry any person or property for a charge;

2. The following is added to Paragraph 2. of **SECTION II – WHO IS AN INSURED**:

Any person or organization that, with your express or implied consent, either uses or is responsible for the use of a watercraft that you do not own that is:

(a) Less than 75 feet long; and

(b) Not being used to carry any person or property for a charge;

3. The following is added to Paragraph 4.b., **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

This insurance is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured for "bodily injury" that arises out of the use of a watercraft that you do not own that is:

(a) Less than 75 feet long; and

(b) Not being used to carry any person or property for a charge.

E. AIRCRAFT CHARTERED WITH CREW

1. The following is added to Exclusion g., **Aircraft, Auto Or Watercraft**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** in **COVERAGES**:

This exclusion does not apply to an aircraft that is:

(a) Chartered with crew to any insured;

- (b) Not owned by any insured; and
- (c) Not being used to carry any person or property for a charge.

2. The following is added to Paragraph 4.b., **Excess Insurance**, of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

This insurance is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured for use of an aircraft that is:

- (a) Chartered with crew to any insured;
- (b) Not owned by any insured; and
- (c) Not being used to carry any person or property for a charge.

F. DAMAGE TO PREMISES RENTED TO YOU

1. The following replaces the last paragraph of Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** in **COVERAGES**:

Exclusions c. through n. do not apply to damage to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by:

- a. Fire;
- b. Explosion;
- c. Lightning;
- d. Smoke resulting from such fire, explosion, or lightning; or
- e. Water.

A separate limit of insurance applies to such damage to premises as described in Paragraph 6. of Section III – Limits Of Insurance. This insurance does not apply to damage to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by:

- a. Rupture, bursting, or operation of pressure relief devices;
- b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water; or
- c. Explosion of steam boilers, steam pipes, steam engines, or steam turbines.

2. The following replaces Paragraph 6. of **SECTION III – LIMITS OF INSURANCE**:

Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises while rented to you, or temporarily occupied by you with permission of the owner, caused by fire; explosion; lightning; smoke resulting from such fire, explosion, or lightning; or water. The Damage To Premises Rented To You Limit will apply to all damage proximately caused by the same "occurrence", whether such damage results from: fire; explosion; lightning; smoke resulting from such fire, explosion, or lightning; or water; or any combination of any of these.

The Damage To Premises Rented To You Limit will be the higher of:

- a. \$1,000,000; or
- b. The amount shown on the Declarations of this Coverage Part for Damage To Premises Rented To You Limit.

3. The following replaces Paragraph a. of the definition of "insured contract" in the **DEFINITIONS** Section:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by:

- (1) Fire;
- (2) Explosion;
- (3) Lightning;
- (4) Smoke resulting from such fire, explosion, or lightning; or
- (5) Water,

is not an "insured contract";

4. The following replaces Paragraph 4.b.(1)(b) of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

(b) That is insurance for premises rented to you, or temporarily occupied by you with the permission of the owner;



COMMERCIAL GENERAL LIABILITY

G. MALICIOUS PROSECUTION – EXCEPTION TO KNOWING VIOLATION OF RIGHTS OF ANOTHER EXCLUSION

The following is added to Exclusion a., **Knowing Violation Of Rights Of Another**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

This exclusion does not apply to "personal injury" caused by malicious prosecution.

H. MEDICAL PAYMENTS – INCREASED LIMIT

The following replaces Paragraph 7. of **SECTION III – LIMITS OF INSURANCE**:

7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C. for all medical expenses because of "bodily injury" sustained by any one person, and will be the higher of:

- (a) \$10,000; or
- (b) The amount shown on the Declarations of this Coverage Part for Medical Expense Limit.

I. INCREASED SUPPLEMENTARY PAYMENTS

1. The following replaces Paragraph 1.b. of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B of SECTION I – COVERAGES**:

b. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

2. The following replaces Paragraph 1.d. of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B of SECTION I – COVERAGES**:

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

J. ADDITIONAL INSURED – OWNER, MANAGER OR LESSOR OF PREMISES

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is a premises owner, manager or lessor and that you have agreed in a written contract to name as an additional insured on this Coverage Part is an

insured, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" that:

- a. Is "bodily injury" or "property damage" caused by an "occurrence" that takes place, or "personal injury" caused by an offense that is committed, after you have signed that contract; and
- b. Arises out of the ownership, maintenance or use of that part of any premises leased to you under that written contract.

The insurance provided to such premises owner, manager or lessor is subject to the following provisions:

- a. The limits of insurance provided to such premises owner, manager or lessor will be the limits which you agreed to provide in the written contract, or the limits shown on the Declarations of this Coverage Part, whichever are less.
- b. The insurance provided to such premises owner, manager or lessor does not apply to:
 - (1) "Bodily injury" or "property damage" caused by an "occurrence" that takes place, or "personal injury" caused by an offense that is committed, after you cease to be a tenant in that premises; or
 - (2) Structural alterations, new construction or demolition operations performed by or on behalf of such premises owner, manager or lessor.
- c. The insurance provided to such premises owner, manager or lessor is excess over any valid and collectible other insurance available to such premises owner, manager or lessor, unless you have agreed in a written contract for this insurance to apply on a primary or contributory basis.

K. ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that is an equipment lessor and that you have agreed in a written contract to name as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" that:

- a. Is "bodily injury" or "property damage" caused by an "occurrence" that takes place, or "personal injury" caused by an offense that is

committed, after you have signed that written contract; and

- b. Is caused, in whole or in part, by acts or omissions of you or any person or organization performing operations on your behalf, in the maintenance, operation or use of equipment leased to you by such equipment lessor.

The insurance provided to such equipment lessor is subject to the following provisions:

- a. The limits of insurance provided to such equipment lessor will be the limits which you agreed to provide in the written contract, or the limits shown on the Declarations of this Coverage Part, whichever are less; and
- b. The insurance provided to such equipment lessor does not apply:
 - (1) To any "bodily injury" or "property damage" caused by an "occurrence" that takes place, or "personal injury" caused by an offense that is committed, after the equipment lease expires; or
 - (2) If the equipment is leased with an operator.
- c. The insurance provided to such equipment lessor is excess over any valid and collectible other insurance available to such equipment lessor, unless you have agreed in a written contract for this insurance to apply on a primary or contributory basis.

L. ADDITIONAL INSURED – STATE OR POLITICAL SUBDIVISIONS – PERMITS RELATING TO PREMISES

The following is added to Paragraph 2. of SECTION II – WHO IS AN INSURED:

Any state or political subdivision that has issued a permit in connection with premises owned or occupied by, or rented or loaned to, you, is an insured, but only with respect to "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of the existence, ownership, use, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, elevators, street banners or decorations for which that state or political subdivision has issued such permit.

M. ADDITIONAL INSURED – STATE OR POLITICAL SUBDIVISIONS – PERMITS RELATING TO OPERATIONS

The following is added to Paragraph 2. of SECTION II – WHO IS AN INSURED:

Any state or political subdivision that has issued a permit with respect to operations performed by you or on your behalf is an insured, but only with respect to "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of operations performed by you or on your behalf for which that state or political subdivision has issued such permit. However, no such state or political subdivision is an insured for:

- (1) "Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of operations performed for that state or political subdivision; or
- (2) "Bodily injury" or "property damage" included within the "products – completed operations hazard".

N. WHO IS AN INSURED – NEWLY ACQUIRED OR FORMED ORGANIZATIONS

The following replaces Paragraph 4.a. of SECTION II – WHO IS AN INSURED:

- a. Coverage under this provision is afforded only:
 - (1) Until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier, if you do not report such organization in writing to us within 180 days after you acquire or form it; or
 - (2) Until the end of the policy period, when that date is later than 180 days after you acquire or form such organizations, if you report such organization in writing to us within 180 days after you acquire or form it.

O. KNOWLEDGE AND NOTICE OF OCCURRENCE OR OFFENSE

The following is added to Paragraph 2., Duties In The Event of Occurrence, Offense, Claim Or Suit, of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

- e. The following provisions apply to Paragraph a. above, but only for the purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II – Who Is An Insured:



COMMERCIAL GENERAL LIABILITY

- (1) Notice to us of such "occurrence" or of an offense must be given as soon as practicable only after the "occurrence" or offense is known to you (if you are an individual), any of your partners or members who is an individual (if you are a partnership or joint venture), any of your managers who is an individual (if you are a limited liability company), any of your trustees who is an individual (if you are a trust), any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture, limited liability company or trust), or any "employee" (such as an insurance, loss control or risk manager or administrator) authorized by you to give notice of an "occurrence" or offense.

Knowledge by any other "employee" of an "occurrence" or offense does not imply that you also have such knowledge.

- (2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by:
- (a) Any individual who is:
 - (i) A partner or member of any partnership or joint venture;
 - (ii) A manager of any limited liability company;
 - (iii) A trustee of any trust; or
 - (iv) An executive officer or director of any other organization;that is your partner, joint venture member, manager or trustee; or
 - (b) Any "employee" authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an "occurrence" or offense.
- (3) Notice to us of such "occurrence" or offense will be deemed to be given as soon as practicable if it is given in good faith as soon as practicable to your workers' compensation, accident, or

health insurer. This applies only if you subsequently give notice to us of the "occurrence" or offense as soon as practicable after any of the persons described in Paragraphs e. (1) or (2) above discovers that the "occurrence" or offense may result in sums to which the insurance provided under the Coverage Part may apply.

P. UNINTENTIONAL OMISSION

The following is added to Paragraph 6., **Representations**, of SECTION IV – **COMMERCIAL GENERAL LIABILITY CONDITIONS**:

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

Q. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US WHEN REQUIRED BY WRITTEN CONTRACT

The following is added to Paragraph 8., **Transfer of Rights of Recovery Against Others to Us**, of SECTION IV – **COMMERCIAL GENERAL LIABILITY CONDITIONS**:

We waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of premises owned or occupied by or rented or loaned to you; ongoing operations performed by you or on your behalf, done under a written contract with that person or organization; "your work"; or "your products". We waive this right where you have agreed to do so as part of a written contract signed by you prior to loss.

R. AMENDED INSURED CONTRACT DEFINITION – RAILROAD EASEMENT

1. The following replaces Paragraph c. of the definition of "insured contract" in the **DEFINITIONS** Section:
 - c. Any easement or license agreement;
2. Paragraph f.(1) of the definition of "insured contract" in the **DEFINITIONS** Section is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM**

The following is added to Paragraph c. in A.1., **Who Is An Insured**, of SECTION II – **COVERED AUTOS LIABILITY COVERAGE** in the **BUSINESS AUTO COVERAGE FORM** and Paragraph e. in A.1., **Who Is An Insured**, of SECTION II – **COVERED AUTOS LIABILITY COVERAGE** in the **MOTOR CARRIER COVERAGE FORM**, whichever Coverage Form is part of your policy:

This includes any person or organization who you are required under a written contract or agreement

between you and that person or organization, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to name as an additional insured for Covered Autos Liability Coverage, but only for damages to which this insurance applies and only to the extent of that person's or organization's liability for the conduct of another "insured".

JM Diaz, Inc.
DBA: JMD
BA4J37394120GRP
6/27/2020

COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET WAIVER OF SUBROGATION

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

The following replaces Paragraph **A.5., Transfer of Rights Of Recovery Against Others To Us**, of the **CONDITIONS** Section:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent

required of you by a written contract executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of the operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.



WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

ENDORSEMENT WC 99 03 76 (A) – 001

POLICY NUMBER: UB6K8694022047

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT – CALIFORNIA (BLANKET WAIVER)

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule.

The additional premium for this endorsement shall be % of the California workers' compensation premium.

Schedule

Person or Organization

Job Description

ANY PERSON OR ORGANIZATION FOR WHICH THE INSURED HAS AGREED BY WRITTEN CONTRACT EXECUTED PRIOR TO LOSS TO FURNISH THIS WAIVER

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 6/27/2020

Policy No. UB6K8694022047

Endorsement No.

Insured JM Diaz, Inc.

DBA: JMD Insurance Company

Countersigned by

DATE OF ISSUE: 1/11/2021

ST ASSIGN:

Page 1 of 1 EXHIBIT B



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL
VIA: CITY ADMINISTRATOR
FROM: CHIEF OF POLICE
DATE: FEBRUARY 16, 2021
SUBJECT: **PURCHASE OF POLICE DEPARTMENT DUTY PISTOLS**

FISCAL

IMPACT: EXPENSE: \$ 29,727.21
REVENUE: \$ 29,727.21 MEASURE U FUNDS
NO GENERAL FUND DOLLARS WILL BE UTILIZED FOR THIS PURCHASE

SUMMARY:

The Placentia Police Department ("Department") currently provides our sworn personnel with Glock model 22 Generation 4.40 Smith & Wesson caliber semi-automatic pistols equipped with factory night sights as our Department issued duty handgun. These handguns were purchased over ten (10) years ago and have seen 24 hour-a-day, seven (7) days a week service in the field and under varying conditions known to cause excessive wear and damage to firearms. As such, they have exceeded their useful life expectancy. In July 2020, the City Council approved the allocation of \$30,000 of Measure U funds for the purchase of new Department issued duty handguns. The Department's Range Staff conducted a test and evaluation of numerous semi-automatic pistols commonly used as law enforcement/military issued duty handguns. During a competitive bidding process, Staff received three (3) bids and ProForce Law Enforcement was the lowest bidder. The Department has previously conducted business with ProForce Law Enforcement which is a business that has provided high-quality customer service to the Department.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Approve the purchase of replacement Department issued duty handguns and necessary equipment and configuration with ProForce Law Enforcement for an amount not-to-exceed \$29,727.21; and
2. Authorize the City Administrator and/or his designee, to execute all the necessary documents, in a form approved by the City Attorney.

1. f.
February 16, 2021

DISCUSSION:

A semi-automatic pistol is an essential piece of safety equipment that is issued by the Department to our sworn personnel. The City's goal is to replace the Department's existing Glock model 22 Generation 4.40 Smith and Wesson caliber semi-automatic pistols with night sights. These Department issued duty handguns were purchased over ten (10) years ago and have seen 24 hour-a-day, seven (7) days a week service in the field and under varying conditions known to cause excessive wear and damage to firearms. The .40 Smith and Wesson caliber is a high-pressure handgun cartridge and as such the amount of recoil felt and absorbed by the shooter and the stress and wear to the handgun are also excessive. The Glock factory night sights, consisting of a tritium vial that glows, becomes functionally useless after approximately 6-10 years. As such, our current Department issued duty handguns have exceeded their useful life expectancy.

The Department's Range Staff recommended that the Department transition from the .40 Smith and Wesson caliber handgun to a 9mm caliber handgun. Some of the considerations given to this recommendation were the high-pressure and excessive recoil, higher cost of training ammunition and duty ammunition, and the now nearly equal ballistic performance of these two calibers in actual officer-involved shootings. An equally sized 9mm caliber handgun will have less felt recoil and less muzzle flip and thus be easier for the shooter to control. This allows for faster follow-up shots as needed, will reduce shooter fatigue, and will likely increase accuracy. The Department currently allows our sworn personnel to carry a 9mm caliber duty handgun at their own expense. The Department's Command Staff took this information into consideration and approved the 9mm as the new Department issued duty handgun caliber.

With the caliber decided, the Department's Range Staff obtained test handguns from several major manufacturers in 9mm caliber. The Department's Range Staff conducted a test and evaluation of numerous semi-automatic pistols commonly used as law enforcement/military issued duty handguns. In addition, the Department's Range Staff designated a day when all sworn personnel were invited to the range to participate in the test and evaluation process. The Department's Range Staff recommended that the Department purchase and transition to a Glock model 17 or 19 Generation 5 9mm caliber semi-automatic pistol with factory night sights and configured with their Modular Optic System (MOS).

During a competitive bidding process, Staff received three (3) bids and ProForce Law Enforcement was the lowest bidder. The Department has previously done business with ProForce Law Enforcement. They are a reputable business with a high level of customer service. In addition, ProForce Law Enforcement is located locally in Orange County, California.

| VENDOR | PRICE |
|--------------------------|--------------|
| ProForce Law Enforcement | \$29,727.21 |
| LC Action Police Supply | \$29,765.21 |
| GLOCK, Inc. | \$31,987.36 |

ALTERNATIVE OPTIONS:

The only substantive alternate option would be to invest in an extensive refurbishment of our current Department issued duty handguns. Due to the intended use of this piece of critical safety equipment refurbishment is not recommended.

FISCAL IMPACT:

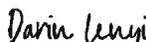
The proposed replacement purchase is presented for City Council consideration using \$29,727.21 in Measure U Funds for this purchase. No General Fund dollars will be used for this purchase.

Prepared by:



James McElhinney
Administrative Division Commander

Reviewed and approved:



Darin Lenyi
Chief of Police

Reviewed and approved:



Jessica Brown
Director of Finance

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachments:

1. Quote from ProForce Law Enforcement
2. Quote from LC Action Police Supply
3. Quote from GLOCK, Inc.

PROFORCE LAW ENFORCEMENT

2625 Stearman Drive, Prescott AZ, 86301
Tel: 928-776-7192 Fax: 928-445-3468

email: sales@proforceonline.com www.proforceonline.com

ORDER

QUOTE

QUOTE# PAGE

511118 1

SHIP DATE

A.S.A.P.

SOLD
TO

CITY OF PLACENTIA
401 E CHAPMAN AVE
ACTS PAYABLE
PLACENTIA CA 92670

714-524-3459

SHIP
TO

PLACENTIA POLICE DEPARTMENT
401 E CHAPMAN AVE
PLACENTIA CA 92870

| JOB # | ORD. DATE | CUST.# | LOC. | SALESMAN | SHIP VIA | FRT. |
|-------|-----------|--------|------|---------------|-----------------|------|
| NA | 01/28/21 | 000218 | A | GREGG MCCLUNG | F-2D FOB ORIGIN | |

| QTY. ORDER | ITEM NO./DESC. | UNIT PRICE | UOM DISC. | NET PRICE |
|---------------|--|------------|--------------|-------------|
| 55 | PA175S702MOS-XF GLK LE 17G5 9MM PST GNS 17RD MOS FSS 3 MAGS D/S ONLY | 481.00 | EA .00 | 26,455.00 |
| 38 | TRADES-CA CREDIT FOR TRADES-IF NOT SENT AS SPECIFIED, MAY BE REDUCED GLOCK 22 - GEN 4 - GNS - 3 MAGS EACH - 8 YEARS OLD - GOOD CONDITION **OFFICER BUY BACK PRICE \$341.87 EA, PLUS TAX, PLUS DROS** | 273.50- | EA .00 | 10,393.00CR |
| 21 | PA195S702MOS-XF GLK LE 19G5 9MM PST GNS 15RD MOS FSS 3 MAGS D/S ONLY IMPORTANT NOTICES: This quotation is based on the issuance of a department purchase order, F.A.E.T. Exemption, payment by check in 30 days (unless otherwise agreed) and in stated quantities. ATF or the manufacturer may require additional forms. Sample forms may be found at: http://www.ProForceonline.com/forms.html purchase order and F.E.T. form to (928)445-3468. PLEASE MAIL ORIGINALS to ProForce Law Enforcement, 2625 Stearman | 481.00 | EA .00 | 10,101.00 |

COMMENT

TERMS

PROFORCE LAW ENFORCEMENT

2625 Stearman Drive, Prescott AZ, 86301

Tel: 928-776-7192 Fax: 928-445-3468

email: sales@proforceonline.com www.proforceonline.com

O R D E R

Q U O T E

QUOTE# PAGE

511118 2

SHIP DATE

A.S.A.P.

SOLD
TO

CITY OF PLACENTIA
401 E CHAPMAN AVE
ACTS PAYABLE
PLACENTIA CA 92670

SHIP
TO

PLACENTIA POLICE DEPARTMENT
401 E CHAPMAN AVE
PLACENTIA CA 92870

714-524-3459

| JOB # | ORD. DATE | CUST.# | LOC. | SALESMAN | SHIP VIA | FRT. |
|-------|-----------|--------|------|---------------|-----------------|------|
| NA | 01/28/21 | 000218 | A | GREGG MCCLUNG | F-2D FOB ORIGIN | |

| QTY. ORDER | ITEM NO./DESC. | UNIT PRICE | UOM DISC. | NET PRICE |
|---------------|---|------------|--------------|-----------|
| | RD. Ste A, Prescott, AZ 86301. Standard Terms are Net 30 days. If department policy does not allow for partial shipments and payments, separate purchase orders for each item will be necessary. Standard manufacturer's warranty applies to all department purchases unless otherwise specifically noted. This quote is valid for 45 days from date of issue, pending credit approval, and is subject to manufacturer's availability and price change. Please call (800) 367-5855 if this bid is still pending on the expiration date for updated pricing. A 20% restocking fee will apply to all returned goods. Please call us for a return authorization number. IMPORTANT: To order from this quotation, please sign below. Printed Name: _____ - Date: _____ P.O.: _____ - Signature: _____ | | | |

| | |
|---|---|
| <p>COMMENT FOR: JULIE KENNICUTT</p> <p>BY: KARI MARTIN</p> <p>TERMS DUE NET 30 DAYS</p> | <p>SALES AMOUNT 26,163.00</p> <p>9.750% SALES TAX 3,564.21</p> <p>SUB TOTAL 29,727.21</p> |
|---|---|



LC ACTION POLICE SUPPLY
 1088 N 1ST STREET
 SAN JOSE CA 95112
 Tel: 408-294-2677 / Fax 408-294-6444
 Email: Stacy@LCAction.com

Quotation

Date: January 27, 2021

State of CA SBE Certification # 1017260

| | |
|---|--|
| To: BRIAN MCINERNEY PLACENTIA POLICE DEPT P# 714-357-5620 EM: BMCINERNEY@PLACENTIA.ORG | |
|---|--|

| CUST # | QUOTED BY | EST. DELIVERY | F.O.B. | TERMS |
|--------|-------------|---------------|--------|--------|
| | STACY MOORE | 90 DAYS ARO | | NET 45 |

| QTY. | DESCRIPTION | UNIT PRICE | TOTAL |
|------|---|------------|-------------|
| 55 | G17 MOS GEN5 GNS 9MM PISTOL PA175S702MOS GLOCK 17RD 5.5LB | 481.00 | 26,455.00 |
| 21 | G19 MOS GEN5 GNS 9MM PISTOL PA195S702MOS GLOCK 15RD 5.5LB | 481.00 | 10,101.00 |
| 1 | SALES TAX AT 9.75% ON NEW PURCHASE | 3,564.21 | 3,564.21 |
| | | | 0.00 |
| | | | 0.00 |
| 38 | TRADE-IN GLOCK G22 GEN4 WITH GLOCK NIGHT SIGHTS AND 3 MAGS EACH GUN | (272.50) | (10,355.00) |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |
| | | | 0.00 |

| | |
|------------------|--------------------|
| SUBTOTAL | 29,765.21 |
| OTHER | |
| OTHER | 0.00 |
| SHIPPING | |
| TOTAL DUE | \$29,765.21 |

| | | |
|--|--|--|
|  www.glock.com | GLOCK, Inc. USA |  PERFECTION |
| | 6000 Highlands Parkway Smyrna, GA 30082 USA Tel. +1 770 432 1202 Fax +1 770 433 8719 | |

Placentia Police Dept

401 E CHAPMAN AVE
PLACENTIA, CA 92870-6101 United States
PH: 714-993-8164

FX:

ATTN: Brian McInerney

Title: Police Officer
Email: bmcinerney@placentia.org
Cell: 714 257-5620

Date 1/27/2021

Quote: QUO-14338-Q4W6P4

Valid From: 1/27/2021

Valid To: 4/27/2021

Glock Representative: David Larson
Email: David.Larson@glock.us
Cell: +1 678 429-6993

QUOTATION

| Quantity | Description | Cost | Extension |
|----------|---|------------|-------------|
| 1 | CA Sales Tax @ 9.75% | \$3601.36 | \$3601.36 |
| 21 | GLOCK 19Gen5 (9x19) MOS-NS: Standard (3) , Standard , Fixed , 5.5lb | \$486.00 | \$10206.00 |
| 38 | Trade ins, Glock Model 22Gen4GNS with 3 mags, in working condition | (\$225.00) | (\$8550.00) |
| 55 | GLOCK 17Gen5 (9x19) MOS-NS: Standard (3) , Standard , Fixed , 5.5lb | \$486.00 | \$26730.00 |

Description:

- Govt Agency prices do not include sales tax or FET, where applicable
- Prices are due and payable NET 30 days for each invoice
- Trade-in pistols must be in good, serviceable working order
- Deductions made if trade-ins are damaged or not as specified.
- Trade-in or exchange pistols must be turned in within 30 days after receipt of new GLOCKS, unless other arrangements have been made and approved
- All firearms traded to GLOCK, Inc. are subject to being refurbished and sold to other Federally Licensed firearms distributors.
- There is a **Limited Lifetime Warranty on GLOCK guns & parts, including postage, labor and replacement parts.**
- The Agency agrees that they will not trade in the pistols quoted above for a period of 2 years with the exception of trading to upgrade to new GLOCK pistols
- **USE FACTORY AMMUNITION ONLY**

(+) Total Tax: 0.00

Grand Total: \$ 31,987.36

David Larson

Authorized Signature

1/27/2021

Date



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DEPUTY CITY ADMINISTRATOR

DATE: FEBRUARY 16, 2021

SUBJECT: **ORDINANCE APPROVING THE INTENT OF THE PLACENTIA PUBLIC SAFETY COMMUNICATIONS CENTER TO IDENTIFY AS AN INDEPENDENT COMMUNICATION SERVICE AGENCY AND TO PARTICIPATE IN THE CALIFORNIA PEACE OFFICER STANDARDS AND TRAINING (POST) PROGRAM.**

FISCAL
IMPACT: TO BE DETERMINED

SUMMARY:

On July 1, 2020, the Placentia Public Safety Communications Center (Communications Center) became responsible for dispatching fire and medical resources in addition to Police Department resources. In doing so, the Communications Center Staff members have been reclassified as Public Safety Dispatchers. In this transition, the Communications Division now identifies as its own entity, or independent communication service agency. Due to the change in operations and management, Communications Center employees are not able to receive their required Dispatcher training through POST or receive training reimbursements unless the Communications Center is recognized as a part of the POST Program.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Waive full reading, by title only, and introduce for first reading Ordinance No. O-2021-01, an Ordinance of the City Council of the City of Placentia, California, accepting the requirements of Penal Code Sections 13501(C), 13522 and 13512 relating to recruitment and training standards for Public Safety Dispatchers; and
2. Authorize the Placentia Public Safety Communications Manager to send a letter of intent to participate in the POST program.

DISCUSSION:

On July 1, 2020, the Placentia Fire and Life Safety Department (Fire Department) was created

1. g.
February 16, 2021

and assumed all Fire and EMS services within the City. Prior to the implementation, the Communications Center dispatched calls solely pertaining to law enforcement requests, while calls for Fire and EMS related services were transferred to the previous provider. With the startup of the City's Fire Department, the City's Communications Center now receives all emergency service calls within the City. The benefits of joining the POST Program include eligibility to attend POST offered training, reimbursement for training, training course certification support, leadership training programs, and free online job skills training.

As a participant in the POST Program, the Placentia Public Safety Communications Center will adhere to minimum selection and training standards and POST Commission Regulations.

FISCAL IMPACT:

No negative fiscal impact associated with this action. POST reimbursement funds are dependent upon the training courses attended.

Prepared by:



Stefanie Acosta-Reyes
Public Safety Communications Manager

Reviewed and approved:



Rosanna Ramirez
Deputy City Administrator

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachment:

Ordinance O-2021-01 – Recruitment and Training Standards for Public Safety Dispatchers

ORDINANCE NO. O-2021-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA ACCEPTING THE REQUIREMENTS OF PENAL CODE SECTIONS 13510(C), 13522 AND 13512 RELATING TO RECRUITMENT AND TRAINING STANDARDS FOR PUBLIC SAFETY DISPATCHERS

WHEREAS, the City of Placentia has established the Placentia Fire and Life Safety Department to respond to fire and life safety emergencies; and

WHEREAS, the Placentia Police Department currently uses Commission on Peace Officer Standards and Training ("Commission") certified employees to provide dispatch services; and

WHEREAS, these dispatchers have recently been re-assigned to report to City Administration instead of Police Department command staff in order to provide dispatch services for both the Placentia Fire and Life Safety Department and the Placentia Police Department; and

WHEREAS, in order to be eligible to receive aid from the Commission, the Commission requires that the City of Placentia affirm that its police dispatchers will continue to comply with Commission training standards for its police dispatchers under the City's restructuring; and

WHEREAS, the City Council of the City of Placentia desires to affirm that its employees who serve as both fire and police dispatchers will comply with Commission regulations applicable to public safety dispatchers.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA DOES ORDAIN AS FOLLOWS:

Section 1. The above findings are true and correct.

Section 2: The City Council of the City of Placentia desires to qualify to receive aid from the State of California under the provisions of Penal Code Section 13522 and affirms that it accepts the requirements of Penal Code Section 13510(c). The City Council affirms that the City of Placentia will adhere to the standards for recruitment and training established by the Commission on Peace Officer Standards and Training ("Commission") for public safety dispatchers. The City Council further affirms that the City of Placentia will adhere to the requirements of Penal Code Section 13512 and that the Commission and its representatives may make such inquiries as deemed appropriate by the Commission to ascertain that the City of Placentia's public safety dispatcher personnel adhere to the standards for selection and training established by the Commission.

Section 3. Certification. The City Clerk shall certify to the passage and adoption of this ordinance.

INTRODUCED at a regular meeting of the City Council of the City of Placentia held on the 16th day of February 2021.

PASSED, APPROVED AND ADOPTED this ___ day of _____ 2021.

Craig S. Green, Mayor

ATTEST:

Robert S. McKinnell, City Clerk

STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Robert S. McKinnell, City Clerk of the City of Placentia, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Placentia, held on the 16th day of February 2021, and adopted at a regular meeting of the City Council of the City of Placentia, held on the _____ day of _____ 2021 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

Christian L. Bettenhausen, City Attorney



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF DEVELOPMENT SERVICES

DATE: FEBRUARY 16, 2021

SUBJECT: **PUBLIC HEARING AND CONSIDERATION OF PROPOSED PROGRAMS AND ACTIVITIES TO BE SUBMITTED TO THE COUNTY OF ORANGE FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING FOR FISCAL YEAR 2021-22**

FISCAL
IMPACT: CDBG FUNDS IN THE AMOUNT OF \$391,027 FOR FISCAL YEAR 2021-22

SUMMARY:

The Federal Housing and Community Development Act of 1974 provides Community Development Block Grant (CDBG) funds for projects that promote the development of viable urban communities by providing suitable living environments for persons of low and moderate income. As a Metropolitan City, the City of Placentia does not compete with eleven (11) other County cities to apply and receive CDBG funds through the County of Orange ("County"). The amount of CDBG funding received by the City is established and provided directly by the U.S. Department of Housing and Urban Development (HUD) via the County. The funding allocation varies from year to year; therefore, the funding allocation will be presented to the City Council on an annual basis.

For Fiscal Year 2020-21, the anticipated funding amount is \$391,027, of which the City will receive \$351,925 directly. Eligible funding programs and activities must adhere to National Objectives established by HUD and the County's Consolidated Plan. The program and projects must achieve a specified performance outcome such as improving accessibility through removal of physical barriers or promoting livable and viable neighborhoods by providing a benefit to low to moderate income residents. This action will conduct a public hearing on the proposed programs and activities and authorize the City Administrator, or his designee, to submit the application to the County to receive CDBG funds for the programs and activities described herein.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Open the Public Hearing to consider proposed programs and activities for the Community Development Block Grant Funding for Fiscal Year 2021-22; and

2. a.
February 16, 2021

2. Receive the Staff report, consider all public testimony, ask any questions of Staff; and
3. Close the Public Hearing; and
4. Authorize the City Administrator to submit an application to the County of Orange to receive CDBG Funds to support public service programs, public facilities improvements, housing rehabilitation needs, and administrative expenses for Fiscal Year 2021-22; and
5. Authorize the City Administrator to execute all necessary documents, in a form approved by the City Attorney.

DISCUSSION:

The Federal Housing and Community Development Act of 1974 provides CDBG funds for projects that promote the development of viable urban communities by providing suitable living environments for persons of low and moderate income. As a Metropolitan City, the City does not compete with eleven (11) other County cities to apply and receive CDBG funds through the County. The City’s funding allocation will be established annually by HUD.

Eligible programs and activities must adhere to the established performance objectives established by HUD and conform to the priority levels set by the County. This includes creating a suitable living environment that benefits communities, families, or individuals that are from designated low to moderate income areas of the City. Projects must also achieve specified performance outcomes such as improving accessibility through removal of physical barriers or promoting livable and viable neighborhoods by providing a benefit to low to moderate income residents.

As indicated in the chart below, the CDBG amount of \$351,925 will be allocated to the City and will serve as a direct offset and/or supplement to the General Fund for specific programs and activities that support viable urban communities. The remaining \$39,102 will be provided to the County to cover costs related to preparation of the Annual Action Plan (AAP), Consolidated Annual Performance and Evaluation Report (CAPER), and other administrative costs.

| CDBG ALLOCATION TO THE CITY OF PLACENTIA | | |
|---|---|-------------------|
| Activity | Program | Allocation |
| Housing Needs | Housing Rehabilitation Program | \$12,500 |
| | Facade Improvement Program | \$100,000 |
| Public Facilities/Non-Housing Rehabilitation | Neighborhood Park Facility (Jaycee Parkette at 500 Kansas Ave) | \$141,744 |
| Public Services (Mandated 15% of CDBG Funds) | Senior Services Salaries (Lunch Program) | \$20,700 |
| | Public Services Salaries (Neighborhood Services) | \$37,879 |
| Administration - City | Assistant to the City Administrator/Economic Development Manager Salary for Administering CDBG Programs | \$20,700 |
| Total CDBG Allocation to the City | | \$351,925 |

| CDBG ALLOCATION TO THE COUNTY OF ORANGE | | |
|--|---------------------------------------|------------------|
| Activity | Program | Allocation |
| Administration - County | County Staff - Maximum HUD Allocation | \$39,102 |
| Total CDBG Allocation to the County | | \$39,102 |
| TOTAL CDBG FUNDING ALLOCATION | | \$391,027 |

Program Activities

Housing Needs: The goal is to preserve and rehabilitate existing ownership housing stock. Due to the large percentage of the City's housing stock exceeding 50 years of age, measures must be taken to preserve the quality and livability of existing residential units. Many of these housing units are owned by low-moderate income persons, often elderly or disabled residents, who are unable to adequately care for their homes. Minor exterior rehabilitation efforts are often necessary to provide exterior repairs, weatherization, or clean-up improvements to maintain the quality of living conditions or for health and safety issues.

In addition, the Façade Improvement Program will be implemented in an effort to remove blight and provide for the expansion of the City's tax base through the use of CDBG funds for eligible façade improvements to local businesses. The funds can be used for exterior improvements among the aging commercial buildings in the Old Town Placentia area. The program will be designed to promote Placentia as a positive venue for quality business, incentivize business improvements and attraction to enhance local economic growth, and ensure that government regulations promote a favorable business climate.

Public Facilities/Non-Housing Rehabilitation: The goal is to provide adequate Americans with Disabilities Act (ADA) accessibility among identified public areas in the City. Title II of the ADA requires all public entities to give individuals with disabilities an equal opportunity to benefit from all of their programs, services, and activities. Several of Placentia's public buildings, parks, and facilities constructed prior to the enactment of ADA in 1990, have noted items requiring retrofit in order to remove possible barriers. The City has identified Jaycee Parkette at 500 Kansas Avenue as a project that would qualify for CDBG funding. The improvements to the park include ADA enhancements to the playground, picnic table, playground surfacing, paths of travel and drinking fountain. In addition, enhance lighting throughout the park is needed for health and safety improvements.

Public Services: HUD requires 15% of the total CDBG funding allocation to be designated to public services. Based on the community need and HUD requirements, there is a high priority need to continue to support public services for senior and youth populations. The City's continuing Senior Lunch Program provides a local community benefit to the senior and disabled population by providing daily nutritional meals supplemented by much-needed social interaction. The program serves an average of 450 lunches a month to senior and disabled residents in Placentia and the surrounding communities. The majority of attendees are over the age of 65, live alone, and are considered low-income. The City also provides several Neighborhood Services programs including free food distribution and human services referrals in areas designated as low-to-

moderate income. These Neighborhood Services programs ensure that comprehensive and coordinated resources are available to support family needs.

Administrative Costs: HUD approves the allocation of 20% of the total CDBG funding for administrative costs. Per the current agreement with the County of Orange, the 20% will be equally divided between the City and the County. The County will file, on behalf of the City, several HUD mandated reports including the AAP, CAPER, Analysis of Impediments (AI), Citizen Participation Plan (CPP), and the Integrated Disbursement and Information System (IDIS) management. The City's administrative costs will be for the monitoring and reporting of the programs and activities. Administrative costs will specifically be for the submittal of quarterly expenditure reports, financial activity, contracts, and summary of accomplishments for each of the programs and activities.

FISCAL IMPACT:

Submittal of the proposed CDBG program and activities to the County will have a positive financial impact. The City will receive approximately \$351,925 of the anticipated total amount of \$391,027 in CDBG allocated funds for FY 2021-22 for the implementation of specific programs and activities that will have a positive impact upon our community.

Prepared by:



Jeannette Ortega
Assistant to the City Administrator/
Economic Development Manager

Reviewed and approved:



Joseph M. Lambert
Director of Development Services

Reviewed and approved:



Jessica Brown
Director of Finance

Reviewed and approved:



Damien R. Arrula
City Administrator



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF FINANCE

DATE: FEBRUARY 16, 2021

SUBJECT: **GAS TAX BOND REFINANCING: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA APPROVING AN INSTALLMENT SALE AGREEMENT AND AN ESCROW DEPOSIT AND TRUST AGREEMENT; AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH**

FISCAL

IMPACT: BUDGET SAVINGS AND ADDITIONAL GAS TAX REVENUE AVAILABLE TO APPLY TOWARD ROAD AND TRANSPORTATION PROJECTS

SUMMARY:

In 2011, the City issued \$5,955,000 of Certificates of Participation ("COPs") through the California Statewide Communities Development Authority (CSCDA) that are repaid with State Gas Tax Receipts. The COPs had a final maturity of June 1, 2031 and an All-in True Interest Cost ("AIC") of 5.83% at the time of their issuance. The payment of the annual debt service on the COPs is made from the annual allocation of Gas Tax revenues the City receives from the State. Reducing the annual debt service costs will mean that more Gas Tax revenues will be available to undertake other road and transportation projects needed throughout the City. The City has received an offer from Truist Bank, a North Carolina banking corporation, to refinance these obligations at a rate of 1.65% (AIC of 2.44%) which would create substantial debt service savings for the City (as described below) by replacing the 2011 COPs debt service payments with the lower payments to be made on the 2021 Installment Purchase Agreement.

RECOMMENDATION:

It is recommended that the City Council take the following action:

Approve Resolution R-2021-XX, a Resolution of the City Council of the City of Placentia approving an Installment Sale Agreement and an Escrow Deposit and Trust Agreement; and authorizing certain actions in connection therewith.

DISCUSSION:

Current Refunding of the 2011 Gas Tax COPs

In 2011, the City issued \$5,955,000 of COPs through the CSCDA to raise funds to pay the costs

3. a.
February 16, 2021

of certain local roadway improvements and street resurfacing projects throughout the City, which have been completed. The COPs had a final maturity of June 1, 2031 and an All-in True Interest Cost ("AIC") of 5.83% at the time of their issuance. The payment of the annual debt service on the COPs is made from the annual allocation of Gas Tax revenues the City receives from the State. Reducing the annual debt service costs will mean that more Gas Tax revenues will be available to undertake other road and transportation projects needed throughout the City.

The 2011 issuance was a "COP" because there was an underlying installment Agreement contract between the City and CSCDA. The shares of this Installment Purchase Agreement were then sold to investors who received a portion of the annual debt service payments to be made by the City. This is a technical legal structure in name but is similar in function to Lease Revenue Bonds. The difference is that the road improvements project was purchased over time by the City and not leased, therefore investors receive fractional, undivided interests in the installment payments and not "principal and interest payments." Hence the name Certificates of Participation.

The City has received an offer from Truist Bank, a North Carolina banking corporation, to refinance these obligations at a rate of 1.65% (AIC of 2.44%) which would create substantial debt service savings for the City (as described below) by replacing the 2011 COPs debt service payments with the lower payments to be made on the 2021 Installment Purchase Agreement. The offer expires on March 5, 2021. Because the 2011 COPs have an option to redeem prior to their stated maturity, the City may initiate a refunding financing now and use the proceeds to call in the 2011 COPs from the current investors on June 1, 2021 (the first optional call date). The City may not close the refunding more than 90 days before June 1, 2021 to comply with IRS regulations, thus the closing is scheduled for March 3, 2021. There will be only one investor, Truist Bank, therefore there is no need to issue COPs. The investor will simply buy the 2021 Installment Purchase Agreement obligation directly from the City at the lower rate of interest as effectuated by payoff of the existing agreement and approval of a new Installment Purchase Agreement, for which the City will make installment payments to the Purchaser without the need to divide the payments among investors such as in 2011.

The 1.65% interest rate is "locked in" until March 5, 2021. The final maturity on this 2021 refinancing will be June 1, 2030, one (1) year sooner than the 2011 COPs. This Installment Sale Agreement may also be prepaid without penalty on or after December 1, 2025.

Forms of financing documents are attached and include:

- Installment Sale Agreement: Establishes and defines the terms of the installment sale of the improvements between the Purchaser and the City
- Escrow Deposit and Trust Agreement: Establishes the obligations of the Trustee as Escrow Agent to pay for and optionally redeem the 2011 COPs on June 1, 2021

FISCAL IMPACT:

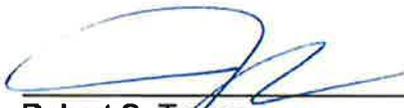
This refunding transaction will provide savings to the City in the amount of \$60,801 in 2020-21 and approximately \$75,000 each subsequent fiscal year through final maturity in 2030. Total debt service savings over the remaining life of the financing will be \$727,554, or a net present value

(NPV) of \$663,904 for an NPV% Savings of 16.96%. Generally, minimum NPV Savings of 3% is preferable when pursuing a refinancing.

The estimated costs of issuance are summarized below, will be paid from the refinancing proceeds, and are accounted for in the savings stated above:

| | |
|--------------------------------|------------------|
| Placement Agent: | \$30,000 |
| Bond Counsel: | \$40,000 |
| Local Counsel: | \$7,500 |
| Financial Consultant/Proj Mgr. | \$2,500 |
| Purchaser's Counsel: | \$7,500 |
| Municipal Advisor: | \$30,000 |
| Verification Agent | \$1,750 |
| Escrow Agent: | \$2,750 |
| CDIAC: | \$914 |
| Misc: | \$2,086 |
| TOTAL: | \$125,000 |

Prepared by:



Robert S. Torrez
Financial Consultant

Reviewed and approved:



Jessica Brown
Director of Finance

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachments:

1. Resolution R-2021-XX – 2021 Gas Tax Refunding
2. Escrow Deposit and Trust Agreement
3. Installment Sale Agreement
4. Presentation – Gas Tax Refinancing

RESOLUTION NO. R-2021-08

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PLACENTIA APPROVING AN INSTALLMENT SALE
AGREEMENT AND AN ESCROW DEPOSIT AND TRUST
AGREEMENT; AND AUTHORIZING CERTAIN ACTIONS
IN CONNECTION THEREWITH**

WHEREAS, City of Placentia (the "City") received a proposal from Truist Bank (the "Bank") to refund the \$5,955,000 California Communities Gas Tax Revenue Certificates of Participation, Series 2011A (Gas Tax Accelerated Street Improvement Program) issued by California Statewide Communities Development Authority (the "2011 Certificates"); and

WHEREAS, the City desires to facilitate the refunding of the 2011 Certificates by entering into an Installment Sale Agreement, dated as of March 1, 2021 (the "Installment Agreement"), with the Bank, pursuant to which the Bank will provide funds to refund the 2011 Certificates in consideration of the payment by the City of installments of principal and interest as set forth in Exhibit A to the Installment Agreement (the "Installment Payments"); and

WHEREAS, pursuant to the Installment Agreement, the City is obligated to pay to the Bank or its assigns, the Installment Payments; and

WHEREAS, the City's obligation to make the Installment Payments under the Installment Agreement is an obligation of the City payable solely from gas tax revenues; and

WHEREAS, the City Council of the City desires to approve the Installment Agreement and the Escrow Deposit and Trust Agreement, dated as of March 1, 2021 (the "Escrow Agreement"), by and among the California Statewide Communities Development Authority, the City and Wells Fargo Bank, National Association; and

WHEREAS, there has been presented to this City Council at this meeting copies of the Installment Agreement and the Escrow Agreement; and

WHEREAS, the capitalized terms in this Resolution shall have the meanings as set forth in the Installment Agreement;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. This City Council approves the Installment Agreement with such changes to be made to said agreement as may be approved by the City Administrator or the Finance Director; provided, however, that in no event shall the interest payable under the Installment Agreement exceed 1.65% per annum, and the original aggregate principal amount of the payments under the Installment Agreement shall not exceed \$3,656,000. The City Council directs its Mayor, City Administrator, Finance Director, City Clerk or any other person designated as an authorized representative of the City by a written certificate of the City signed by the City Administrator and filed with the City Clerk (the "Authorized Officers") to execute said agreement. Approval of any changes to the Installment Agreement shall be conclusively evidenced by the execution and delivery of said agreement by the Authorized Officer executing the same.

SECTION 2. This City Council approves the Escrow Agreement with such changes to be made to said agreement as may be approved by the City Administrator or the Finance Director to accomplish the refunding of the 2011 Certificates. The City Council directs its Authorized Officers to execute said agreement. Approval of any changes to the Escrow Agreement shall be conclusively evidenced by the execution and delivery of said agreement by the Authorized Officer executing the same.

SECTION 3. The City Council hereby acknowledges receipt of the good faith estimates of certain information required by Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) as set forth in Exhibit A attached hereto.

SECTION 4. Kosmont Transactions Services, Inc. is hereby retained as municipal advisor. The law firm of Nixon Peabody LLP is hereby retained as special counsel. Oppenheimer & Co. Inc., is hereby designated as placement agent.

SECTION 5. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, agreements and certificates including, without limitation, a tax certificate, which they may deem necessary and advisable in order to consummate the delivery of the Installment Agreement, the Escrow Agreement and otherwise effectuate the purposes of this Resolution.

SECTION 6. This Resolution shall take effect from and after its date of adoption.

PASSED, ADOPTED and APPROVED this 16th day of February 2021.

Craig S. Green, Mayor

ATTEST:

Robert S. McKinnell, City Clerk

STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Robert S. McKinnell, City Clerk of the City of Placentia, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Placentia, held on the 16th day of February 2021 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

Christian L. Bettenhausen, City Attorney

EXHIBIT A

Good Faith Estimates

The following information was obtained from Kosmont Transactions Services, Inc., serving as municipal advisor to the City, and is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Installment Agreement:

1. True Interest Cost of the Installment Agreement. A good faith estimate of the true interest cost of the Installment Agreement, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Installment Agreement, is 1.65%.

2. Finance Charge of the Installment Agreement. A good faith estimate of the finance charge of the Installment Agreement, which means the sum of all fees and charges paid to third parties, is \$125,038.14.

3. Amount of Proceeds to be Received. A good faith estimate of the amount of proceeds expected to be received for sale of the Installment Agreement less the finance charge of the Installment Agreement described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Installment Agreement, is \$3,530,961.86.

4. Total Payment Amount. A good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Installment Agreement plus the finance charge of the Installment Agreement described in paragraph 2 above not paid with the proceeds of the Installment Agreement, calculated to the final maturity of the Installment Agreement, is \$3,939,687.62.

ESCROW DEPOSIT AND TRUST AGREEMENT

by and among the

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY,

CITY OF PLACENTIA

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Escrow Agent**

Dated as of March 1, 2021

ESCROW DEPOSIT AND TRUST AGREEMENT

This ESCROW DEPOSIT AND TRUST AGREEMENT (the “Escrow Agreement”) is made and entered into as of March 1, 2021, by and among the CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the “Authority”), CITY OF PLACENTIA, a charter city organized and existing by virtue of the laws of the State of California (the “City”) and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (the “Escrow Agent”);

W I T N E S S E T H:

WHEREAS, the City and the Authority have heretofore entered into a 2011 Installment Sale Agreement, dated as of May 1, 2011 (the “2011 Agreement”); and

WHEREAS, payments by the City of installment payments pursuant to the 2011 Agreement (the “2011 Payments”) are applied to the payment of the \$5,955,000 California Communities Gas Tax Revenue Certificates of Participation, Series 2011A (Gas Tax Accelerated Street Improvement Program) (the “2011 Certificates”); and

WHEREAS, the 2011 Agreement provides that in the event that the City deposits, or causes the deposit on its behalf of, moneys and certain securities (as defined in Section 7.01 of the 2011 Trust Agreement) in an amount, together with investment earnings and certain funds held under the 2011 Trust Agreement (defined below), sufficient to pay and discharge all or a portion of the indebtedness of the 2011 Agreement at or before maturity, then the obligations of the City under the 2011 Agreement shall cease and terminate with respect to the obligations so discharged, except only the obligation of the City to pay or cause to be paid to the Authority all sums due thereon out of the Escrow Fund with respect to the obligations so discharged and thereafter such Gas Tax Revenues (as defined in the 2011 Agreement) shall be released from the lien of the 2011 Agreement; and

WHEREAS, pursuant to the 2011 Agreement, the Authority assigned to the Prior Trustee, defined in Section 12 below, its rights to receive installment payments (the “Prior Payments”) from the City under the 2011 Agreement and the right to exercise such rights and remedies conferred on the Authority under the 2011 Agreement to enforce payment of the Prior Payments; and

WHEREAS, pursuant to a 2011 Trust Agreement, relating to and dated as of the same date as the 2011 Agreement, by and among the Authority, the Prior Trustee and the City (the “2011 Trust Agreement”), the 2011 Certificates were executed and delivered, secured in part by the Prior Payments; and

WHEREAS, the City has determined that it is in the best interests of the City at this time to refinance the City's obligation to make the installment payments under the 2011 Agreement and, as a result thereof, to provide for the payment of such installment payments through June 1, 2021 and to prepay such installment payments on said June 1, 2021, at a prepayment price of 100% of the principal amount thereof, plus accrued interest; and

WHEREAS, the Authority and the City propose to make the deposit of moneys and to appoint the Escrow Agent as their agent for the purpose of applying said deposit to the payment of Prior Payments in accordance with the instructions provided by this Escrow Agreement and of applying said Prior Payments to the payment and prepayment of a portion of the 2011 Certificates in accordance with the 2011 Trust Agreement and 2011 Agreement, and the Escrow Agent will accept said appointment; and

WHEREAS, to obtain moneys to make such deposit, the City proposes to enter into an Installment Sale Agreement with Truist Bank (the “2021 Agreement”); and

WHEREAS, the City wishes to make such a deposit with the Escrow Agent and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Agent has full powers to act with respect to the irrevocable escrow and trust created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Definition of Federal Securities. As used herein, the term “Federal Securities” means the State and Local Government Series Securities (“SLGS”) set forth in the Subscription Confirmation dated _____, 2021.

Section 2. Appointment of Escrow Agent. The City and the Authority hereby appoint the Escrow Agent as Escrow Agent for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Agent hereby accepts such appointment.

Section 3. Establishment of Escrow Fund. There is hereby created by the City and the Authority with, and to be held by, the Escrow Agent, as security for the payment of the Prior Payments as hereinafter set forth, an irrevocable escrow to be maintained in trust by the Escrow Agent on behalf of the City and the Authority and for the benefit of the owners of the 2011 Certificates, said escrow to be designated the “Escrow Fund.” All moneys and Federal Securities deposited in the Escrow Fund shall be held as a special fund for the payment of the Prior Payments in accordance with the provisions of the 2011 Agreement. If at any time the Escrow Agent shall receive actual knowledge that the moneys and Federal Securities in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Agent shall notify the City of such fact and the City shall immediately cure such deficiency.

Section 4. Deposit into Escrow Fund; Investment of Amounts. Concurrently with the execution of the 2021 Agreement, the City and the Authority shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of \$_____ in immediately available funds. \$_____ of the amount deposited shall be used to purchase the Federal Securities and the remaining amount shall be held uninvested.

Section 5. Instructions as to Application of Deposit; Authority Retains Right of Optional Redemption. The City and the Authority hereby irrevocably direct and instruct the Escrow Agent to apply the funds held in the Escrow Fund to pay the Prior Payments relating to the 2011 Agreement, through June 1, 2021 and to prepay the remaining Prior Payments in full on June 1, 2021 at a prepayment price of 100% of the principal amount hereof. For such purpose of call and prepayment prior to maturity of a portion of the 2011 Certificates, the Escrow Agent is hereby instructed to give notice of prepayment of the 2011 Certificates subject to prepayment and a notice of defeasance in accordance with the applicable provisions of the 2011 Trust Agreement. Any funds remaining in the Escrow Fund after June 1, 2021, shall be delivered to the City.

Section 6. Application of Certain Terms of 2011 Trust Agreement. All of the terms of the 2011 Trust Agreement relating to the making of payments of principal and interest with respect to the 2011 Certificates are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the 2011 Trust Agreement relating to the limitations from liability and protections afforded the Prior Trustee and the resignation and removal of the Prior Trustee are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Agent hereunder.

Section 7. Compensation to Escrow Agent. The City shall pay the Escrow Agent full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, fees, costs and expenses relating to the purchase of any Federal Securities after the date hereof, pursuant to a separate agreement between the City and the Escrow Agent. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes.

Section 8. Liabilities and Obligations of Escrow Agent. The Escrow Agent shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the City shall have deposited sufficient funds with the Escrow Agent to satisfy such obligation. The Escrow Agent may rely and shall be protected in acting upon the written instructions of the City or its agents relating to any matter or action as Escrow Agent under this Escrow Agreement.

The Escrow Agent undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent.

The City hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Agent and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Agent (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow

Agent made in good faith in the conduct of its duties; provided, however, that the City shall not be required to indemnify the Escrow Agent against its own negligence or willful misconduct. The indemnities contained in this Section 10 shall survive the termination of this Escrow Agreement and the resignation and removal of the Escrow Agent.

The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special indirect or consequential damages.

The Escrow Agent may consult with counsel of its own choice and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

The Escrow Agent shall not be responsible for any of the recitals or representations contained herein.

Whenever in the administration of this Escrow Agreement the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the City and Authority, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

The liability of the Escrow Agent to make the payments required by this Escrow Agreement shall be limited to the moneys and Federal Securities in the Escrow Fund.

The Escrow Agent shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Federal securities deposited with it to pay the principal, interest, or premiums, if any, on the 2011 Certificates.

No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority or the City elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a

similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding the fact that such instructions conflict or are inconsistent with a subsequent written instruction. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Authority and City acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority and City the right to receive brokerage confirmations of security transactions as they occur, the Authority and City specifically waives receipt of such confirmations to the extent permitted by law. The Escrow Agent will furnish the Authority and City periodic cash transaction statements which include detail for all investment transactions made by the Escrow Agent hereunder.

Section 9. Amendment. This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 2011 Certificates then outstanding shall have been filed with the Escrow Agent. This Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the City, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, or (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not adversely affect the interests of the owners of the 2011 Certificates or the 2021 Agreement, and that such amendment will not cause interest on the 2011 Certificates or the 2021 Agreement to become subject to federal income taxation.

Section 10. Termination; Unclaimed Money. This Escrow Agreement shall terminate when the 2011 Certificates have been paid; provided, however, that (i) money held by the Escrow Agent pursuant to this Escrow Agreement for the payment and discharge of any of the 2011 Certificates (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Agent to the City free from the trust created by the 2011 Trust Agreement and this Escrow Agreement, and the Escrow Agent shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Agent with respect to such money shall thereupon cease and (ii) excess moneys held by the Escrow Agent not needed for the payment and discharge of the Prior Payments shall be transferred to the City.

Section 11. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 12. Notice of Escrow Agent, Authority and City. Any notice to or demand upon the Escrow Agent may be served and presented, and such demand may be made, at the principal

corporate trust office of the Escrow Agent as specified by the Escrow Agent as prior trustee (the "Prior Trustee") in accordance with the provisions of the 2011 Trust Agreement or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the City or the Authority shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2011 Agreement (or such other address as may have been filed in writing by the City or the Authority with the Escrow Agent).

Section 13. Merger or Consolidation of Escrow Agent. Any company into which the Escrow Agent may be merged or converted or with which may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the 2011 Trust Agreement, shall be the successor hereunder to the Escrow Agent without the execution or filing of any paper or any further act.

Section 14. No Liability of the Authority. The Authority shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions of any conceivable kind under any conceivable theory under this Escrow Agreement, the 2011 Trust Agreement or any document or instrument referred to herein or therein by reason of or in connection with this Escrow Agreement or other document or instrument except to the extent it receives amounts from the City available for such purpose.

Section 15. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 16. Execution in Several Counterparts. This Escrow Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall constitute but one and the same instrument.

(Signature page follows)

IN WITNESS WHEREOF, the Authority, the City and the Escrow Agent have each caused this Escrow Agreement to be executed by their duly authorized officers all as of the date first above written.

CITY OF PLACENTIA

By: _____
City Administrator

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Escrow Agent

By: _____
Authorized Officer

CALIFORNIA STATEWIDE
COMMUNITIES DEVELOPMENT
AUTHORITY

By: _____
James Hamill
Managing Director

*-Signature Page-
Escrow Deposit and Trust Agreement*

INSTALLMENT SALE AGREEMENT

THIS INSTALLMENT SALE AGREEMENT, (this “Installment Sale Agreement”), dated as of March 1, 2021, is by and between Truist Bank, a North Carolina state banking corporation (the “Bank”), and City of Placentia (the “City”), a charter city duly organized and existing under the laws of the State of California.

WITNESSETH:

WHEREAS, the City has previously caused the execution and delivery of the California Communities Gas Tax Revenue Certificates of Participation, Series 2011A (Gas Tax Accelerated Street Improvement Program) (the “2011 Certificates”); and

WHEREAS, the City Council of the City has approved this Installment Sale Agreement, the proceeds of which are to be used, together with certain other available funds, to refund all outstanding 2011 Certificates and to pay the costs of issuance in connection with such refunding; and

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions. All capitalized terms used in this Section 1.1 shall for all purposes of this Installment Sale Agreement have the meanings herein specified or as hereinafter defined.

“Administrative Costs” means the ordinary and necessary administrative costs and incidental expenses related to this Installment Sale Agreement, including, but not limited to fees incurred in connection with the calculation of arbitrage rebate due to the federal government with respect to this Installment Sale Agreement.

“Bank” means Truist Bank, a North Carolina state banking corporation.

“Bond Counsel” means any attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

“Business Day” means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State of California.

“City” means the City of Placentia, a charter city organized and existing under the laws of the State of California.

“City Representative” means the Mayor, City Administrator, Finance Director or City Clerk of the City, or any other person authorized by resolution of the City Council of the City to act on behalf of the City under or with respect to this Installment Sale Agreement.

“Closing Date” means the date the Bank deposits the funds necessary to refund the 2011 Certificates pursuant to Section 3.1.

“Custodial Agreement” means the Custodial Agreement, dated as of March 1, 2021, by and between the City and the Custodian.

“Custodian” means Wells Fargo Bank, National Association, as custodian under the Custodial Agreement.

“Escrow Agent” means Wells Fargo Bank, National Association, as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Deposit and Trust Agreement, dated as of March 1, 2021, by and among the California Statewide Communities Development Authority, the City and the Escrow Agent.

“Escrow Fund” means the fund established for the refunding of the 2011 Certificates under the Escrow Agreement.

“Event of Default” means any of the events of default as defined in Section 5.1.

“Federal Securities” means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

“Fiscal Year” means each twelve-month period during the Term of this Installment Sale Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the City as its fiscal year period, notice of which has been provided to the Bank prior to the effective date of such change.

“Gas Tax Fund” means the State Gas Tax Special Revenue Fund established by ordinance adopted by the City Council pursuant to State law.

“Gas Tax Revenues” means all amounts received by the City from the State in accordance with Streets and Highways Code Section 2104(d), (e) and (f), 2105, 2106 and 2107, as such provisions may be amended, and all other revenues (except revenues received by the City in accordance with Streets and Highways Code Section 2107.5), if any, received by the City from taxes imposed on the purchase of motor vehicle fuels and any payments, subventions or reimbursements received by the City from the State in lieu of such revenues.

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity

exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

“Installment Sale Agreement” means this Installment Sale Agreement, dated as of March 1, 2021, between the Bank and the City.

“Installment Payment Date” means the date on which each Installment Payment is due and payable, commencing June 1, 2021 and continuing to and including the date on which the Installment Payments have been paid in full.

“Installment Payments” means all payments required to be paid by the City on any date pursuant to Section 3.3, including any prepayment thereof pursuant to Section 6.2 or 6.3.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the City, (b) the ability of the City to carry out its business in the manner conducted as of the date of this Installment Sale Agreement or to meet or perform its obligations under this Installment Sale Agreement on a timely basis, or (c) the validity or enforceability of this Installment Sale Agreement.

“Material Litigation” means any action, suit, proceeding, inquiry or investigation against the City in any court or before any arbitrator of any kind or before or by any Governmental Authority, of which the City has notice or knowledge and which, (i) if determined adversely to the City, may have a Material Adverse Effect, (ii) seek to restrain or enjoin any of the transactions contemplated hereby, or (iii) may adversely affect (A) the receipt by the City of Gas Tax Revenues or (B) the ability of the City to perform its obligations under this Installment Sale Agreement.

“State” means the State of California.

“Tax Code” means the Internal Revenue Code of 1986. Any reference herein to a provision of the Tax Code shall include all applicable temporary and permanent regulations promulgated under the Tax Code.

“Term of this Installment Sale Agreement” or “Term” means the time during which this Installment Sale Agreement is in effect, as provided in Section 3.2.

“2011 Certificates” means the California Communities Gas Tax Revenue Certificates of Participation, Series 2011A (Gas Tax Accelerated Street Improvement Program).

SECTION 1.2. Exhibits. The following Exhibits are attached to, and by reference made a part of, this Installment Sale Agreement:

Exhibit A: Schedule of Installment Payments to be paid by the City hereunder, showing the date and amount of each such Installment Payment.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of the City. The City represents, covenants and warrants to the Bank as follows:

(a) Due Organization and Existence. The City is a charter city organized and existing under the laws of the State of California.

(b) Authorization. The laws of the State of California authorize the City to enter into this Installment Sale Agreement and to enter into the transactions contemplated hereby and thereby, and to carry out its obligations under this Installment Sale Agreement and the City Council of the City has duly authorized the execution and delivery of this Installment Sale Agreement.

(c) No Violations. The execution and delivery of this Installment Sale Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement or the financial condition, assets, properties or operations of the City.

(d) No Prior Indebtedness. The City has not issued or incurred any obligations which, as of the Closing Date, are currently outstanding having any priority in payment out of the Gas Tax Revenues over the payment of the Installment Payments as provided herein.

(e) Due Execution. The representatives of the City executing this Installment Sale Agreement have been fully authorized to execute the same under a resolution duly adopted by the City Council of the City.

(f) Valid, Binding and Enforceable Obligations. This Installment Sale Agreement has been duly authorized, executed and delivered by the City and constitutes the legal, valid and binding agreement of the City enforceable against the City in accordance with its terms.

(g) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Installment Sale Agreement, or

the consummation of any transaction herein contemplated, except as have been obtained or made and as are in full force and effect.

(h) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, educational or other governmental authority pending or, to the knowledge of the City after reasonable investigation, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Installment Sale Agreement or upon the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, educational or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement or the financial conditions, assets, properties or operations of the City.

(i) Financial Statements. The City's comprehensive annual financial report for the period ended June 30, 2020, presents fairly the financial condition of the City as of the date hereof and the results of operation for the period covered thereby. Except as has been disclosed to the Bank, there has been no change in the financial condition of the City since June 30, 2020, that will in the reasonable opinion of the City materially impair its ability to perform its obligations under this Installment Sale Agreement.

SECTION 2.2. Representations, Covenants and Warranties of the Bank. The Bank represents, covenants and warrants to the City as follows:

(a) Due Organization and Existence. The Bank is a North Carolina state banking corporation.

(b) Authorization. The laws of the State of California authorize the Bank to enter into this Installment Sale Agreement and to enter into the transactions contemplated hereby and thereby, and to carry out its obligations under this Installment Sale Agreement and the Board of Directors of the Bank has duly authorized the execution and delivery of this Installment Sale Agreement.

(c) No Violations. Neither the execution and delivery of this Installment Sale Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Bank is now a party or by which the Bank is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Bank.

(d) No Assignments. Except as provided herein, the Bank will not assign this Installment Sale Agreement, its right to receive Installment Payments from the City, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

ARTICLE III

TERMS OF INSTALLMENT SALE

SECTION 3.1. Sale; Amounts and Use of Proceeds. The City hereby sells to the Bank and the Bank hereby simultaneously sells to the City the road improvement facilities financed by the 2011 Certificates, upon the terms and conditions set forth in this Installment Sale Agreement. On the Closing Date, the proceeds received from the Bank shall be applied as follows: (1) the amount of \$_____ shall be transferred to the Escrow Agent for deposit into the Escrow Fund established under the Escrow Agreement; and (2) the amount of \$_____ shall be transferred to the Custodian for deposit into the Custodial Account established under the Custodial Agreement and applied by the Custodian pay all of the costs of issuance related to the execution and delivery of this Installment Sale Agreement, as set forth in Exhibit B.

SECTION 3.2. Term. The Term of this Installment Sale Agreement shall commence on the Closing Date, and shall end on the date on which the City shall have paid all of the Installment Payments and all other amounts due and payable hereunder or provision for such payment shall be made as provided herein.

SECTION 3.3. Installment Payments.

(a) Obligation to Pay. The City hereby agrees to pay to the Bank, as the purchase price hereunder, Installment Payments with principal components aggregating \$_____ and interest components (calculated at the rate of 1.65% on the basis of a 360-day year of twelve 30-day months) on the unpaid principal components thereof, payable in the respective amounts and on the respective Installment Payment Dates specified in Exhibit A attached hereto. If an Installment Payment is due on an Installment Payment Date that is not a Business Day, then the Installment Payment may be made on the next succeeding Business Day with the same force and effect if made on the date due. The City agrees to make all Installment Payments by wire transfer to the Bank in accordance with the following wire transfer instructions (which instructions may be changed from time to time by the Bank upon written notice to the City):

Truist Bank
5130 Parkway Plaza Blvd.
Charlotte, North Carolina 28217
Receiving Bank ABA No: _____
Beneficiary Name: Truist Bank
Beneficiary Account No: _____

(b) Effect of Prepayment. In the event that the City prepays the Installment Payments in full pursuant to Article VI, the City's obligations under this Installment Sale Agreement shall thereupon cease and terminate, including but not limited to the City's obligation to pay Installment Payments under this Section 3.3; subject however, to the provisions of Section 6.1 in the case of prepayment by application of a security deposit. In the event that the City

prepays the Installment Sale in part but not in whole pursuant to Section 6.3, the principal components of the remaining Installment Payments shall be reduced so as to produce equal Installment Payments over the remaining Term of this Installment Sale Agreement.

(c) Source of Payments; Budget and Appropriation. The Installment Payments are payable solely from Gas Tax Revenues and from any other source of legally available funds of the City, subject to the provisions of Section 6.1. The City covenants to take such action as may be necessary to include all Installment Payments in each of its annual budgets during the Term of this Installment Sale Agreement and to make the necessary annual appropriations for all such Installment Payments. The covenants on the part of the City herein contained constitute duties imposed by law and it is the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Installment Sale Agreement agreed to be carried out and performed by the City.

(d) Determination of Taxability. Upon a Determination of Taxability (as defined below), the interest component of the Installment Payments shall be adjusted to reflect an interest rate equal to 2.10% per annum, retroactive to the date interest is determined to become includable in the gross income of the Bank. As used herein, "Determination of Taxability" means a final decree or judgment of any federal court or a final action of the Internal Revenue Service or of the United States Treasury Department determining that any interest under this Installment Sale Agreement is includable in the gross income of the Bank. No such decree or action shall be considered final for the purposes of this paragraph unless the City has been given written notice thereof and, if it is so desired by the City and is legally permissible, the City has been afforded the opportunity to contest the same, at its own expense, either directly or in the name of the Bank and until the conclusion of any appellate review, if sought.

SECTION 3.4. Nature of City's Obligations.

(a) Special Obligation. The City's obligation to pay the Installment Payments is a special obligation of the City limited solely to the Gas Tax Revenues and all amounts on deposit in the Gas Tax Fund. Under no circumstances is the City required to advance moneys derived from any source of income other than the Gas Tax Revenues and other sources specifically identified herein for the payment of the Installment Payments, and no other funds or property of the City are liable for the payment of the Installment Payments. Notwithstanding the foregoing provisions of this Section, however, nothing herein prohibits the City voluntarily from making any payment hereunder from any source of available funds of the City.

(b) Obligations Absolute. The obligations of the City to pay the Installment Payments from the Gas Tax Revenues and to perform and observe the other agreements contained herein are absolute and unconditional and are not subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the City or the Bank of any obligation to the City or otherwise, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the City by the Bank. Until such time as all of the Installment Payments have been fully paid or prepaid, the City:

(i) will not suspend or discontinue payment of any Installment Payments,

(ii) will perform and observe all other agreements contained in this Installment Sale Agreement, and

(iii) will not terminate this Installment Sale Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State of California or any political subdivision of either thereof or any failure of the Bank to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Installment Sale Agreement.

(c) Protection of Rights. If the Bank fails to perform any such agreements on its part, the City may institute such action against the Bank as the City deems necessary to compel performance so long as such action does not abrogate the obligations of the City contained in the preceding subsection (b). The City may, however, at the City's own cost and expense and in the City's own name or in the name of the Bank prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect the City's rights hereunder, and in such event the Bank will cooperate fully with the City and take such action necessary to effect the substitution of the City for the Bank in such action or proceeding if the City shall so request.

SECTION 3.5. Pledge and Application of Gas Tax Revenues and Gas Tax Fund.

(a) Pledge. All of the Gas Tax Revenues and all amounts on deposit in the Gas Tax Fund are hereby irrevocably pledged to the punctual payment of the Installment Payments. In accordance with Section 5451 of Title 1, Chapter 5.5 of the California Government Code, this pledge shall constitute a first and exclusive lien on the Gas Tax Revenues and such other moneys for the payment of the Installment Payments in accordance with the terms hereof. So long as any of the Installment Payments are outstanding, the Gas Tax Revenues and such moneys may not be used for any other purpose; except that out of the Gas Tax Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by the Section 3.5.

(b) Deposit of Gas Tax Revenues; Transfers to Make Installment Payments. The City has heretofore established the Gas Tax Fund, which the City agrees to continue to hold and maintain for the purposes and uses set forth herein. The City shall deposit all Gas Tax Revenues in the Gas Tax Fund promptly upon the receipt thereof.

All Gas Tax Revenues shall be held by the City in the Gas Tax Fund in trust for the benefit of the Bank. The City shall withdraw from such fund or funds and transfer to the Bank an amount of Gas Tax Revenues equal to the aggregate amount of the Installment Payment when and as the same becomes due and payable.

(c) Other Uses Permitted. The City shall manage, conserve and apply the Gas Tax Revenues in such a manner that all deposits required to be made under the preceding paragraph will be made at the times and in the amounts so required. Subject to the foregoing

sentence, so long as no Event of Default has occurred and is continuing hereunder, the City may at any time and from time to time use and apply Gas Tax Revenues for (i) Administrative Costs; (ii) the prepayment of the Installment Payments, or (iii) any other lawful purpose of the City.

(d) Budget and Appropriation of Installment Payments. During the Term of this Installment Sale Agreement, the City shall adopt all necessary budgets and make all necessary appropriations of the Installment Payments from the Gas Tax Revenues. In the event any Installment Payment requires the adoption by the City of any supplemental budget or appropriation, the City shall promptly adopt the same. The covenants on the part of the City contained in this subsection (d) shall be deemed to be and shall be construed to be duties imposed by law, and it shall be the duty of each and every public official of the City to take such actions and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out the perform the covenants and agreements in this subsection (d).

ARTICLE IV

COVENANTS OF THE CITY

SECTION 4.1. Release and Indemnification Covenants. The City shall indemnify the Bank and its officers, agents, successors and assigns and hold them harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of any breach or default on the part of the City in the performance of any of its obligations under this Installment Sale Agreement.

No indemnification is made under this Section 4.1 or elsewhere in this Installment Sale Agreement for willful misconduct, gross negligence, or breach of duty under this Installment Sale Agreement by the Bank, its officers, agents, employees, successors or assigns.

SECTION 4.2. Maintenance of Gas Tax Revenues. The City will use its best efforts to comply with all provisions of law and any regulations issued thereunder relating to the Gas Tax Revenues, including, but not limited to, Sections 2119 and 2151 through 2155 of the California Streets and Highways Code and Sections 65089.3 and 65089.4 of the California Government Code relating to conformance with the congestion management program relating to the City and will take any and all reasonable actions required in order to maintain the City's ability to receive the Gas Tax Revenues and apply the same as provided herein.

SECTION 4.3. Records and Accounts. The City shall keep proper books of records and accounts of the Gas Tax Fund, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Gas Tax Fund. Said books shall, upon prior request, be subject to the reasonable inspection of the Bank.

The City shall cause the books and accounts of the Gas Tax Fund to be audited annually by an independent certified public accountant or firm of certified public accountants, not more than two hundred seventy (270) days after the close of each Fiscal Year, and shall furnish a copy of such report to the Bank. The audit of the accounts of the Gas Tax Fund may be included as part of a general City-wide audit.

The City shall cause to be published annually, not more than two hundred seventy (270) days after the close of each Fiscal Year, a summary statement showing the amount of Gas Tax Revenues and the disbursements from Gas Tax Revenues and from other funds of the City in reasonable detail. The City shall furnish a copy of the statement, upon reasonable written request, to the Bank.

SECTION 4.4. No Additional Obligations. The City may not issue or incur any bonds or other obligations having any lien or security interest in the Gas Tax Revenues.

SECTION 4.5. Assignment by the City. This Installment Sale Agreement may not be assigned by the City, other than to a public agency which shall succeed to the interests of the City (by operation of law, by contract or otherwise) becomes legally bound to all of the terms and provisions hereof.

SECTION 4.6. Amendment of this Installment Sale Agreement. This Installment Sale Agreement may be amended by the City and the Bank.

SECTION 4.7. Tax Covenants.

(a) The City shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Installment Payments to become includable in gross income for federal income tax purposes.

(b) The City shall assure that the proceeds of the Installment Sale are not so used as to cause the Installment Sale to satisfy the private business tests of section 141(b) of the Tax Code or the private loan financing test of section 141(c) of the Tax Code.

(c) The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Installment Payments to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(d) The City shall not take, or permit or suffer to be taken, any action with respect to the proceeds of the Installment Payments which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Installment Payments to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code.

(e) The City shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Installment Sale.

SECTION 4.8. Notices. The City shall provide to the Bank:

(a) Immediate notice by telephone at the number set forth in Section 7.1 hereof, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Installment Sale Agreement, together with a detailed

statement by an Authorized Representative of the steps being taken by the City to cure the effect of such Event of Default.

(b) Prompt written notice of any action, suit or proceeding or any investigation, inquiry or similar proceeding by or before any court or other governmental authority, domestic or foreign, against the Gas Tax Revenues which involve claims equal to or in excess of \$500,000 or that seeks injunctive relief.

(c) Prompt written notice of any Material Litigation, or any investigation, inquiry or similar proceeding by any Governmental Authority with respect to any matter that relates to or could impact any Gas Tax Revenues.

(d) With reasonable promptness, such other information respecting the City, the Gas Tax Fund, and the operations, affairs and financial condition of the City as the Bank may from time to time reasonably request.

The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the City to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the City to carry out and perform the covenants and agreements on the part of the City contained in this Installment Sale Agreement.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

SECTION 5.1. Events of Default Defined. The following shall be Events of Default under this Installment Sale Agreement.

(a) Failure by the City to pay the Bank any Installment Payment or to pay other amounts required to be paid hereunder within fifteen (15) days of the time specified herein.

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder other than as referred to in the preceding clause (a) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Bank *provided, however*, if in the reasonable opinion of the City the failure stated in the notice can be corrected, but not within such thirty (30) day period, the Bank shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within such thirty (30) day period and diligently pursued until the default is corrected.

(c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as bankrupt, or assignment by the City for the benefit of creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

(d) An event of default as defined under any contracts or agreements relating to any Parity Obligations.

(e) Any statement, representation or warranty made by the City in or pursuant to this Installment Sale Agreement or its execution, delivery or performance proves to have been false, incorrect, misleading, or breached in any material respect on the date made, and is continuing for a period of thirty (30) days after written notice specifying such misrepresentation or breach and requesting that it be remedied has been given to the City by the Bank; provided, however, that the Bank and the City may agree that action by the City to cure such failure may be extended beyond such thirty-day period.

(f) This Agreement or any material provision of this Installment Sale Agreement shall at any time for any reason cease to be the legal, valid and binding obligation of the City or shall cease to be in full force and effect, or shall be declared to be unenforceable, invalid or void, or the validity or enforceability thereof shall be contested by the City, or the City shall renounce the same or deny that it has any further liability hereunder.

(g) Dissolution, termination of existence or insolvency of the City.

(h) Any court of competent jurisdiction with jurisdiction to rule on the validity of any provision of this Installment Sale Agreement shall find or rule that this Installment Sale Agreement is not valid or not binding on the City.

SECTION 5.2. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Bank shall have the rights, at its option and without any further demand or notice to:

(a) declare all principal components of the unpaid Installment Payments, together with all accrued and unpaid interest components of the Installment Payments from the immediately preceding Installment Payment Date on which payment was made, to be immediately due and payable, whereupon the same shall immediately become due and payable; and,

(b) take whatever action at law or in equity may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this Installment Sale Agreement, or enforce performance and observance of any obligation, agreement or covenant of the City under this Installment Sale Agreement.

The provisions of the preceding clause (a) are subject to the condition that if, at any time after the principal components of the unpaid Installment Payments shall have been so declared due and payable pursuant to the preceding clause (a), and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the City shall deposit with the Bank a sum sufficient to pay all principal components of the Installment Payments coming due prior to such declaration and all matured interest components (if any) of the Installment Payments, with interest on such overdue principal and interest components calculated at the rate set forth in Section 3.4(c) and the reasonable expenses of the Bank (including any fees and expenses of its attorneys), and any and all other defaults known to the Bank (other than in the payment of the principal and interest components of the Installment Payments due and payable

solely by reason of such declaration) shall have been made good, then, and in every such case, the Bank shall, by written notice to the City, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 5.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Bank is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Installment Sale Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank to exercise any remedy reserved to it in this Article V it shall not be necessary to give any notice, other than such notice as may be required in this Article V or by law.

SECTION 5.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party of this Installment Sale Agreement should default under any of the provisions hereof and the prevailing party should employ attorneys (including in-house counsel) or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the prevailing party the reasonable fees of such attorneys (including the allocable cost of in-house counsel) and such other expenses so incurred by the prevailing party.

SECTION 5.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Installment Sale Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VI

PREPAYMENT OF INSTALLMENT PAYMENTS

SECTION 6.1. Security Deposit. Notwithstanding any other provision of this Installment Sale Agreement, the City may on any date secure the payment of Installment Payments, in whole, by irrevocably depositing with a fiduciary an amount of cash which, together with other available amounts, is either (a) sufficient to pay all such Installment Payments, including the principal and interest components thereof, when due pursuant to Section 3.3(a), or (b) invested in whole or in part in Federal Securities in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Installment Payments when due pursuant to Section 3.3(a) or when due on any optional prepayment date pursuant to Section 6.2, as the City shall instruct at the time of said deposit. In the event of a security deposit pursuant to this Section for the payment of all remaining Installment Payments, all obligations of the City under this Installment Sale Agreement, and the pledge of Gas Tax Revenues and all other security provided by this Installment Sale Agreement for said obligations, shall cease and terminate, excepting only the obligation of the City to make, or cause to be made,

all of Installment Payments from such security deposit. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of such Installment Payments in accordance with the provisions of this Installment Sale Agreement.

SECTION 6.2. Optional Prepayment. The City shall have the option to prepay the principal components of the Installment Payments in whole, on any date, commencing on December 1, 2025, by paying the outstanding principal portion of the Installment Payments plus interest on such amount to the prepayment date. The City shall give the Bank written notice of its intention to exercise its option not less than thirty (30) days in advance of the date of exercise.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1. Notices. All written notices to be given under this Installment Sale Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Bank or the City may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City: City of Placentia
 401 E. Chapman Avenue
 Placentia, California 92870
 Telephone: _____
 Facsimile: _____
 Attention: City Administrator

If to the Bank: Truist Bank
 5130 Parkway Plaza Blvd.
 Charlotte, North Carolina 28217
 Attention: Governmental Finance

SECTION 7.2. Binding Effect. This Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Bank and the City and their respective successors and assigns.

SECTION 7.3. Severability. In the event any provision of this Installment Sale Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 7.4. Net-net-net Contract. This Installment Sale Agreement shall be deemed and construed to be a “net-net-net” contract, and the City hereby agrees that the

Installment Payments shall be an absolute net return to the Bank, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 7.5. Further Assurances and Corrective Instruments. The Bank and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Installment Sale Agreement.

SECTION 7.6. Execution in Counterparts. This Installment Sale Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 7.7. Applicable Law. This Installment Sale Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 7.8. Captions. The captions or headings in this Installment Sale Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Installment Sale Agreement.

SECTION 7.9. Judicial Reference. The Bank and the City hereby agree: (i) each proceeding or hearing based upon or arising out of, directly or indirectly, this Installment Sale Agreement or any document related thereto, any dealings between the City and the Bank related to the subject matter of this Installment Sale Agreement or any related transactions, and/or the relationship that is being established between the City and the Bank (hereinafter, a "Claim") shall be determined by a consensual general judicial reference (the "Reference") pursuant to the provisions of California Code of Civil Procedure Section 638 et seq., as such statutes may be amended or modified from time to time; (ii) upon a written request, or upon an appropriate motion by either the Bank or the City, as applicable, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the conclusive determination of the Claim. The Bank and the City agree that the Referee shall have the power to issue all legal and equitable relief appropriate under the circumstances before the Referee; (iii) the Bank and the City shall promptly and diligently cooperate with one another, as applicable, and the Referee, and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 7.9; (iv) either the Bank or the City, as applicable, may file the Referee's findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it; and (v) the Bank and the City, as applicable, will each have such rights to assert such objections as are set forth in California Code of Civil Procedure Section 638 et seq.

(a) Selection of Referee; Powers. The parties to the Reference proceeding shall select a single neutral referee (the "Referee"), who shall be a retired judge or justice of the

courts of the State, or a federal court judge, in each case, with at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts). If within ten (10) days after the request or motion for the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by the Presiding Judge of the Los Angeles County Superior Court. The Referee shall determine all issues relating to the applicability, interpretation, legality and enforceability of this Section 7.9.

(b) Provisional Remedies and Self Help. No provision of this Section 7.9 shall limit the right of either the Bank or the City, as the case may be, to (i) exercise such self-help remedies as might otherwise be available under applicable law, or (ii) obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after, or during the pendency of any Reference. The exercise of, or opposition to, any such remedy does not waive the right of the Bank or the City to the Reference pursuant to this Section 7.9(b).

(c) Costs and Fees. Promptly following the selection of the Referee, the parties to such Reference proceeding shall each advance equal portions of the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.

SECTION 7.10. Closing Conditions. The Bank has entered into this Installment Sale Agreement in reliance upon the representations and warranties of the City contained in this Installment Sale Agreement and to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the City of the obligations of the City pursuant to this Installment Sale Agreement at or prior to the Closing Date. Accordingly, the obligation of Bank to execute this Installment Sale Agreement is subject to the fulfillment to the reasonable satisfaction of the Bank of the following conditions:

(a) The representations and warranties of the City contained in this Installment Sale Agreement shall be true, complete and correct on the Closing Date.

(b) All representations, warranties and covenants made herein, and in certificates or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Bank notwithstanding any investigation heretofore or hereafter made by the Bank or on their behalf.

(c) On the Closing Date, the Resolution and this Installment Sale Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

(d) On the Closing Date, the City will have adopted and there will be in full force and effect such resolutions as in the opinion of Bond Counsel and counsel to the Bank shall be necessary in connection with the transactions contemplated by this Installment Sale Agreement, and all necessary action of the City relating to the issuance of the Installment Payment will have been taken, will be in full force and effect and will not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

(e) At or prior to the Closing Date, the Bank will have received the following documents:

(i) The approving opinions, dated the Closing Date and addressed to the Bank, of Bond Counsel in form and content satisfactory to the Bank and its counsel, addressing the status of the Installment Payments and binding obligations of the City, enforceable in accordance with its terms subject to customary exceptions for bankruptcy and judicial discretion.

(ii) A certificate or certificates, dated the date of the Closing Date signed on behalf of the City by an Authorized Representative, to the effect that (I) the representations and warranties contained in this Installment Sale Agreement are true and correct in all material respects on and as of the date of the Closing Date; (II) no litigation of any nature is then pending or, to his or her knowledge, threatened, seeking to restrain or enjoin the issuance and delivery of the Agreement or the levy or collection of revenues to pay the Installment Payments, questioning the proceedings and authority by which such pledge is made, affecting the validity of this Installment Sale Agreement or contesting the existence or boundaries of the City or the title of the present officers to their respective offices; (III) no authority or proceedings for the issuance of this Installment Sale Agreement has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue this Installment Sale Agreement has been filed with or received by the City; and (IV) the City has complied with all the agreements and covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to, and to the extent possible before, the Closing Date.

(iii) A certified copy of the Resolution;

(iv) The items required by the Resolution as conditions for execution and delivery of this Installment Sale Agreement;

(v) A non-arbitrage tax certificate of the City, in form and substance satisfactory to Bond Counsel;

(vi) The filing copy of the Information Return Form 8038-G; and

(vii) Such additional legal opinions, certificates, instruments and other documents as the Bank or its counsel may reasonably request to evidence the truth and accuracy, as of the date of this Installment Sale Agreement and as of the Closing Date, of the representations, warranties, agreements and covenants of the City contained herein and the due performance or satisfaction by the City at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the City.

SECTION 7.11. Assignment by the Bank. This Installment Sale Agreement and the Bank's rights under this Installment Sale Agreement may be assigned, but no such assignment will be effective as against the City unless and until the Bank or the assignee has filed with the City written notice thereof. The City shall pay all Installment Payments hereunder under the written direction of the Bank or the assignee named in the most recent assignment or notice of assignment filed with the City. During the Term of this Installment Sale Agreement, the City will keep a complete and accurate record of all such notices of assignment necessary to comply with Section 149 of the Code with respect to the Installment Payments.

The Bank hereby acknowledges and agrees that (i) without the prior written consent of the City, this Installment Sale Agreement and the Bank's interests in this Installment Sale Agreement may only be assigned in whole and not in part to (a) a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or (b) an "accredited investor" as described in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act, and (ii) any assignment shall not be effective until the assignee shall have delivered to the City an executed letter of representations in substantially the form delivered by the Bank on the Closing Date (provided no notice or letter shall be required for a participation of the Bank's interest in this Installment Sale Agreement).

IN WITNESS WHEREOF, the Bank has caused this Installment Sale Agreement to be executed in its corporate name by its duly authorized officer, and the City has caused this Installment Sale Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

CITY OF PLACENTIA

By: _____
City Administrator

TRUIST BANK

By: _____
Authorized Signatory

EXHIBIT A

SCHEDULE OF INSTALLMENT PAYMENTS¹

| <u>PMT #</u> | <u>Due Date</u> | <u>Installment Payment</u> | <u>To Principal</u> | <u>To Interest</u> |
|--------------|-----------------|-----------------------------|-----------------------------|-----------------------------|
| 1 | 6/1/2021 | | | |
| 2 | 12/1/2021 | | | |
| 3 | 6/1/2022 | | | |
| 4 | 12/1/2022 | | | |
| 5 | 6/1/2023 | | | |
| 6 | 12/1/2023 | | | |
| 7 | 6/1/2024 | | | |
| 8 | 12/1/2024 | | | |
| 9 | 6/1/2025 | | | |
| 10 | 12/1/2025 | | | |
| 11 | 6/1/2026 | | | |
| 12 | 12/1/2026 | | | |
| 13 | 6/1/2027 | | | |
| 14 | 12/1/2027 | | | |
| 15 | 6/1/2028 | | | |
| 16 | 12/1/2028 | | | |
| 17 | 6/1/2029 | | | |
| 18 | 12/1/2029 | | | |
| 19 | 6/1/2030 | | | |
| 20 | 12/1/2030 | | | |
| 21 | 6/1/2031 | | | |
| TOTALS: | | <u> </u> | <u> </u> | <u> </u> |

¹ This is an estimated Schedule of Installment Payments. The actual Installment Payments that are due under the Installment Sale Agreement may vary from the amounts reflected in the Schedule of Installment Payments if the Installments Payments are made on different dates or in different amounts.

EXHIBIT B

COSTS OF ISSUANCE

| Cost of Issuance | Amount |
|-------------------------|---------------|
| Municipal Advisor | |
| Special Counsel | |
| Placement Agent | |
| Bank Counsel | |
| City Attorney | |
| Escrow Agent | |
| CDIAC | |
| Verification Agent | |



PLACENTIA
Rich Heritage, Bright Future

2011 Gas Tax Bond Refinancing February 16, 2021





Overview

- 2011 City issued \$6.0 million of certificates of participation (COPs)
- COPs funded the 2012 City Residential Street Rehab Project
- COPs had a 30-year maturity of June 1, 2031 with an All-in True Interest Cost of 5.83%
- Annual debt service is made through the Gas Tax revenues received by the City
- In January 2021, the City received a proposal to refinance the COPs at a rate of 1.65%





Debt Service Comparison Savings

| | COPs | Private Placement | Savings |
|-------------------------|-------------|--------------------------|----------------|
| Avg Annual Debt Service | 477,609.19 | 402,660.19 | (74,949.00) |
| Total Net Debt Service | \$4,667,242 | \$3,939,688 | (727,554.06) |
| Average Interest Rate | 5.50% | 1.65% | |
| Maturity Date | June 2031 | June 2030 | |





Next Steps

| Date | Action Item |
|-------------|---|
| February 26 | Execute all final transaction Documents |
| March 2 | Pre-closing document review |
| March 3 | Closing, wire funds to Escrow Agent |



Questions?



PLACENTIA
Rich Heritage, Bright Future





Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

VIA: CITY ADMINISTRATOR

FROM: DIRECTOR OF FINANCE

DATE: FEBRUARY 16, 2021

SUBJECT: **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE PERIOD ENDING JUNE 30, 2020**

FISCAL
IMPACT: NONE

SUMMARY:

The annual audit of the City's financial records has been completed by the City's audit firm, The Pun Group Accountants & Advisors ("PG"). Part of the audit contract includes working with Staff to complete the Comprehensive Annual Financial Report ("CAFR"). The CAFR was reviewed with the Financial Audit Oversight Committee ("FAOC") on February 9, 2021. The FAOC approved the report and recommended for the City Council to receive and file without any material modifications.

RECOMMENDATION:

It is recommended that the City Council take the following action:

Receive and file the Comprehensive Annual Financial Report for the period ending June 30, 2020 as recommended by the Financial Audit Oversight Committee.

DISCUSSION:

Each year the City has an external audit performed by an independent auditing firm. At the conclusion of the audit process, the auditors and the City's Finance Department complete the CAFR. As required by the Government Accounting Standards Board (GASB), the report's format includes standardized reporting information such as the Management Discussion and Analysis, Required Supplementary Information, and Government-wide Financial Statements including the Statement of Net Position and Statement of Activities.

Also included in the report is the Independent Auditors' Report. In the opinion of the auditors (PG), the financial statements are presented fairly in all material respects. The audit of the City's financial records was completed in accordance with generally accepted auditing standards

3. b.
February 16, 2021

applicable to financial audits contained in Government Audit Standards issued by the Government Accountability Office. The City received a "clean" or unmodified opinion for the audit this year in that there were no findings issued. Due to various actions taken by the City over the past several years, including establishing additional internal controls, the City has not received any findings since the 2015-16 embezzlement.

The CAFR was presented to the FAOC at its meeting on February 9, 2021 at which time the report was approved and recommended for the City Council to receive and file. The CAFR will also be submitted to the Government Finance Officers Association for consideration of the Achievement for Excellence in Financial Reporting Award. Staff received notice from the Government Finance Officers Association in late October that the City was awarded the Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2018-19 CAFR and believes this report will also qualify for the award.

Prepared by:



Jessica Brown
Director of Finance

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachment:

Comprehensive Annual Financial Report for Year ended June 30, 2020

City of Placentia

Placentia, California

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Prepared by the
Finance Department of City of Placentia

City of Placentia
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

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For the Year Ended June 30, 2020

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Mayor
CRAIG S. GREEN

Mayor Pro Tem
CHAD P. WANKE

Councilmembers:
RHONDA SHADER
WARD L. SMITH
B. YAMAGUCHI



City Clerk:
ROBERT B. MCKINNEL

City Treasurer
KEVIN A. LARSON

City Administrator
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

February 9, 2021

To the Honorable Mayor, Members of the City Council, and Citizens of Placentia:

It is our pleasure to present the Comprehensive Annual Financial Report (CAFR) of the City of Placentia (City) for the fiscal year ended June 30, 2020. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City. It is our opinion that the data is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of the operations of the City and contains all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by the Pun Group, LLP., a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2020, 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires 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's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

CITY PROFILE

The City of Placentia is located in north Orange County, in the heart of Southern California, with Los Angeles County to the north and San Diego County to the south. Orange County is the third largest county in California, trailing only Los Angeles and San Diego counties, and represents 8% of the state's population. There are currently 34 cities within the County. The City consists of approximately 6.7 square miles of land area and serves a population of 52,000.

The City was founded in 1910 and incorporated in 1926. It was home to major citrus growing companies. Under the City Charter adopted in 1965, the City government is organized in the Council-Administrator form. The City Council includes five (5) members, each of whom is elected at-large to overlapping four-year terms. In 2018, the City was divided into five districts with two of the districts electing a Councilmember in November. In November 2020, the three remaining districts elected their Councilmembers. The City Council annually selects a Mayor and Mayor Pro Tem for a one-year term. The City Council serves as the legislative and policy-making body of the City government. The City Council appoints a City Administrator and a City Attorney. The City Administrator is the City's chief executive officer and appoints all other City staff. The City Administrator is responsible for the daily administration of the City government and provides overall direction to all City departments. The City Clerk and City Treasurer are separately elected by the voters.

The City provides a full range of municipal services including police, maintenance of streets and parks, community development (e.g., building, planning, code compliance), recreational and cultural activities, economic development, and administrative services (e.g., personnel, finance, information services). Fire services were contracted with the Orange County Fire Authority (OCFA) and refuse collection is franchised to a private refuse company, Republic Services.

FINANCIAL POLICIES

Budget: The annual budget serves as the foundation for the City's financial planning and control. The Finance Department, with City Administrator direction, develops revenue estimates and budget guidelines for each department every year in January. The departments then submit expenditure appropriation requests which are summarized by the Finance Department and presented to the City Administrator for review. The City Administrator then meets with each department and prepares a proposed budget document for the City Council.

The City's Charter requires that the City Administrator submit a proposed budget to the City Council at least 35 days prior to the start of each fiscal year. After the budget has been presented, it must be adopted by the City Council following a noticed public hearing.

The annual budget includes all the City's governmental and proprietary funds. The legal level of budgetary control is the fund level. The City Administrator has the discretion to transfer

appropriations between departments within a fund but transfers between funds and additional appropriations and transfers must be approved by City Council.

General Fund Reserve Policy: The City's General Fund Reserve Policy provides guidance in the creation, maintenance and use of reserves. The policy covers the allocation of new and one-time revenues to different restricted reserves such as infrastructure, vehicles, and equipment reserve, post-employment benefits sustainability reserve, employee recruitment and retention reserve, and the general fund contingency reserve. To ensure the availability of adequate reserves for potential contingencies or emergencies, the City Council established the City's General Fund Reserve Policy with a required general fund contingency reserve of 17% of annual General Fund expenditures. While the unrestricted fund balance of the general fund was approximately \$13.4 million at June 30, 2020, the unassigned fund balance was 13.1% or approximately \$3.6 million, a significant increase over the balance of \$543,287 at June 30, 2019. A large portion of the current unrestricted fund balance is committed for the City's contribution toward the parking structure to be constructed in conjunction with the proposed Metrolink Station. The purpose of this public investment is to further economic growth and prosperity in the downtown area in concert with the aforementioned TOD and Old Town Master Plans. It is important to note that while the City has a large contribution toward this public infrastructure investment project, it has always been anticipated that the sale and or lease of the aforementioned City TOD property will generate an initial general fund contribution of \$4.4 million.

Fees: In 2017-18, the City Council adopted Citywide Development Impact and Residential Affordable Housing Impact Fees and updated its Comprehensive Fee Schedule following a comprehensive cost of services/user fee study. The fee schedule was proposed to be updated annually based upon consumer price index with another fee study to be conducted in year five. Due to continued staff turnover and vacancies within the Finance Department as well as responding to COVID-19, the Comprehensive Fee Schedule has not been updated since 2017-18. Both the Citywide Development Impact Fees and the Comprehensive Fee Schedule will be updated in 2020-21.

FACTORS AFFECTING THE CITY'S ECONOMIC CONDITION

COVID-19 Pandemic: Throughout 2019 and into 2020, the national economy was in its 126th month of continued growth with an annualized rate of 2.3%. Local economists forecasted this growth to slow to 1.9% in 2020 with no recession on the horizon. Orange County was projected to experience an increase in home sales in 2020 with home prices expected to grow by 3.2% along with residential permits growing by 9%. This outlook changed dramatically in March 2020 with the rapid onset of the Coronavirus (COVID-19) causing the first pandemic induced recession of the postwar era as consumers and businesses reacted. There is little precedence for the current economic downturn.

In response to COVID-19, the City took immediate measures to combat the unknown economic impacts. The City implemented prudent and effective cost saving measures including a citywide 'stop expenditure memo' that went into effective April 1st in addition to revising mid-year budgets to prepare for potential losses. With the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) signed into law March 27, 2020, in 2019-20 the City received \$ 454,336 in CARES

Act funding to offset COVID-19 related expenses and distributed \$207,025 in CDBG Small Business Emergency Relief Grants to impacted businesses. Despite the overall economic impact of COVID-19, these cost saving measures, combined with both property and sales tax revenues exceeding budget and the receipt of the CARES Act funding, resulted in favorable yearend results for the City.

Local Economy: The City's economic outlook is promising despite the overall impacts of the COVID-19 Pandemic. Taxes represent eighty-seven percent (87%) of the City's total General Fund operating revenue and primarily include property taxes, sales & use taxes (including Measure U), utility users tax, franchise fees and other taxes. With the exception of the City's transient occupancy tax, tax revenues for 2019-20 generally met or exceeded budget and are expected to exceed budgeted amounts for 2020-21 as well with property taxes showing continued positive growth and the City receiving more County sales tax pool revenue.

LONG-TERM FINANCIAL PLANNING

Pension Unfunded Accrued Liability: At June 30, 2019, the City's unfunded accrued pension liability (UAL) with CalPERS was estimated to be \$44.5 million. It is estimated that the City's UAL will grow by an additional \$2.5 million due to the 2019-20 CalPERS investment return shortfall for a total UAL of approximately \$47.0 million. In October 2020, due to the historic low interest rates, the City issued lease revenue bonds and paid off the UAL realizing \$14.3 million in savings over the term of the bonds and over \$600,000 annually during the first 15 years.

Debt Refinancing: As mentioned above, interest rates are at historic lows and as such the City is evaluating all outstanding debt to determine if refinancing the debt would result in material savings.

Section 115 Trust: As a result of the current General Fund Reserve Policy, a funding source and structure for the City to begin addressing its unfunded OPEB liability as well as any additional increases in UAL as a result of CalPERS negative investment returns. The Reserve Policy includes provisions to set-aside 10% of ongoing new revenue and 10% of one-time revenue for unfunded both types of liabilities. In addition, when the General Fund reaches its minimum fund balance of 17%, an additional 10% of one-time new revenue will be allocated toward funding this liability for a total of 20% annually.

DEVELOPMENT INITIATIVES

Enhanced Infrastructure Financing District (EIFD): In response to the elimination of redevelopment agencies the California Senate Bill 628, effective January 1, 2015, and California Assembly Bill 313, effective January 1, 2016, authorized the formation of an EIFD which is intended to succeed the former Redevelopment financing mechanism and provide more flexibility than Infrastructure Financing Districts. An EIFD is a governmental entity, separate and distinct from the city or county that establishes it and is governed by a Public Financing Authority ("PFA"). EIFDs can aid local government entities in funding public capital facilities, or other specified projects of communitywide significance, primarily by capturing tax increment revenue ("TI") generated within the district. EIFDs provide an opportunity for agencies to issue bonds for

an array of public infrastructure projects as well as supporting economic development efforts in specific areas. At the April 23, 2019 meeting for the Orange County Board of Supervisors, the Board Members approved a partnership to participate in an Enhanced Infrastructure Financing District (EIFD) with the City of Placentia. This is one of four EIFDs established in California, and the first EIFD in the State to involve a partnership between a city and county for improved infrastructure.

The City of Placentia and the Southern California Association of Governments (SCAG) worked on a comprehensive plan for the establishment of an EIFD in Placentia. Under this plan, the County would contribute 46% of its share of property tax increment within the boundary of the District, which would amount to about \$3.5 million over 20 years or \$175,000 annually. The City's contribution would be 46% of its property taxes generated in the District, or about \$8.2 million over two decades. The total partnership between the County and the City would amount to \$11.7 million to make the necessary infrastructure improvements to the Old Town Placentia area. This includes public infrastructure improvements near the upcoming Metrolink Station, Placentia Old Town area, and Transit-Oriented Development District near the 57 and 91 freeways. With this unique City-County partnership, the City will be able to produce over 1,600 new units of housing, create 3,900 construction jobs, and over 1,100 permanent jobs at full build out.

Transit-Oriented Development: The City has been given a unique opportunity with the development of a new state-of-the art Metrolink train station and 246-space parking structure within the Old Town Placentia area. Operational by 2022, the proposed station will help transform the Packing House District (near Melrose Street and Crowther Avenue) into an active, vibrant destination. Transit-Oriented Development (TOD) is a type of community development that includes a mixture of housing, office, retail and/or other amenities integrated into a walkable neighborhood and located within a half-mile of a public transportation stop. It will also support existing retail and restaurant businesses while growing the City's local economy.

Based on an economic development analysis conducted by Kosmont Associates, the public and private investments in the future TOD District and Old Town Revitalization Plan (OTP) areas are expected at build-out to generate up to \$540 million in local economic output and \$800 million in Countywide economic output. Upon completion the TOD and OTP areas are estimated to generate approximately \$92 million annually in local economic output. Additionally, the proposed District areas would assist with reconstructing streets and street improvements, utilizing non-general fund resources. In total, construction of the TOD and Old Town District is estimated to generate approximately 3,900 construction jobs and 1,150 permanent jobs.

To date, there has been significant developer interest in opportunities presented by the new TOD District. Thus far, the City has approved a 215-unit TOD development, which will generate \$2.4 million in development impact fee revenue and additional property tax revenue. This project started construction in 2019 and is expected to open in 2021. On May 8, 2018 the Planning Commission approved the development and construction of a five-story, mixed-use development by JPI Development. The development features 418-units with associated amenities for residents, 10,553 square feet of retail space, 3,572 square feet of leasing office space, and a seven-level parking structure on property located at 505, 515, 523, 531, 535 W. Crowther Avenue, 407 Goetz Place, 409 Evelyn Place. This is the second development entitled in the newly

designated TOD zone near Old Town Placentia. Construction on this new development will begin in February of 2021.

The City has issued an RFP for its available TOD property which is directly adjacent to the Metrolink station and is valued at several million dollars. The City has entered into an Exclusive Negotiating Agreement with a private developer for this TOD property that is comprised of approximately 189-units within a mixed-use development. The City and the private developer are working with the Orange County Transportation Authority to create a schedule for development of the Metrolink station and the adjacent development.

Placentia's Old Town is a 33-acre area located in the southern and western portions of the City, north of a section of the Burlington Northern Santa Fe railroad. To take advantage of the upcoming Metrolink station and parking structure developments scheduled to begin construction in 2022, the Old Town Placentia Revitalization Plan was adopted by the City Council in July 2017. The Plan's primary goal of creating a vibrant, safe and pedestrian friendly area that respects the community's historical and cultural diversity, while also creating new opportunities for development and investment into the area. This comprehensive Plan incorporates well-designed private and public physical improvements and amenities.

Based on the Plan's expectation of 853,000 square feet of new improvements at build-out, the Old Town Revitalization Plan is expected to generate \$217 million of private development activity, development impact fees of \$8.3 million and additional annual tax revenues for the City of \$0.9 million. In addition, 1,057 construction jobs and 823 of new on-site permanent jobs are anticipated as a result of the Plan.

In an effort to expedite these improvements in Old Town Placentia, the City in partnership with the County of Orange to establish an Enhanced Infrastructure Financing District (EIFD) near the City's future Metrolink Station including the Old Town Placentia area and Transit Oriented Development (TOD) Packing House District. The purpose of this district is to create a funding mechanism that can facilitate the construction of public infrastructure improvements in this area. A portion of the property tax increment (the amount above the property taxes collected in the base year of 2019) that the City and the County of Orange receive would be specifically restricted to pay for the infrastructure projects listed in the Infrastructure Financing Plan (IFP) at an estimated cost of \$8.2 million. These infrastructure improvements include street improvements, pedestrian connectivity, and landscape and lighting upgrades. The establishment of the EIFD will not result in any new taxes or fees to the property owners in the EIFD boundaries or the City.

The City Council has established a separate body, the Public Financing Authority (PFA), to oversee the creation of the EIFD and who is responsible for the adoption of the final IFP. The PFA will be responsible for the issuance of the bonds in the future as well.

Car Dealership: Another key development in the City is the highly anticipated construction of a new Penske Audi car dealership and service center. On December 10, 2019, the City Planning Commission approved the development of a new Audi dealership on a vacant 4-acre area located on the north side of Yorba Linda Boulevard, just east of Rose Drive at 1275 E. Yorba Linda

Boulevard. This will be Audi's first dealership in north Orange County. The new dealership will include a two-story 25,000 square foot building that will contain an indoor vehicle display area, sales areas, offices, and a parts department. Two smaller facilities will be located behind the main dealership building and include service bays, detail/wash bays, and a vehicle photo booth. The proposed architecture is a contemporary design consistent with modern Audi dealerships in California. Grading of the site began in January of 2021 and building construction will begin in February, with the goal to complete construction and open for business by November 2021. The new Audi dealership will generate approximately \$400-\$500k of annual sales tax revenue. It will also create a significant number of new jobs, increasing discretionary spending in Placentia.

Commercial/Residential Development: One of the last of the remaining large undeveloped parcels within the City will be undergoing a significant site transformation. This site, located at the southeast corner of Alta Vista Street and Rose Drive, is a vacant approximately 8.45-acre parcel within the East Placentia Specific Plan (SP-7). The project was approved by the City Council in July 2018, with SC Placentia Development, LP, slated to develop a 1.99-acre area at the northwest corner of the property with two single-story, retail commercial buildings, with a cumulative building size of approximately 10,420 feet, and the remainder of the site to be developed for single-family residential uses. A total of 54 detached residences will be located on 6.46-acres. The homes will have different floorplans and different architectural styles. The entire project site will have drought-tolerant trees, shrubs, and ground cover along the exterior boundary of the project site, the interior project streets, and in the open space and recreation areas of the site.

SC Placentia Development partnered with Shea Homes to construct the residential portion of the project. Shea Homes recently completed grading activities for the residential portion of the site and commenced with construction of the sales office and home models. Completing the sales office and home models will be completed in March of 2021. Building Permits for phase one of the tract have also been issued.

Hotel Development: In addition, on November 13, 2018, the Planning Commission approved the development of an approximately 69,663-square foot, five-story, 116-room hotel building on an approximately 2.1-gross acre, city-owned site at 380 S. Placentia Avenue. The hotel development, Springhill Suites by Marriott, will feature a 116-space parking lot, decorative hardscape and landscape improvements, outdoor pool area, and associated hotel guest amenities, including the onsite sale and consumption of sealed beer and wine associated with a proposed hotel convenience market. The Disposition and Development Agreement (DDA) outlines the sale and terms for the transfer of ownership of a City-owned site to Placentia Hospitality, LLC in the amount of \$1,552,000. On December 18, 2018, the City Council adopted the DDA for this development. Construction of this development began in September 2019 and grand opening will take place in February of 2021. The annual Transit Occupancy Tax (TOT) from the hotel site is expected to generate approximately \$400,000 in new ongoing revenue to the City.

Commerical Shopping Center: On June 12, 2018 the Planning Commission approved the renovation of an approximately 100,500 square foot commercial shopping center, known as the Sierra Vista Shopping Center. The renovations include architectural upgrades to the building

façade, parking lot and trash enclosure renovation, replacement and upgrades to the onsite freestanding and building signage, and replacement and addition of decorative landscaping on property located within the C-1 (Neighborhood Commercial) Zoning District. The existing shopping center is located at the southeast corner of N. Placentia Avenue and W. Bastanchury Road. The shopping center was built in June of 1965, when two commercial buildings were approved totaling approximately 69,500 square feet. In July 1975, three additional buildings were built adding approximately 31,000 square feet for a total of approximately 100,500 square feet of commercial retail space. Some of the various retail uses at this shopping center today include: a gym, a soccer store, a karate studio, a fast food restaurant, a laser tag business, and a physical therapy center. This shopping center has lacked “anchor” tenants for several years, and, as part of this request, will allow for a grocery store, Grocery Outlet, and other retail uses to take up business and revitalize the shopping center. Grocery Outlet officially opened for business on May 30, 2019. In addition, Dollar Tree held a grand opening ceremony on September 28, 2019. The upgrade of the shopping center will assist in facilitating and maintaining a wide array of commercial uses to help facilitate greater patronage and shopping activity for the shopping center, thereby helping to maintain a steady revenue stream. Increased patronage will assist and stimulate further investment in the community and strengthen the City’s economic vitality.

Multi-Tenant Retail Commercial Building: On July 10, 2018, the Planning Commission approved the demolition of an existing 8,400-square foot restaurant building (formerly occupied by El Torito) and development of an approximately 7,000-square foot multi-tenant retail commercial building at the northwest corner of the Village Plaza shopping center located at 1474 N. Kraemer Boulevard. The new building will accommodate three fast-casual restaurants with one tenant space dedicated for a coffee shop with a drive-through. The building is designed employing Spanish style architecture and will feature a strong pedestrian connection between the public right-of-way, the building’s storefronts, and outdoor seating areas. Decorative landscape and hardscape will be provided around the proposed building. The development project is intended to serve as the first phase of a two-phase plan to revitalize the existing shopping center to complement the new development. The first phase was completed in September 2019. The first tenant space that was occupied is Starbucks and they officially opened for business on July 31, 2019. According to Starbucks Corporate Offices, this new Starbucks is the 5th grossing in sales in Orange County since its opening. Chipotle is the second tenant to open on September 11, 2019 and PizzaRev is expected to open in 2021. The second phase of the development was approved by the Planning Commission on December 10, 2019 and expected to begin construction in the first quarter of 2021.

The City advocates for the continuation of existing uses and diversity of retail and service commercial uses that are oriented to the needs of local residents. Replacing an underutilized restaurant building with a multi-tenant retail commercial building that can accommodate high demand fast-casual restaurant chains within a new architecturally enhanced building will promote compatibility with newer developments in the surrounding area. Additionally, the modernization of the existing shopping center will stimulate reinvestment and strengthen the economic vitality of both the shopping center and City.

City Streets: The Orange County Transportation Authority has previously identified Placentia as one of two cities in Orange County with the worst condition of its local streets. The passage of the local transactions and use tax in 2018 and the voter-approved continuation of Senate Bill 1 has allowed the City to devote significantly more resources to streets over the next few years. The City will continue to seek grants and other outside funding sources to address its infrastructure maintenance needs.

All of these efforts reflect the City Council’s commitment to maintain and improve the City’s workforce and infrastructure in order to provide the citizens with the highest possible service with limited resources.

Awards and Acknowledgments

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to government units that publish an easily readable and efficiently organized comprehensive annual financial report. A Certificate of Achievement is valid for a period of one year only. The City received this award for its June 30, 2019 CAFR. We believe this year’s comprehensive annual financial report meets the required criteria, and we will be submitting it for award consideration this year.

California Chapter of the American Planning Association: “2020 Award of Merit for Opportunity and Empowerment”

The California Chapter of the American Planning Association (APA CA) has awarded the City of Placentia its “2020 Award of Merit for Opportunity and Empowerment” for the Health, Wellness, and Environmental Justice Element for the Placentia General Plan. The APA CA Awards Program encourages quality in planning and increases the public’s awareness of the planning profession by recognizing outstanding achievement in the planning field. APA CA Planning Awards are presented annually at the APA California Conference.

Orange County Section of the American Planning Association: “2020 Award of Merit for Comprehensive Plan”

The Orange County Section of the American Planning Association (OC-APA) has awarded the City of Placentia its “2020 Award of Merit for Comprehensive Plan” for the City’s recently adopted Rich Heritage, Bright Future: The Placentia General Plan. The APA Orange Section hosts an annual awards program to recognize and celebrate great planning work throughout Orange County. The program honors innovative plans and projects, distinguished individuals and other contributions to the planning profession.

American Public Works Association: “2020 BEST Project of the Year Award”

The American Public Works Association, Southern California Chapter, has awarded the City of Placentia a 2020 BEST Project of the Year Award for its Placentia Navigation Center. The Center was submitted under the Facilities category for populations 50,000 – 100,000, and Placentia was the only City to win a “Project of the Year” award in that category this year. The BEST (Building Excellence Shaping Tomorrow) Program recognizes significant public works capital improvement projects and initiatives that enhance our quality of life.

Association of California Cities, Orange County (ACC-OC): “Hero for the Homeless Award”

The Association of California Cities, Orange County (ACC-OC) has awarded the Cities of Placentia and Buena Park their “Hero for the Homeless Award” in recognition of establishing and operating their Navigation Centers, which serve the homeless population in North Orange County cities. The Placentia Navigation Center opened successfully on March 30, 2020. The ACC-OC Golden Hub of Innovation Award honors local agencies and cities that successfully implement programs and policies that save taxpayer dollars and improve services for Orange County residents. The Golden Hub of Innovation Awards are presented annually.

Orange County’s Top 100 Most Influential People of 2020

The City of Placentia is pleased to announce that the Placentia Fire and Life Safety Department’s Fire Chief, J. Pono Van Gieson was recognized as one of Orange County’s Top 100 Most Influential People of 2020 by the Orange County Register. In a year that was dominated by a worldwide pandemic, the OC Register’s list of the Most Influential People in Orange County for 2020 that highlights people who were involved with the social justice movement and those who work tirelessly to keep us safe. After three decades in the military and fire service, John Pono Van Gieson took on the job of launching Placentia’s newly created Fire Department as Fire Chief.

2019 Southern California Association of Governments (SCAG): “Sustainability Award”

Placentia received the award for its two innovative master plans designed to create the Old Town District and the Transit Oriented Development Packing House District.

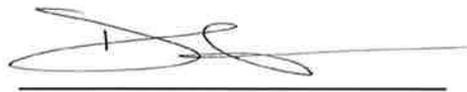
The City Administrator was recently acknowledged by the Orange County Register as one of Orange County’s 100 most influential people. This is largely attributed to the City’s aggressive economic development, creative financial solutions, and involvement in developing solutions to County-wide issues such as homelessness.

Acknowledgments: The preparation of this report could not have been accomplished without the efficient and dedicated service of the entire Finance Department. Special recognition is also given to the audit firm of the Pun Group, LLP. We also wish to recognize the commitment of the City Council to the high standards embodied in this report and express appreciation to them and each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully submitted,



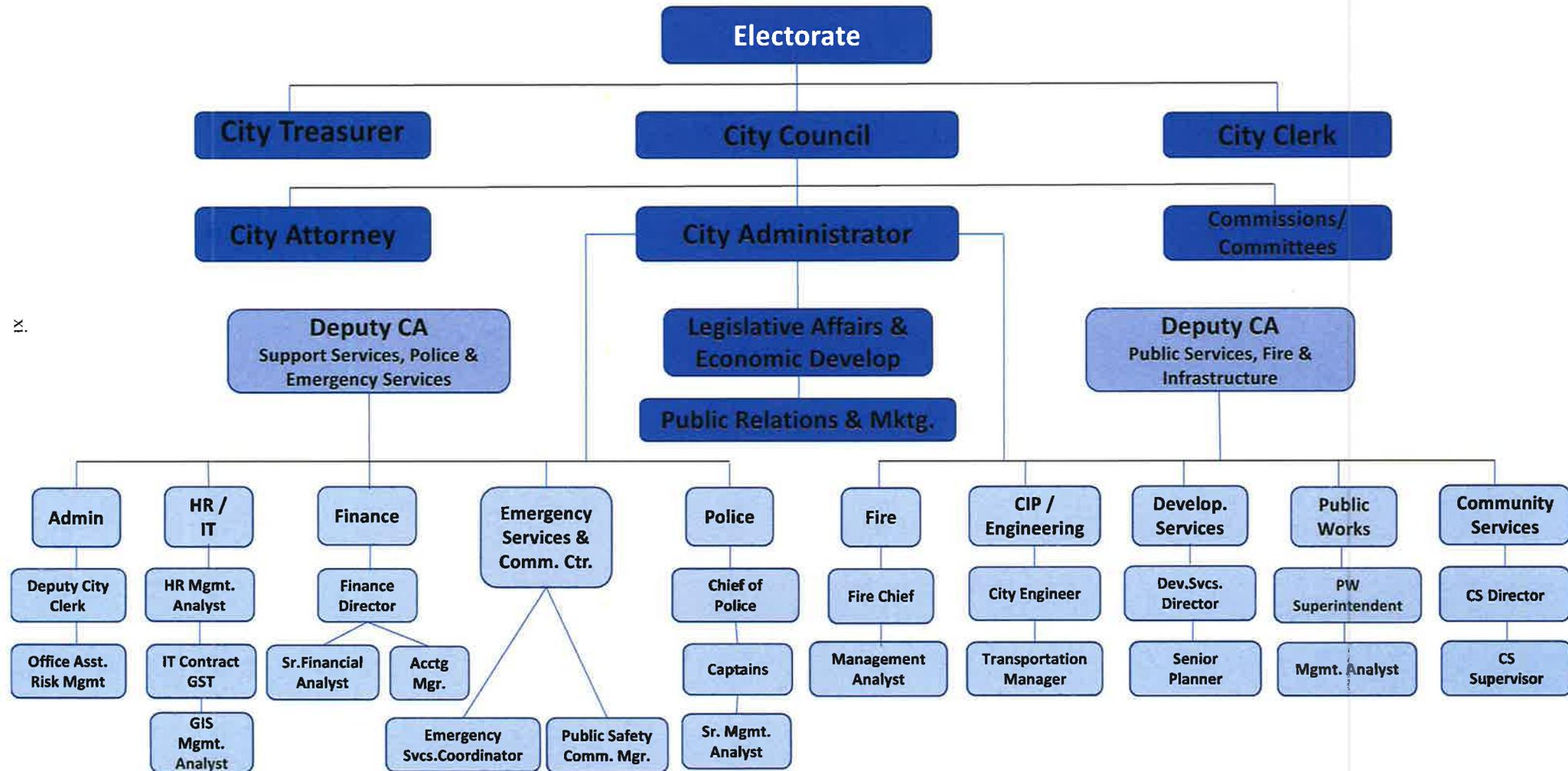
Jessica Brown
Director of Finance



Damien R. Arrula
City Administrator

Succession Planning and Reorganization Chart

Phase I



**CITY OF PLACENTIA
PRINCIPAL OFFICIALS
June 30, 2020**

CITY COUNCIL

| | |
|---------------------|-------------------|
| Ward L. Smith | Mayor |
| Jeremy B. Yamaguchi | Mayor Pro Tempore |
| Craig S. Green | Councilmember |
| Rhonda Shader | Councilmember |
| Chad P. Wanke | Councilmember |

CITY OFFICIALS

| | |
|---------------------------|-------------------------------------|
| Robert S. McKinnell | City Clerk |
| Kevin A. Larson | City Treasurer |
| Damien R. Arrula | City Administrator |
| Christian L. Bettenhausen | City Attorney |
| Jessica Brown | Director of Finance |
| Rosanna Ramirez | Director of Administrative Services |
| Karen Crocker | Director of Community Services |
| Joseph M. Lambert | Director of Development Services |
| Luis Estevez | Director of Public Works |
| Darin Lenyi | Chief of Police |



The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance Department
City of Placentia, California



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Christopher P. Morrill

Date October 30, 2019

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
of the City of Placentia
Placentia, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Placentia, California (the "City"), as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule-General Fund, Budgetary Comparison Schedule-Housing Successor Special Revenue Fund, Budgetary Comparison Schedule-Placentia Regional Navigation Center Special Revenue Fund, Schedules of City's Proportionate Share of the Net Pension Liability and Related Ratios, Schedules of City's Pension Contributions, Schedules of Changes in Net OPEB Liability, and Schedules of City's OPEB Contributions on pages 5 to 16 and 93 to 103, be presented to supplement the basic financial statements. Such information, 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.

Other 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 Introductory Section, Combining and Individual Nonmajor Fund Financial Statements and the Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, and Statistical Sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and the Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual on pages 106 through 157 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 Combining and Individual Nonmajor Fund Financial Statements and the Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have 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 them.

To the Honorable Mayor and Members of the City Council
of the City of Placentia
Placentia, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2021, 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.

The PwC Group, LLP

Santa Ana, California
February 9, 2021

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City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

This discussion and analysis section of the City of Placentia's ("City") comprehensive annual financial report provides a narrative overview of the City's financial activities for the fiscal year ended June 30, 2020. This information should be read in conjunction with the basic financial statements and the notes, which accompany the basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's net position equaled \$41.6 million at June 30, 2020. Net position is the amount by which total assets and deferred outflow of resources exceed total liabilities and deferred inflows of resources. The net position from governmental activities on June 30, 2020 was \$35.5 million, and from business-type activities, \$6.1 million.
- The City's overall net position increased by approximately \$6.9 million during the fiscal year, compared to the net position on June 30, 2019. The net position from governmental activities increased by \$8.1 million while the net position from business-type activities decreased by \$1.2 million.

The governmental activities increased as the result of increased revenues primarily due to the receipt of a full fiscal year of Measure U transaction and used tax and the decrease in expenditures related to COVID-19 Pandemic.

Business-type activities net position decreased \$1.2 million, primarily due to approximately \$0.5 million decrease in capital assets due to annual depreciation expense and a decrease in cash due to higher administrative expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements are presented in three parts:

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

This section of the management's discussion and analysis is intended to introduce and explain the basic financial statements. The report also includes supplementary information which is intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to give the reader a picture of the City from the economic resources' measurement focus using the accrual basis of accounting. This broad overview is similar to the financial reporting used in private-sector business. The government-wide financial statements present governmental activities and business-type activities separately. Governmental activities of the City include general government (legislative, administration, City Council, human resources, and finance), public safety (police, fire protection through contract with Orange County Fire Authority, Fire and Life Safety), public works, community development, and community services. The City's business-type activities include refuse and sewer maintenance. Governmental activities are primarily supported by taxes, charges for services, and grants, while business-type activities are self-supporting through user fees and charges.

The Statement of Net Position presents financial information on all the City's assets, deferred inflows and outflows of resources, and liabilities with the difference between these categories reported as net position. Over time, increases or decreases in net position may be one indicator of improvement or deterioration in the City's overall financial health.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

The focus of the Statement of Activities is to present the major program costs with corresponding major resources. To the extent a program's cost is not recovered by direct charges and grants, it is funded from general taxes and other resources. This statement assists the user in determining the extent to which programs are self-supporting and/or subsidized by general revenues. All activity on this statement is reported on the accrual basis of accounting, which requires that revenues be reported when earned and expenses are reported when incurred, regardless of when cash is received or disbursed.

Fund Financial Statements

A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. Funds are often set up in accordance with special regulations, restrictions, or limitations. The City, like other state and local governments, uses fund accounting to ensure and show compliance with finance-related legal requirements. The City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds**

Governmental funds are used to account for the governmental activities reported in the government-wide financial statements. Most of the City's basic services are included in the governmental funds. The basis of accounting is different between the governmental fund statements and the government-wide financial statements.

The governmental funds focus on near-term revenues/financial resources and expenditures, while the government-wide financial statements include both near-term and long-term revenues/financial resources and expenses. The information in the governmental fund statements can be used to evaluate the City's near-term financing requirements and immediate fiscal health. Comparing the governmental fund statements with the government-wide financial statements can help the reader better understand the long-term impact of the City's financing decisions. To assist in this comparison, reconciliations between the governmental fund statements and the government-wide financial statements are included with the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances.

- **Proprietary Funds**

The City maintains two different types of proprietary fund: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for refuse and sewer services.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The internal service funds primarily benefit the governmental activities and, therefore, the internal service fund information has been included with the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for each of the two business-type activities individually, but combined information for the City's three internal service funds. In the Supplementary Information section of this report, information for each of the three internal service funds is provided.

- **Fiduciary Funds**

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

Fiduciary funds are not included in the government-wide financial statements because their assets are not available to support the City's activities.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

Notes to the Financial Statements

The notes to the financial statements provide additional information that is important to obtain a full understanding of the data in the government-wide and fund financial statements. The notes are located immediately following the basic financial statements.

Other Information

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information. Required supplementary information may be found immediately following the notes to the financial statements. The combining statements for other governmental funds, the individual fund schedules, the internal service fund statements, and agency-type fiduciary fund schedules are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| ASSETS | | | | | | |
| Cash and Investments | \$ 16,049,065 | \$ 12,712,514 | \$ 1,089,775 | \$ 1,726,514 | \$ 17,138,840 | \$ 14,439,028 |
| Other Assets | 14,280,415 | 11,364,936 | 166,178 | 124,785 | 14,446,593 | 11,489,721 |
| Capital Assets | 91,479,863 | 83,105,954 | 8,748,171 | 9,275,486 | 100,228,034 | 92,381,440 |
| Total Assets | <u>121,809,343</u> | <u>107,183,404</u> | <u>10,004,124</u> | <u>11,126,785</u> | <u>131,813,467</u> | <u>118,310,189</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | | | | |
| | <u>9,432,269</u> | <u>9,481,732</u> | <u>573,205</u> | <u>500,447</u> | <u>\$ 10,005,474</u> | <u>\$ 9,982,179</u> |
| LIABILITIES | | | | | | |
| Current Liabilities | 6,856,980 | 6,411,149 | 295,331 | 297,097 | 7,152,311 | 6,708,246 |
| Long-Term Liabilities | 81,603,439 | 78,314,784 | 3,809,723 | 3,787,373 | 85,413,162 | 82,102,157 |
| Total Liabilities | <u>88,460,419</u> | <u>84,725,933</u> | <u>4,105,054</u> | <u>4,084,470</u> | <u>92,565,473</u> | <u>88,810,403</u> |
| DEFERRED INFLOW OF RESOURCES | | | | | | |
| | <u>7,295,166</u> | <u>4,530,468</u> | <u>406,032</u> | <u>322,964</u> | <u>\$ 7,701,198</u> | <u>\$ 4,853,432</u> |
| NET POSITION | | | | | | |
| Net Investment | | | | | | |
| in Capital Assets | 81,105,806 | 72,176,847 | 8,748,171 | 9,275,486 | 89,853,977 | 81,452,333 |
| Restricted | 7,731,960 | 6,090,277 | - | - | 7,731,960 | 6,090,277 |
| Unrestricted | <u>(53,351,739)</u> | <u>(50,858,389)</u> | <u>(2,681,928)</u> | <u>(2,055,688)</u> | <u>(56,033,667)</u> | <u>(52,914,077)</u> |
| Total Net Position | <u>\$ 35,486,027</u> | <u>\$ 27,408,735</u> | <u>\$ 6,066,243</u> | <u>\$ 7,219,798</u> | <u>\$ 41,552,270</u> | <u>\$ 34,628,533</u> |

The City's net position can serve as a useful indicator of the City's financial position. As of June 30, 2020, the City's combined net position (governmental and business-type activities) totaled \$41.6 million, an increase of \$6.9 million over the prior year.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

Net Position consists of three categories: net investment in capital assets, restricted, and unrestricted. The largest portion of the City's net position, approximately \$89.9 million on June 30, 2020, is the City's investment in capital assets (land, buildings, machinery, equipment, and infrastructure). Because capital assets are used to provide service to citizens, they are not available to fund the City's day-to-day activities. Restricted net position totaled \$7.7 million on June 30, 2020 reflecting an increase of \$1.6 million dollars primarily due to an increase in development impact fees. These resources are subject to external restrictions on how they can be used. The remaining unrestricted net position was a negative \$56 million.

Change in Net Position

The following is a summary of activities for the years ending June 30, 2020 and 2019:

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| REVENUES | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 6,013,193 | \$ 5,424,864 | \$ 3,975,300 | \$ 3,870,861 | \$ 9,988,493 | \$ 9,295,725 |
| Operating contribution and grants | 9,587,519 | 7,709,997 | - | - | 9,587,519 | 7,709,997 |
| Capital contributions and grants | 2,994,419 | 1,117,094 | - | - | 2,994,419 | 1,117,094 |
| General Revenues: | | | | | | |
| Taxes | 34,888,960 | 29,730,751 | - | - | 34,888,960 | 29,730,751 |
| Investment income | 311,601 | 226,873 | 26,670 | 34,462 | 338,271 | 261,335 |
| Gain on sale of property | 214,574 | - | - | - | 214,574 | - |
| Contributions from Successor Agency | 19,000 | - | - | - | 19,000 | - |
| Miscellaneous | 447,281 | 136,150 | - | - | 447,281 | 136,150 |
| Total revenues | 54,476,547 | 44,345,729 | 4,001,970 | 3,905,323 | 58,478,517 | 48,251,052 |
| EXPENSES | | | | | | |
| General government | 11,654,352 | 9,346,011 | - | - | 11,654,352 | 9,346,011 |
| Public safety | 26,139,005 | 20,546,727 | - | - | 26,139,005 | 20,546,727 |
| Public works | 4,925,452 | 2,465,943 | - | - | 4,925,452 | 2,465,943 |
| Community development | 1,639,947 | 1,502,202 | - | - | 1,639,947 | 1,502,202 |
| Community services | 1,757,311 | 4,401,461 | - | - | 1,757,311 | 4,401,461 |
| Interest | 475,187 | 587,540 | - | - | 475,187 | 587,540 |
| Refuse | - | - | 3,127,288 | 3,164,071 | 3,127,288 | 3,164,071 |
| Sewer maintenance | - | - | 1,836,237 | 1,593,395 | 1,836,237 | 1,593,395 |
| Total Expenses | 46,591,254 | 38,849,884 | 4,963,525 | 4,757,466 | 51,554,779 | 43,607,350 |
| Increase in net position before transfers & special items | 7,885,293 | 5,495,845 | (961,555) | (852,143) | 6,923,738 | 4,643,702 |
| Transfers from Successor Agency | - | 76,093 | - | - | - | 76,093 |
| Transfers | 192,000 | 191,999 | (192,000) | (191,999) | - | - |
| Change in net position | 8,077,293 | 5,763,937 | (1,153,555) | (1,044,142) | 6,923,738 | 4,719,795 |
| Net position, beginning of year(restated) | 27,408,734 | 21,644,798 | 7,219,798 | 8,263,940 | 34,628,532 | 29,908,738 |
| Net position, end of year | \$ 35,486,027 | \$ 27,408,735 | \$ 6,066,243 | \$ 7,219,798 | \$ 41,552,270 | \$ 34,628,533 |

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

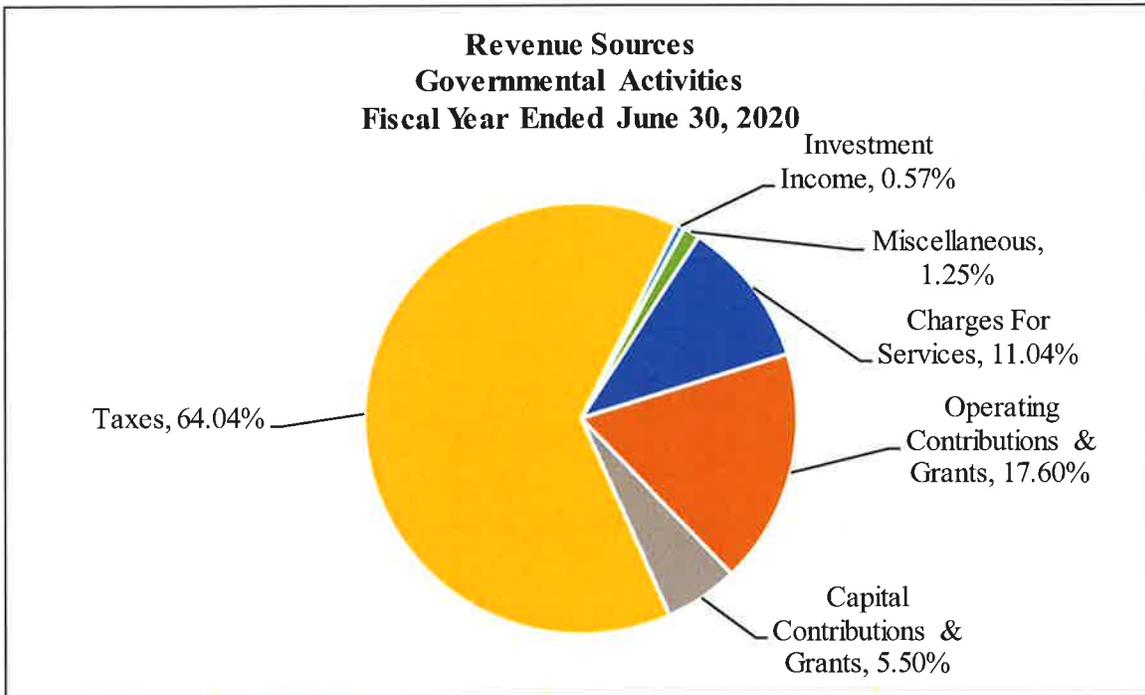
Governmental Activities:

Overall, governmental activities increased the City's net position by \$8.1 million. There were several factors that contributed to this change.

Revenues

Total revenue from governmental activities equaled \$54.5 million for the year. While there are differences in all revenue categories, the overall increase was \$10.1 million, or 22.9% compared to prior year

The following chart shows the percentage breakdown of revenue derived from governmental activities:



As shown in the chart, revenue received from taxes makes up the largest portion of the City's revenue derived from governmental activities. This fiscal year, tax revenue increased by \$5.2 million, or 17.4%. Measure U sales tax accounted for \$4.9 million of the increase. This fiscal year was the first full year of receiving Measure U sales tax revenue. Additionally, the Wayfair Act allowed for sales tax to be collected from online sales for products being shipped to the City which helped mitigate any local sales tax decrease. Property values continued to rise, resulting in an increase in property tax revenue of \$0.5 million, up 3.3% from last year. Franchise taxes remained flat while utility user taxes continue to decline by \$99,168.

Revenue from Operating Contributions and Grants increased in the current fiscal year by \$1.9 million, or 24.4%. There was a significant increase due to the City receiving \$454,336 in COVID relief for COVID related activities and \$625,000 from the county to support the newly built Navigation Center.

The Capital Contributions and Grants reflects an increase of \$1.9 million primarily due to receipt of developer impact fees for new construction projects within the City. Developer impact fees are fees approved by the City to mitigate the effects of new developments on the citywide infrastructure.

Charges for Services increased by \$0.6 million largely due to the increase in the number of permits issued during the fiscal year. Building permits, plumbing permits, and HVAC increased by \$557,345 in the current fiscal year.

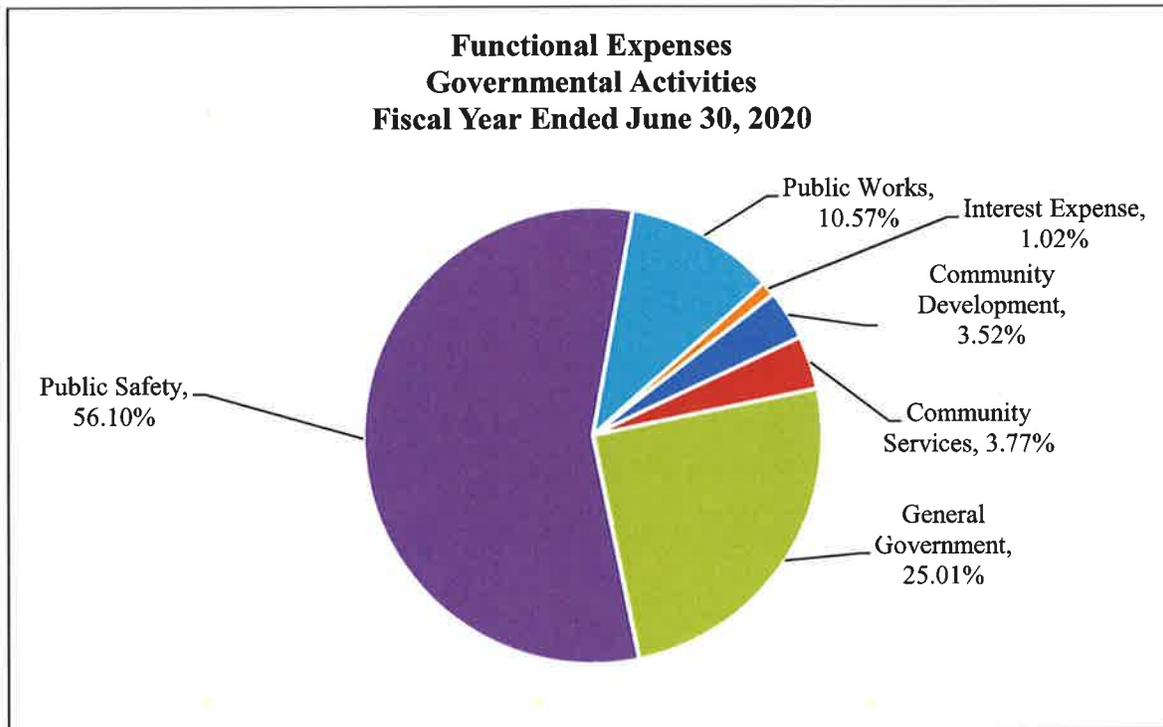
Investment income increased by \$84,728. The increase in Investment Income reflects higher cash balances due to increased sales tax revenue, but the growth was smaller due to lower market rates.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

Expenses

Total expenses from governmental activities equaled \$46.6 million, representing an increase of \$7.7 million, or 19.9%, over the previous year. There was an increase in public safety expenditures due to the anticipated separation from the Orange County Fire Authority on June 30, 2020. The City incurred start-up costs including payroll, capital, and operational costs. The Community Services expenditures decreased partially because of the cancellation of reservations and community activities due to the COVID-19 restrictions.

The following chart shows the percentage breakdown of expenses related to governmental activities:



Business-Type Activities:

| | |
|--|-----------------------|
| Operating Revenues | \$ 3,975,300 |
| Operating Expenses | <u>(4,963,525)</u> |
| Operating Income (loss) | (988,225) |
| Non-operating Income | <u>26,670</u> |
| Income (loss) before Transfers & Special Items | (961,555) |
| Transfers | <u>(192,000)</u> |
| Change in Net Position | <u>\$ (1,153,555)</u> |

The business-type activities include the City's refuse and sewer system activities. Total operating revenues for the business-type activities equaled \$4 million and the operating expenses were \$5 million, for a net operating loss of approximately \$1 million.

City of Placentia
Management’s Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

Refuse

The refuse operation generated an operating income of \$125,053. Revenue from sales and service charges were relatively flat with a slight increase of approximately \$100,000. Additionally, there was a slight decrease in administrative expenditures.

Sewer

The sewer system operation generated a loss of \$1.1 million. This is the result of a flat revenue source offset by an increase in personnel salaries, increased UAL allocation, annual depreciation and an increase in storm and drain expenditures.

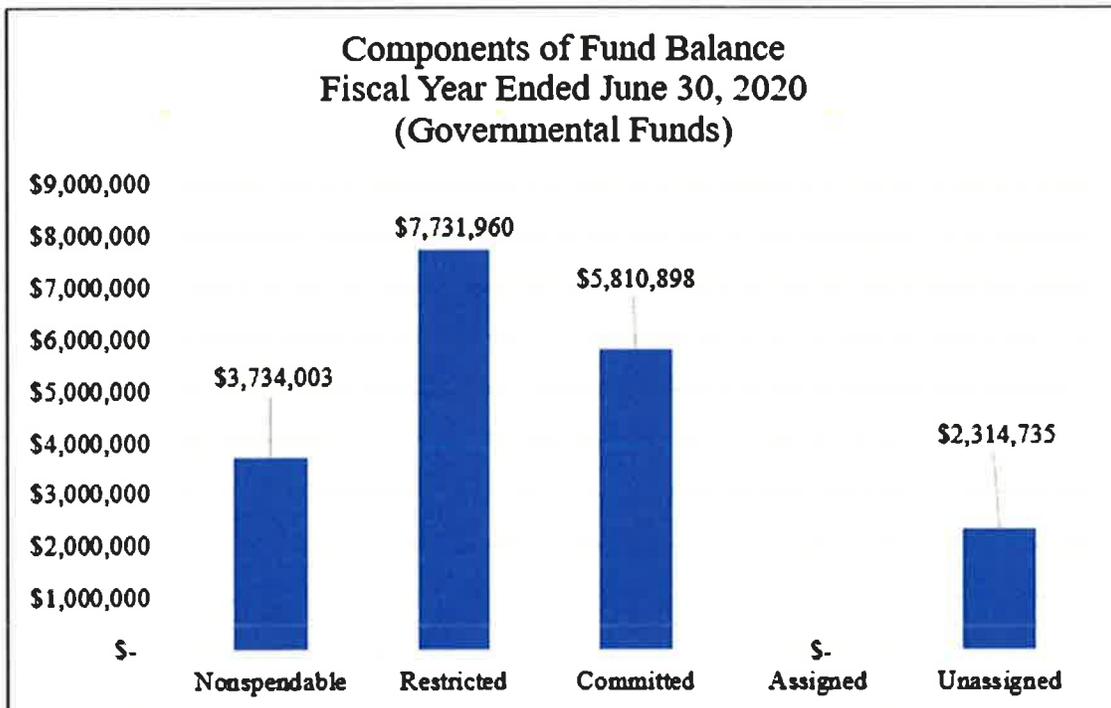
FINANCIAL ANALYSIS OF THE CITY’S MAJOR FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City’s governmental funds is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, the assigned fund balance and unassigned fund balance may serve as a useful measurement of the government’s net resources available for spending at the end of the fiscal year. The unassigned fund balance represents the portion of fund balance that has not yet been obligated for a particular purpose by either an external party, the City Council, or anyone delegated the authority to assign resources.

As of the end of the current fiscal year, the City’s governmental funds reported a combined ending fund balance of \$19.6 million, an increase of \$4.8 million from the prior year.



The total fund balance constitutes of \$3.7 million nonspendable fund balance; specifically, long-term loans receivable, inventories of supplies and prepaid expenditures, which cannot be used to finance operating expenditures.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

The restricted fund balance of \$7.7 million reflects resources that can only be spent for specific purposes, due to constraints either (1) externally imposed by creditors (stated in the debt covenants), grantors, laws, or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. This is approximately an increase of \$1.7 million compared to last year primarily due to an increase of special revenue funds including City developer impact fees. The largest development that occurred during the fiscal year was the Herald project which contributed to \$2.0 million of developer impact fees.

The City Council, the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts are classified as committed fund balance. As of June 30, 2020, \$3.4 million for the future Metrolink train station and parking structure were committed, \$1.6 million of Measure U revenue was committed for infrastructure and \$770,595 was committed to OPEB following the General Fund Reserve Policy No. 460.

Assigned fund balance represents funds that are constrained by the City's intent to use the funds for specific purposes. The City had no assigned fund balance as of June 30, 2020.

Unassigned fund balance represents the portion of fund balance that does not fall into any of the other four fund balance categories and does not have any specific spending limitations. The unassigned fund balance at June 30, 2020 for all governmental funds combined is \$2.3 million, consisting of \$3.9 million in unassigned fund balance in the General Fund and combined unassigned deficits of a total of \$1.6 million in capital projects fund, the Navigation Center Fund, the PEG fund, the Housing and Community Development Fund, LMD 92-1, and the Street Lighting Fund. The governmental fund deficits were the result of expenditures incurred in advance of reimbursements that were unavailable or otherwise not received by fiscal year-end.

General Fund:

The General Fund is the main operating fund of the City. As of June 30, 2020, total fund balance of the General Fund was \$14.0 million, compared to \$10.3 million on June 30, 2019, representing an increase of \$3.6 million. Nonspendable and restricted portions of the fund balance declined from the prior year due to debt payments to long term debt obligations.

Revenue

The General Fund had revenues of \$41.6 million, compared to \$35.8 million in the prior year, an increase of \$5.8 million, or 1.16%. This increase is due primarily to the tax's categories. Fiscal Year 2020 was the first full year of Measure U tax receipt, which contributed to a \$4.9 million increase in sales tax revenue. There was also an increase of \$0.5 million in property tax due to an increase in property value and business value. Also contributing to increase in overall general fund revenue is the increase in intergovernmental revenue which represents an increase of \$ 0.4 million. This increase is primarily due to funds received to combat the COVID-19 pandemic. As a result of the CARES Act, the City received \$454,336 of CARES funding which increased the revenue.

Expense

General Fund expenditures for FY 2019-20 were \$44.5 million, compared to \$34.02 million last year, which represents an increase of \$10.5 million. The major projects impacting the increase of expenditure are related to capital expenditures and the formation of the Placentia Fire Life & Safety Department.

Public Safety

Public safety expenditures increased by \$3.5 million dollars primarily due to an increase of start-up costs for the newly formed Fire Life & Safety Department. The start-up costs for the formation of the Placentia Fire & Life Safety Department were approximately \$1.9 million. Additionally, there was a \$2 million increase in public safety expenditures due to a new allocation method for Employer CalPERS UAL being charged directly to departments. These were offset with other miscellaneous expenditures in the public safety divisions.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

Public Works

Public works expenditures had a net increase of \$544,832 due to the allocation of \$316,832 for employer CalPERS UAL expenditures directly to the department and \$275,119 to bring public works engineering in house. Other increases include expenses like tree maintenance and landscaping expenditures. There were offsetting decreases in expenditures that include department contract services, and personnel related expenditures.

Community Development

Community development expenditures increased by approximately \$200,000. This is partially due to the reallocation of employer CalPERS UAL and to increased personnel related expenditures.

Community Services

Community services expenditures increased by \$194,118 primarily due to the allocation of the employer CalPERS UAL directly to departments and increase in contract services to fill position vacancy. These were offset by a decrease of expenditures due to the COVID-19 Stay at home order restricting the types of activities and programs that are commonly offered by community services.

Capital Outlay

Capital Outlay increased by \$6.5 million compared to the prior year. During the fiscal year the City made substantial investments in developing the Placentia Life & Safety department from the ground up. The City acquired two loans totaling approximately \$5.2 million to purchase machinery, equipment, and vehicles for the new Fire & Life Safety department to be able to start providing public services July 1, 2020. Through Measure U sales tax revenue, the City was able to increase the number of capital projects to improve city infrastructure and replace assets that were reaching the end of their useful lives. Other projects that had high expenditures during the fiscal year are the slurry seal project, the newly built navigation center, replacement vehicles for the police department, and ADA ramp improvements. Some projects such as the navigation center, had other funding sources.

Debt Service

The most significant decrease was in principal retirement expenditures, with a reduction of \$962,386. The reduction is due to the 2009 Lease Revenue Bond being defeased in the prior fiscal year.

Proprietary Funds

The City maintains proprietary funds for sewer maintenance and refuse operations. The combined net position of these two funds at the end of the fiscal year amounted to \$6.1 million. The sewer maintenance fund had a net position of \$6.5 million (of which \$8.7 million represents investment in capital assets). The refuse fund had a negative net position of \$0.5 million. Sewer's decrease in net position is related to the annual depreciation expense and the increase in personnel expenses which include direct salaries. Refuse had an increase in net position by approximately \$130,000 due to the decrease of administrative expenditures and slight increase in revenue from service charges.

The combined internal service funds have a positive net position of \$543,703 on June 30, 2020. This is an increase of \$470,587 compared to prior year due to the reduction of claim related and liabilities premium expenditures.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there were adjustments made to both the estimated revenues and appropriations in the General Fund to more closely reflect actual amounts received and expended. It is also customary for the City to conduct a thorough analysis of estimated revenues and appropriations at the end of the first six (6) months of the fiscal year. Per City policy, increases to total general fund appropriations for the year were approved by the City Council.

The adopted general fund budget for FY 2019-20 included estimated revenues of nearly \$39.5 million but was increased by budget amendments totaling \$1.6 million, for a final budget of \$41.1 million. Actual revenues were \$42.1 million, with the largest positive budget variance of \$382,927 occurring in tax revenue. Measure U and General Sales tax both performed well even during the COVID-19 Pandemic and an increase in property taxes due to improved valuations. The largest negative variance was \$216,378 for leases and rents revenue due to stay-at-home orders that prohibited many activities including the rental of City facilities for public gatherings.

The adopted general fund expenditure budget for this fiscal year was \$40.6 million; however, Council approved amendments and increased appropriations by \$7.6 million for a final amended budget of \$48.1 million. The biggest contributor to the increases Capital Outlay expenses was in preparation of the City starting its own Fire & Life Safety department. Additionally, Measure U revenues allowed for an increase investment into City infrastructure projects. Actual expenditures totaled \$44.5 million. During March 2020, the City Administrator issued a stop spending order because of the unknown effects of the COVID-19 Pandemic. Due to the stop spending order, the City was able to reduce expenses to essential purchases and increase fund balance in the General fund by \$3.6M.

Budgeted transfers in from other funds from the amended budget were \$1,039,700 million. Actual transfers in from other funds were \$1,039,700.

Transfers out to other funds were did not have a variance as budgeted transfers out equaled actual transfers out for FY2019-20.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2020, totaled \$100.2 million, an increase of approximately \$7.8 million, or 8.5%, from the prior year. Capital assets include land, buildings, infrastructure, and equipment.

Governmental activities grew by \$8.4 million, net of accumulated depreciation. The growth is mostly due to a \$7 million construction in progress (CIP) activity and a \$5.9 increase of depreciable asset.

The \$7 million CIP activity is mostly composed of large street improvement related projects and the construction of the Placentia Navigation Center.

\$5.6 million of the increase was due to equipment purchases for public safety. Most of the purchases were related to the startup costs associated with the new Placentia Fire & Life Safety Department. The remaining \$0.3 million increase was mainly due to the improvements of community services facilities. These increases were offset by \$3.2 million of depreciation for this fiscal year, the disposal of some assets, and the sale of a property worth \$1.3 million.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

Total business-type capital assets, net of accumulated depreciation, declined \$528,315 during the fiscal year due to depreciation of capital assets.

CAPITAL ASSETS

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------------------|-------------------------|----------------------|--------------------------|---------------------|-----------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | \$ 25,201,872 | \$ 26,501,872 | \$ - | \$ - | \$ 25,201,872 | \$ 26,501,872 |
| Land - Right of Way | 258,822 | 258,822 | - | - | 258,822 | 258,822 |
| Construction in Progress | 10,427,567 | 3,486,735 | - | - | 10,427,567 | 3,486,735 |
| Structures & Improvements | 8,800,655 | 8,982,463 | 8,669,120 | 9,184,219 | 17,469,775 | 18,166,682 |
| Equipment | 6,813,888 | 1,905,913 | 79,051 | 91,267 | 6,892,939 | 1,997,180 |
| Land Improvements | 60,564 | 66,361 | - | - | 60,564 | 66,361 |
| Infrastructure | | | | | | |
| Trees | 3,114,540 | 3,114,540 | - | - | 3,114,540 | 3,114,540 |
| Streets Network | 24,500,671 | 25,693,570 | - | - | 24,500,671 | 25,693,570 |
| Streets Appurtenances | 9,774,588 | 10,392,441 | - | - | 9,774,588 | 10,392,441 |
| Storm Drains | 2,526,696 | 2,703,237 | - | - | 2,526,696 | 2,703,237 |
| | <u>\$ 91,479,863</u> | <u>\$ 83,105,954</u> | <u>\$ 8,748,171</u> | <u>\$ 9,275,486</u> | <u>\$ 100,228,034</u> | <u>\$ 92,381,440</u> |

For further detailed information see Note 5, Capital Assets.

Debt Administration

As of June 30, 2020, the City's long-term debt totaled \$87.3 million, representing an increase of \$3.6 million from the prior year. Debt increased by \$5.2 million due to two Fire related leases acquired to purchase fire trucks and equipment for the formation of the Placentia Fire & Life Safety Department. Pension Liabilities also increased by \$1.6 million due to assumption changes. These increases were offset a decrease OPEB Liabilities due to assumption changes and regularly scheduled payments.

LONG-TERM LIABILITIES

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| 2003 Refunding Cert. of Participation | \$ 3,180,000 | \$ 3,500,000 | \$ - | \$ - | \$ 3,180,000 | \$ 3,500,000 |
| 2011 Gas Tax Cert. of Participation | 3,915,000 | 4,180,000 | - | - | 3,915,000 | 4,180,000 |
| Capital Leases | 958,755 | 1,144,309 | - | - | 958,755 | 1,144,309 |
| OCTA Advance | 2,282,199 | 2,561,406 | - | - | 2,282,199 | 2,561,406 |
| Fire Lease#1 | 2,855,359 | - | - | - | 2,855,359 | - |
| Fire Lease#2 | 1,362,742 | - | - | - | 1,362,742 | - |
| Claims Payable | 2,235,244 | 2,231,846 | - | - | 2,235,244 | 2,231,846 |
| Compensated Absences | 1,848,503 | 1,618,994 | 49,155 | 49,109 | 1,897,658 | 1,668,103 |
| Other Postemployment Benefit | 25,303,090 | 26,729,504 | 1,186,744 | 1,511,486 | 26,489,834 | 28,240,990 |
| Pension Liabilities | 39,627,497 | 37,957,008 | 2,584,083 | 2,226,778 | 42,211,580 | 40,183,786 |
| | <u>\$ 83,568,389</u> | <u>\$ 79,923,067</u> | <u>\$ 3,819,982</u> | <u>\$ 3,787,373</u> | <u>\$ 87,388,371</u> | <u>\$ 83,710,440</u> |

For further detailed information see Note 6, Long-Term Liabilities.

City of Placentia
Management's Discussion and Analysis (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

NEXT YEAR'S BUDGET, TAX RATES AND FEE LEVELS

The Fiscal Year 2020-21 adopted General Fund budget was balanced, with a surplus of revenues and transfers from other funds over expenditures and transfers to other funds of \$1,019,000.

General Fund revenues and transfers from other funds are currently estimated at \$39.6 million for FY 2020-21, which represents a \$5.7 million or 12.7% decrease from actual FY 2019-20 revenues and transfers from other funds. This decrease is primarily due to loan proceeds and one-time revenues received in FY 2019-20 that will not be received in FY 2020-21. The FY 2020-21 budget also reflects a decrease in taxes, including use/sales tax and Transient Occupancy Tax, in anticipation of a decrease of economic activity due to the COVID-19 Pandemic induced restrictions. As an example, Sales tax revenue for FY 2020-21 are projected to be \$6.1 million, which is \$723,919 or 10.6% less than the FY 2019-20 actual results. The City anticipates a reduction in sales and use tax due to the stay-at-home order and the purple status of orange county on the four-tier color-coded system set in place by state legislation. Additionally, taxes such as TOT are also estimated to decrease due to a decrease in hotel reservations and reduced travel from the COVID-19 stay-at-home order.

The amended FY2020-21 General Fund budget includes \$37.9 million of appropriations for expenditures (including CIP expenditures) and transfers to other funds. This represents a decrease of \$4.9 million or 11.4% over FY 2019-20 actual expenditures and transfers to other funds.

The decrease is due to the separation of city from the Orange County Fire Authority (OCFA) and the formation of the Fire and Life Safety Department. During FY 2019-20 the city gave notice that the City would not be renewing the contract OCFA and end OCFA fire services June 30,2020. With the separation from OCFA and the City establishing its own Fire & Life Safety, the City is estimated to save millions compared to continuing with OCFA. This is offset with an increase in all department's budgets based on the planned activities for the year.

Approved staffing for FY 2020-21 is 201 full time positions. As in prior years, contracts for services in all departments were reviewed during budget development, and in instances where contracts offered no potential cost savings, or where a higher level of service could be provided for the same or less cost, contract personnel were replaced by City employees.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. If you have questions concerning any of the information provided in this report or need additional financial information, please contact the City's Finance Department at the City of Placentia, 401 East Chapman Avenue, Placentia, California 92870, call (714) 993-8237 or visit our website at www.placentia.org.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Placentia
Statement of Net Position
June 30, 2020

| ASSETS | Primary Government | | |
|--|----------------------------|-----------------------------|--------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Current assets: | | | |
| Cash and investments | \$ 15,006,841 | \$ 1,089,775 | \$ 16,096,616 |
| Receivables, net of allowance | | | |
| Accounts | 4,330,098 | 139,564 | 4,469,662 |
| Taxes | 3,550,509 | 26,614 | 3,577,123 |
| Grants | 441,089 | - | 441,089 |
| Interest | 50,120 | - | 50,120 |
| Loans | 4,794,684 | - | 4,794,684 |
| Prepaid items | 16,300 | - | 16,300 |
| Inventory | 60,855 | - | 60,855 |
| Total current assets | <u>28,250,496</u> | <u>1,255,953</u> | <u>29,506,449</u> |
| Noncurrent assets: | | | |
| Land held for resale | 1,036,760 | - | 1,036,760 |
| Restricted assets: | | | |
| Cash and investments with fiscal agent | 1,042,224 | - | 1,042,224 |
| Capital assets - nondepreciable | 39,002,801 | - | 39,002,801 |
| Capital assets - depreciable, net | 52,477,062 | 8,748,171 | 61,225,233 |
| Total noncurrent assets | <u>93,558,847</u> | <u>8,748,171</u> | <u>102,307,018</u> |
| Total assets | <u>121,809,343</u> | <u>10,004,124</u> | <u>131,813,467</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred charges on refunding | 406,250 | - | 406,250 |
| Deferred outflows of resources related to pensions | 7,661,312 | 509,198 | 8,170,510 |
| Deferred outflows of resources related to OPEB | 1,364,707 | 64,007 | 1,428,714 |
| Total deferred outflows of resources | <u>9,432,269</u> | <u>573,205</u> | <u>10,005,474</u> |

City of Placentia
Statement of Net Position (Continued)
June 30, 2020

| | Primary Government | | Total |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 4,009,725 | 256,824 | 4,266,549 |
| Accrued payroll and benefits | 771,373 | 28,248 | 799,621 |
| Accrued interest payable | 110,932 | - | 110,932 |
| Unearned revenues | - | - | - |
| Long-term debt due within one year | 1,205,233 | - | 1,205,233 |
| Claims payable due within one year | 558,811 | - | 558,811 |
| Compensated absences due within one year | 200,906 | 10,259 | 211,165 |
| Total current liabilities | 6,856,980 | 295,331 | 7,152,311 |
| Noncurrent liabilities: | | | |
| Long-term debt due in more than one year | 13,348,822 | - | 13,348,822 |
| Claims payable due in more than one year | 1,676,433 | - | 1,676,433 |
| Compensated absences due in more than one year | 1,647,597 | 38,896 | 1,686,493 |
| Aggregate net OPEB liabilities | 25,303,090 | 1,186,744 | 26,489,834 |
| Aggregate net pension liabilities | 39,627,497 | 2,584,083 | 42,211,580 |
| Total noncurrent liabilities | 81,603,439 | 3,809,723 | 85,413,162 |
| Total liabilities | 88,460,419 | 4,105,054 | 92,565,473 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred pension-related items | 2,717,989 | 191,357 | 2,909,346 |
| Deferred OPEB-related items | 4,577,177 | 214,675 | 4,791,852 |
| Total deferred inflows of resources | 7,295,166 | 406,032 | 7,701,198 |
| NET POSITION | | | |
| Net investment in capital assets | 81,105,806 | 8,748,171 | 89,853,977 |
| Restricted for: | | | |
| Public safety | 692,126 | - | 692,126 |
| Public works | 1,911,605 | - | 1,911,605 |
| Community development | 448,023 | - | 448,023 |
| Community services | - | - | - |
| Debt service | 1,050,574 | - | 1,050,574 |
| Grant programs | 87,767 | - | 87,767 |
| Transportation | 744,320 | - | 744,320 |
| Park development | 20,073 | - | 20,073 |
| Street maintenance | 684,805 | - | 684,805 |
| Air quality | 121,059 | - | 121,059 |
| Affordable housing | 1,971,608 | - | 1,971,608 |
| Total restricted | 7,731,960 | - | 7,731,960 |
| Unrestricted (deficit) | (53,351,739) | (2,681,928) | (56,033,667) |
| Total net position | \$ 35,486,027 | \$ 6,066,243 | \$ 41,552,270 |

City of Placentia
Statement of Activities
For the Year Ended June 30, 2020

| | Program Revenues | | | |
|---------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Functions/Programs | | | | |
| Governmental Activities: | | | | |
| General government | \$ 11,654,352 | \$ 2,651,069 | \$ 1,675,688 | \$ - |
| Public safety | 26,139,005 | 770,691 | 4,238,942 | - |
| Public works | 4,925,452 | 776,251 | 2,584,592 | 2,994,419 |
| Community development | 1,639,947 | 1,670,332 | 463,297 | - |
| Community services | 1,757,311 | 144,850 | 625,000 | - |
| Interest | 475,187 | - | - | - |
| Total Governmental Activities | 46,591,254 | 6,013,193 | 9,587,519 | 2,994,419 |
| Business-Type Activities: | | | | |
| Refuse | 3,127,288 | 3,252,341 | - | - |
| Sewer maintenance | 1,836,237 | 722,959 | - | - |
| Total Business-Type Activities | 4,963,525 | 3,975,300 | - | - |
| Total Primary Government | \$ 51,554,779 | \$ 9,988,493 | \$ 9,587,519 | \$ 2,994,419 |

City of Placentia
Statement of Activities (Continued)
For the Year Ended June 30, 2020

Net (Expense) Revenue and Changes in Net Positions

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| Functions/Programs | | | |
| Governmental Activities: | | | |
| General government | \$ (7,327,595) | \$ - | \$ (7,327,595) |
| Public safety | (21,129,372) | - | (21,129,372) |
| Public works | 1,429,810 | - | 1,429,810 |
| Community development | 493,682 | - | 493,682 |
| Community services | (987,461) | - | (987,461) |
| Interest | (475,187) | - | (475,187) |
| Total Governmental Activities | (27,996,123) | - | (27,996,123) |
| Business-Type Activities: | | | |
| Refuse | - | 125,053 | 125,053 |
| Sewer maintenance | - | (1,113,278) | (1,113,278) |
| Total Business-Type Activities | - | (988,225) | (988,225) |
| Total Primary Government | (27,996,123) | (988,225) | (28,984,348) |
| General Revenues: | | | |
| Taxes: | | | |
| Property taxes | 15,980,808 | - | 15,980,808 |
| Transient occupancy taxes | 767,421 | - | 767,421 |
| Sales taxes | 13,140,914 | - | 13,140,914 |
| Franchise taxes | 2,357,784 | - | 2,357,784 |
| Utility users tax | 2,362,270 | - | 2,362,270 |
| Real property transfer taxes | 188,358 | - | 188,358 |
| Other taxes | 91,405 | - | 91,405 |
| Investment earnings | 311,601 | 26,670 | 338,271 |
| Gain on sale of property | 214,574 | - | 214,574 |
| Contributions from Successor Agency | 19,000 | - | 19,000 |
| Miscellaneous | 447,281 | - | 447,281 |
| Total General Revenues | 35,881,416 | 26,670 | 35,908,086 |
| Transfers: | | | |
| Transfers | 192,000 | (192,000) | - |
| Total Transfers | 192,000 | (192,000) | 36,374,367 |
| Changes in Net Position | 8,077,293 | (1,153,555) | 6,923,738 |
| Net Position - Beginning of Year | 27,408,734 | 7,219,798 | 34,628,532 |
| Net Position - End of Year | \$ 35,486,027 | \$ 6,066,243 | \$ 41,552,270 |

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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**City of Placentia
Balance Sheet
Governmental Funds
June 30, 2020**

| | Major Funds | | | | Total |
|--|----------------------|---|---|--------------------------------|----------------------|
| | General Fund | Housing Successor Special Revenue Fund | Placentia Regional Navigation Center Special Revenue Fund | Other Governmental Funds | |
| ASSETS | | | | | |
| Cash and investments | \$ 6,813,870 | \$ 157,328 | \$ 124,500 | \$ 5,026,368 | \$ 12,122,066 |
| Receivables: | | | | | |
| Accounts | 3,388,436 | - | 870,382 | 71,280 | 4,330,098 |
| Taxes | 3,176,169 | - | - | 374,340 | 3,550,509 |
| Grants | - | - | - | 441,089 | 441,089 |
| Accrued interest | 50,120 | - | - | - | 50,120 |
| Loans and notes | 3,950,040 | 844,644 | - | - | 4,794,684 |
| Prepaid items | 16,300 | - | - | - | 16,300 |
| Due from other funds | 858,502 | - | - | - | 858,502 |
| Inventories | 60,855 | - | - | - | 60,855 |
| Land held for resale | - | 1,036,760 | - | - | 1,036,760 |
| Restricted assets: | | | | | |
| Cash and investments with fiscal agents | 555,258 | - | - | 486,966 | 1,042,224 |
| Total assets | <u>\$ 18,869,550</u> | <u>\$ 2,038,732</u> | <u>\$ 994,882</u> | <u>\$ 6,400,043</u> | <u>\$ 28,303,207</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 2,490,566 | \$ - | \$ 902,311 | \$ 511,020 | \$ 3,903,897 |
| Accrued liabilities | 731,842 | - | - | 39,345 | 771,187 |
| Due to other governments | 186 | - | - | - | 186 |
| Due to other funds | - | - | - | 858,502 | 858,502 |
| Total liabilities | <u>3,222,594</u> | <u>-</u> | <u>902,311</u> | <u>1,408,867</u> | <u>5,533,772</u> |
| Deferred inflows of resources: | | | | | |
| Unavailable revenues | 1,680,505 | 291,728 | 870,382 | 335,224 | 3,177,839 |
| Total deferred inflows of resources | <u>1,680,505</u> | <u>291,728</u> | <u>870,382</u> | <u>335,224</u> | <u>3,177,839</u> |
| Fund balances: | | | | | |
| Nonspendable | 3,734,003 | - | - | - | 3,734,003 |
| Restricted | 555,258 | 1,747,004 | - | 5,429,698 | 7,731,960 |
| Committed | 5,810,898 | - | - | - | 5,810,898 |
| Unassigned (deficit) | 3,866,292 | - | (777,811) | (773,746) | 2,314,735 |
| Total fund balances | <u>13,966,451</u> | <u>1,747,004</u> | <u>(777,811)</u> | <u>4,655,952</u> | <u>19,591,596</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 18,869,550</u> | <u>\$ 2,038,732</u> | <u>\$ 994,882</u> | <u>\$ 6,400,043</u> | <u>\$ 28,303,207</u> |

City of Placentia
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2020

Total Fund Balances - Total Governmental Funds \$ 19,591,596

Amounts reported for governmental activities in the Statement of Net Position were reported differently because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

| | | |
|----------------|---------------|------------|
| Nondepreciable | \$ 39,002,801 | |
| Depreciable | 52,477,062 | 91,479,863 |

The loss incurred by the City resulting from the refunding of long-term liabilities are recorded as deferred outflows of resources and amortized over the remaining service life, equal to the lesser of the remaining bond-years on the refunded debt or the bond years on the refunding debt. 406,250

Revenue reported as unavailable revenue in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the Government-Wide Financial Statements and, therefore, the revenue is recognized when eligibility requirements are met and earned. 3,177,839

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds. (110,932)

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position:

| | | |
|----------------------|----------------|--------------|
| Long-term debt | \$ (7,095,000) | |
| Capital leases | (5,176,856) | |
| OCTA advance | (2,282,199) | |
| Compensated absences | (1,848,503) | (16,402,558) |

Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

| | |
|--|--------------|
| Pension related deferred outflows of resources | 7,661,312 |
| Aggregate net pension liability | (39,627,497) |
| Pension related deferred inflows of resources | (2,717,989) |

Net OPEB liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

| | |
|---|--------------|
| OPEB related deferred outflows of resources | 1,364,707 |
| Aggregate net OPEB liability | (25,303,090) |
| OPEB related deferred inflows of resources | (4,577,177) |

Internal Service Funds were used by management to charge the costs of certain activities, such as insurance and equipment replacement to individual funds. The assets and liabilities of the Internal Service Funds were included in the governmental activities in the Government-Wide Statement of Net Position. 543,703

Net Position of Governmental Activities \$ 35,486,027

City of Placentia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

| | Major Funds | | | | Total |
|---|----------------------|---|--|--------------------------------|----------------------|
| | General Fund | Housing Successor Special Revenue Fund | Placentia | | |
| | | | Regional Navigation Center Special Revenue Fund | Other Governmental Funds | |
| Revenues: | | | | | |
| Taxes | \$ 34,830,127 | \$ - | \$ - | \$ - | \$ 34,830,127 |
| Intergovernmental | 701,864 | - | 3,438,906 | 4,317,860 | 8,458,630 |
| Licenses and permits | 2,453,827 | - | - | - | 2,453,827 |
| Fines & forfeitures | 418,752 | - | - | 400,098 | 818,850 |
| Investment earnings | 170,567 | 5,294 | 37,634 | 93,939 | 307,434 |
| Charges for services | 885,206 | - | - | 3,170,376 | 4,055,582 |
| Leases and rents | 1,211,622 | 8,100 | - | - | 1,219,722 |
| Contributions from Successor Agency | 19,000 | - | - | - | 19,000 |
| Miscellaneous | 866,076 | 157,750 | - | 64,262 | 1,088,088 |
| Total revenues | 41,557,041 | 171,144 | 3,476,540 | 8,046,535 | 53,251,260 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 8,298,766 | - | - | 89,774 | 8,388,540 |
| Public safety | 21,399,386 | - | 1,202,266 | 839,979 | 23,441,631 |
| Public works | 3,980,719 | - | - | 1,957,071 | 5,937,790 |
| Community development | 1,198,254 | - | - | 494,477 | 1,692,731 |
| Community services | 1,537,369 | - | 48,581 | 206,662 | 1,792,612 |
| Capital outlay | 7,271,232 | - | 3,106,056 | 1,157,240 | 11,534,528 |
| Debt service: | | | | | |
| Principal retirement | 582,614 | - | - | 594,596 | 1,177,210 |
| Interest and fiscal charges | 206,426 | 3,810 | - | 264,951 | 475,187 |
| Total expenditures | 44,474,766 | 3,810 | 4,356,903 | 5,604,750 | 54,440,229 |
| Revenues over (under) expenditures | (2,917,725) | 167,334 | (880,363) | 2,441,785 | (1,188,969) |
| Other financing sources (uses): | | | | | |
| Transfers in | 1,039,700 | - | 87,770 | 754,800 | 1,882,270 |
| Transfers out | (270,300) | (87,770) | - | (1,332,200) | (1,690,270) |
| Proceeds from sale of property | 1,547,438 | - | - | - | 1,547,438 |
| Proceeds from capital lease | 4,218,101 | - | - | - | 4,218,101 |
| Total other financing sources (uses) | 6,534,939 | (87,770) | 87,770 | (577,400) | 5,957,539 |
| Net change in fund balances | 3,617,214 | 79,564 | (792,593) | 1,864,385 | 4,768,570 |
| Fund balances: | | | | | |
| Beginning of year | 10,349,237 | 1,667,440 | 14,782 | 2,791,567 | 14,823,026 |
| End of year | <u>\$ 13,966,451</u> | <u>\$ 1,747,004</u> | <u>\$ (777,811)</u> | <u>\$ 4,655,952</u> | <u>\$ 19,591,596</u> |

City of Placentia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2020

| | | |
|---|-----------|--------------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | 4,768,570 |
| Governmental activities in the Statement of Activities were reported differently because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. | | |
| Capital outlay | \$ | 12,876,550 |
| Depreciation (net of \$4,312 in Internal Service Funds) | | (3,165,465) |
| Net effect on disposal of capital assets | | <u>(1,332,864)</u> |
| | | 8,378,221 |
| Amortization of the deferred charges on refunding is recognized as interest expense in the Statement of Activities. | | |
| | | (50,358) |
| Net change in revenues that was considered unavailable in the governmental funds. These items have been reported as revenue in the Statement of Activities. | | |
| | | 990,194 |
| Proceeds from the issuance of long-term debt is not a revenue in the Statement of Activities, but is reported as a liability on the Government-Wide Statement of Net Position. | | |
| | | (4,218,101) |
| Principal repayment on long-term debt is not an expense in the Statement of Activities, but is considered an expenditure in governmental funds. | | |
| Long-term debt | \$ | 585,000 |
| Capital leases | | 185,554 |
| OCTA advance | | <u>279,207</u> |
| | | 1,049,761 |
| Interest accrued on long-term debt is reported in the Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest is not reported as an expenditure in governmental funds. This amount represents the change in accrued interest from the prior year. | | |
| | | (74,194) |
| Compensated absences were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, compensated absences were not reported as expenditures in the governmental funds. | | |
| | | (229,509) |
| Certain OPEB expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | |
| | | 125,025 |
| Certain pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | |
| | | (3,132,903) |
| Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and equipment replacement, to individual funds. The net revenue of the Internal Service Funds is reported in governmental activities. | | |
| | | <u>470,587</u> |
| Change in Net Position of Governmental Activities | \$ | <u><u>8,077,293</u></u> |

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Placentia
Statement of Net Position
Proprietary Funds
June 30, 2020

| | Major Enterprise Funds | | Business-Type Activities | Governmental Activities |
|--|------------------------|----------------------|-----------------------------|----------------------------|
| | Refuse | Sewer Maintenance | Total | Internal Service Funds |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 435,328 | \$ 654,447 | \$ 1,089,775 | \$ 2,884,775 |
| Receivable: | | | | |
| Accounts | 19,148 | 120,416 | 139,564 | - |
| Taxes | 26,614 | - | 26,614 | - |
| Total current assets | 481,090 | 774,863 | 1,255,953 | 2,884,775 |
| Noncurrent assets: | | | | |
| Capital assets, net of accumulated depreciation | - | 8,748,171 | 8,748,171 | - |
| Total noncurrent assets | - | 8,748,171 | 8,748,171 | - |
| Total assets | 481,090 | 9,523,034 | 10,004,124 | 2,884,775 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows of resources related to pensions | 75,825 | 433,373 | 509,198 | - |
| Deferred outflows of resources related to OPEB | 15,859 | 48,148 | 64,007 | - |
| Total deferred outflows of resources | 91,684 | 481,521 | 573,205 | - |

City of Placentia
Statement of Net Position
Proprietary Funds (Continued)
June 30, 2020

| | Major Enterprise Funds | | Business-Type Activities | Governmental Activities |
|---|------------------------|----------------------|-----------------------------|----------------------------|
| | Refuse | Sewer Maintenance | Total | Internal Service Funds |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 247,709 | 9,115 | 256,824 | 105,828 |
| Accrued liabilities | 6,246 | 22,002 | 28,248 | - |
| Compensated absences - due within one year | 2,052 | 8,207 | 10,259 | - |
| Claims and judgments - due within one year | - | - | - | 558,811 |
| Total current liabilities | 256,007 | 39,324 | 295,331 | 664,639 |
| Noncurrent liabilities: | | | | |
| Compensated absences - due in more than one year | 5,940 | 32,956 | 38,896 | - |
| Claims and judgments - due in more than one year | - | - | - | 1,676,433 |
| Net OPEB liability | 294,037 | 892,707 | 1,186,744 | - |
| Aggregate net pension liability | 384,799 | 2,199,284 | 2,584,083 | - |
| Total noncurrent liabilities | 684,776 | 3,124,947 | 3,809,723 | 1,676,433 |
| Total liabilities | 940,783 | 3,164,271 | 4,105,054 | 2,341,072 |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Deferred inflows of resources related to pensions | 28,495 | 162,862 | 191,357 | - |
| Deferred inflows of resources related to OPEB | 53,190 | 161,485 | 214,675 | - |
| Total deferred inflows of resources | 81,685 | 324,347 | 406,032 | - |
| NET POSITION | | | | |
| Investment in capital assets | - | 8,748,171 | 8,748,171 | - |
| Unrestricted (deficit) | (449,694) | (2,232,234) | (2,681,928) | 543,703 |
| Total net position | \$ (449,694) | \$ 6,515,937 | \$ 6,066,243 | \$ 543,703 |

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City of Placentia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2020

| | Business-Type Activities | | | Governmental Activities |
|---|--------------------------|----------------------|---------------------|----------------------------|
| | Refuse | Sewer Maintenance | Total | Internal Service |
| OPERATING REVENUES: | | | | |
| Reimbursements | \$ - | \$ - | \$ - | \$ 66,317 |
| Sales and service charges | 3,252,341 | 722,959 | 3,975,300 | 2,212,200 |
| Total operating revenues | <u>3,252,341</u> | <u>722,959</u> | <u>3,975,300</u> | <u>2,278,517</u> |
| OPERATING EXPENSES: | | | | |
| Administration | 302,801 | 676,274 | 979,075 | (52,639) |
| Reinsurance premiums | - | - | - | 112,269 |
| Claims | - | - | - | 165,796 |
| Medical and dental premiums | - | - | - | 999,183 |
| Liability insurance premiums | - | - | - | 599,528 |
| Maintenance | - | 632,648 | 632,648 | - |
| Landfill and contractor charges | 2,824,487 | - | 2,824,487 | - |
| Depreciation expense | - | 527,315 | 527,315 | 4,312 |
| Total operating expenses | <u>3,127,288</u> | <u>1,836,237</u> | <u>4,963,525</u> | <u>1,828,449</u> |
| OPERATING INCOME (LOSS) | <u>125,053</u> | <u>(1,113,278)</u> | <u>(988,225)</u> | <u>450,068</u> |
| NONOPERATING INCOME (LOSS): | | | | |
| Investment income | 4,223 | 22,447 | 26,670 | 4,169 |
| Gain (loss) on disposal of capital assets | - | - | - | 16,350 |
| Total Nonoperating Income (Loss) | <u>4,223</u> | <u>22,447</u> | <u>26,670</u> | <u>20,519</u> |
| NET INCOME (LOSS) BEFORE TRANSFERS | <u>129,276</u> | <u>(1,090,831)</u> | <u>(961,555)</u> | <u>470,587</u> |
| TRANSFERS: | | | | |
| Transfers out | - | (192,000) | (192,000) | - |
| Total Transfers | <u>-</u> | <u>(192,000)</u> | <u>(192,000)</u> | <u>-</u> |
| CHANGES IN NET POSITION | 129,276 | (1,282,831) | (1,153,555) | 470,587 |
| NET POSITION: | | | | |
| Beginning of the year | (578,970) | 7,798,768 | 7,219,798 | 73,116 |
| End of the year | <u>\$ (449,694)</u> | <u>\$ 6,515,937</u> | <u>\$ 6,066,243</u> | <u>\$ 543,703</u> |

City of Placentia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

| | Business-Type Activities | | | Governmental Activities |
|---|--------------------------|----------------------|---------------------|----------------------------|
| | Refuse | Sewer Maintenance | Total | Internal Service |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from customers and users | \$ 3,245,804 | \$ 688,103 | \$ 3,933,907 | \$ 2,340,823 |
| Cash paid to suppliers for goods and services | (2,818,336) | (641,217) | (3,459,553) | (1,652,559) |
| Cash paid to employees for services | (332,709) | (613,054) | (945,763) | 52,639 |
| Cash paid for insurance claims | - | - | - | (165,796) |
| Net cash provided by (used in) operating activities | <u>94,759</u> | <u>(566,168)</u> | <u>(471,409)</u> | <u>575,107</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Cash transfers in (out) | - | (192,000) | (192,000) | (17,292) |
| Net cash used in noncapital financing activities | <u>-</u> | <u>(192,000)</u> | <u>(192,000)</u> | <u>(17,292)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Proceeds from sale of capital assets | - | - | - | 16,350 |
| Net cash provided by capital and related financing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>16,350</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest received | 4,223 | 22,447 | 26,670 | 4,169 |
| Net cash provided by investing activities | <u>4,223</u> | <u>22,447</u> | <u>26,670</u> | <u>4,169</u> |
| Net increase (decrease) in cash and cash equivalents | 98,982 | (735,721) | (636,739) | 578,334 |
| CASH AND CASH EQUIVALENTS: | | | | |
| Beginning of year | 336,346 | 1,390,168 | 1,726,514 | 2,306,441 |
| End of year | <u>\$ 435,328</u> | <u>\$ 654,447</u> | <u>\$ 1,089,775</u> | <u>\$ 2,884,775</u> |
| CASH AND CASH EQUIVALENTS: | | | | |
| Cash and investments | <u>\$ 435,328</u> | <u>\$ 654,447</u> | <u>\$ 1,089,775</u> | <u>\$ 2,884,775</u> |
| Total cash and cash equivalents | <u>\$ 435,328</u> | <u>\$ 654,447</u> | <u>\$ 1,089,775</u> | <u>\$ 2,884,775</u> |
| Reconciliation of operating income (loss) to to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ 125,053 | \$ (1,113,278) | \$ (988,225) | \$ 450,068 |
| Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation | - | 527,315 | 527,315 | 4,312 |
| Changes in assets and liabilities: | | | | |
| (Increase)/decrease in accounts receivables | 416 | (34,856) | (34,440) | 62,307 |
| (Increase)/decrease in taxes receivables | (6,953) | - | (6,953) | - |
| (Increase)/decrease in deferred outflows of resources related to pension | (2,897) | (65,416) | (68,313) | - |
| (Increase)/decrease in deferred outflows of resources related to OPEB | (2,004) | (2,441) | (4,445) | - |
| Increase/(decrease) in accounts payable | 6,151 | (8,569) | (2,418) | 55,021 |
| Increase/(decrease) in accrued liabilities | 1,002 | (350) | 652 | - |
| Increase/(decrease) in compensated absences | (1,903) | (8,310) | (10,213) | - |
| Increase/(decrease) in claims payable | - | - | - | 3,399 |
| Increase/(decrease) in net pension liabilities | 16,460 | 340,845 | 357,305 | - |
| Increase/(decrease) in net OPEB liabilities | (57,563) | (267,179) | (324,742) | - |
| Increase/(decrease) in deferred inflows of resources related to pension | 2,801 | 33,222 | 36,023 | - |
| Increase/(decrease) in deferred inflows of resources related to OPEB | 14,196 | 32,849 | 47,045 | - |
| Net cash provided by (used in) operating activities | <u>\$ 94,759</u> | <u>\$ (566,168)</u> | <u>\$ (471,409)</u> | <u>\$ 575,107</u> |

FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Placentia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

| | RDA Successor Agency | Agency Funds |
|---|----------------------------|---------------------|
| ASSETS | | |
| Pooled cash and investments | \$ 773,821 | \$ 1,204,786 |
| Receivables: | | |
| Taxes | - | 72 |
| Miscellaneous | - | 452 |
| Restricted assets: | | |
| Cash and investments with fiscal agents | 600,993 | - |
| Total assets | 1,374,814 | \$ 1,205,310 |
| LIABILITIES | | |
| Accounts payable | 714 | - |
| Accrued liability | 5,565 | - |
| Accrued interest | 174,573 | - |
| Deposits payables | - | 1,205,310 |
| Unearned revenues | 693,780 | - |
| Long-term liabilities: | | |
| Due in one year | 893,192 | - |
| Due in more than one year | 14,337,911 | - |
| Total liabilities | 16,105,735 | \$ 1,205,310 |
| NET POSITION | | |
| Held in trust | (14,730,921) | |
| Total net position | \$ (14,730,921) | |

City of Placentia
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

| | RDA Successor Agency |
|-------------------------------|----------------------------|
| ADDITIONS: | |
| Property taxes | \$ 2,229,812 |
| Investment income | 3,024 |
| Total additions | 2,232,836 |
| DEDUCTIONS: | |
| Program costs | 138,360 |
| Administrative expenses | 172,307 |
| Interest expense | 417,348 |
| Contributions to City | 19,000 |
| Total deductions | 747,015 |
| Change in net position | 1,485,821 |
| NET POSITION: | |
| Beginning of year | (16,216,742) |
| End of year | \$ (14,730,921) |

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Placentia
Index to the Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

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City of Placentia
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City of Placentia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Placentia, California, (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City’s significant policies:

A. Financial Reporting Entity

The City was incorporated on December 2, 1926, under the General Laws of the State of California. The City operates under a Council-Manager form of government and under provisions of a City Charter adopted on June 29, 1965.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Blended Component Units:

Management determined that the following entities should be reported as blended component units based on the criteria above. Although the following is legally separate from the City, it has been “blended” as though it is part of the City because the component unit’s governing body is substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component unit; and/or the component unit provides services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

The Placentia Public Financing Authority – The Placentia Public Financing Authority (the “Authority”) was formed in 1996 to issue Tax Revenue Bonds. The proceeds of the debt were used to refund the existing Mello-Roos Community Facilities District 89-1 bonds, originally issued in September 1996. The Authority is governed by a five-member board that is the City Council of the City. Separate financial statements are not prepared.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

Government-Wide Financial Statements

The government-wide financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. 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. Fiduciary activities of the City are not included in these statements.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated. In the statement of activities, internal service fund transactions have been included in the governmental activities. The following interfund activities have been eliminated:

- Due from and to other funds, which are short-term loans within the primary government
- Transfers in and out, which are flows of assets between funds without the requirement for repayment

Governmental Fund Financial Statements

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, current liabilities, and deferred inflows of resources are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) which are recognized when due. The primary revenue sources that have been treated as susceptible to accrual by the City are property taxes, intergovernmental revenues and other taxes. Business license fees are recorded as received, except at year-end when they are accrued pursuant to the modified accrual basis of accounting. The City recognizes business license revenue collected within 60 days as revenue at June 30. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Reconciliations of the fund financial statements to the government-wide financial statements are provided to explain the differences.

The City reports the following major Governmental Funds:

General Fund – The General Fund is the City’s principal operating fund. It accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government except those required to be accounted for in another fund.

Housing Successor Special Revenue Fund – This fund is used to account for the residual balance of the former Low and Moderate Income Housing Fund of the former Placentia Redevelopment Agency, and revenues and expenditures related to such housing projects and programs.

Placentia Regional Navigation Center Special Revenue Fund – This fund is used to account for the receipts and expenditures related to the construction and operation of the Placentia Regional Navigation Center. Revenues include the Homeless Emergency Aid Program (“HEAP”) Grant and SB2 funds. Future revenue sources will include reimbursement from the North Orange County cities.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major Proprietary Fund.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City’s internal service funds include four individual funds that provide services directly to other City funds. These services include risk management, health and welfare, and equipment replacement.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total Net Position. 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. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

The City reports the following major Proprietary Funds:

Refuse Fund – This fund is used to account for the provision of refuse services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to administration, operation, acquisition of equipment, and related debt service.

Sewer Maintenance Fund – This fund is used to account for the operations and maintenance of the sewer lines located in the City’s sewer system, including administration and capital improvements. Fees are computed from water consumption amounts provided by local water companies. All residents and businesses connected to the City’s sewer system are placed in billing categories based on a percentage of water consumption that is returned to the City sewer system.

Internal service funds are presented in the proprietary fund financial statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City’s fiduciary funds represent agency funds and private purpose trust funds. Both agency funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

The City reports the following fiduciary funds:

Private-purpose Trust Fund – This fund is used to account for the balances and transactions of the Successor Agency to the former Placentia Redevelopment Agency.

Agency Funds – These funds account for resources held by the City in a trustee capacity as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Cash and Investments

The City’s cash and cash equivalents are comprised of cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. All cash and investments of proprietary funds are held in the City’s investment pool. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for statement of cash flows purposes.

Investments are stated at fair value (quoted market price or best available estimate thereof).

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

The three levels of the fair value measurement hierarchy are described below:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

E. Property Taxes Receivable

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities in the current period.

Under California law, property taxes are assessed and collected by the counties at up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. The County of Orange collects property taxes for the City. Tax liens attach annually as of 12:01 a.m. on the first day of January preceding the fiscal year for which the taxes are levied. Taxes are levied on July 1 and cover 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 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 March 1 each year, and are delinquent, if unpaid, on August 31

F. Prepaid Items

Prepaid items are payments made to vendors for services that will benefit periods beyond the fiscal year ended using purchase method.

G. Interfund Transactions

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due from/to other funds” (i.e., current portion of interfund loans).

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Capital Assets

In the government-wide financial statements, capital assets, which include land, buildings, improvements, equipment, furniture, and infrastructure assets (e.g., roads, sidewalks, and similar items), are recorded at historical cost or estimated historical if purchased or constructed. Donated capital assets are valued at their estimated acquisition value on the date donated. City policy has set the capitalization threshold for reporting capital assets with an initial, individual cost of more than \$2,500 and an estimated useful life of one year or more.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include street network, street appurtenances, and storm drains.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method. The estimated useful lives used for depreciation purposes are as follows:

| | | |
|--|-------|-------|
| Structures and improvements | 5-50 | years |
| Civic Center structures and improvements | 50 | years |
| Automotive equipment | 2-10 | years |
| Computer equipment | 3 | years |
| Other equipment | 5 | years |
| Infrastructure: | | |
| Roadways | 35 | years |
| Street appurtenances | 10-50 | years |
| Wastewater | 50-60 | years |
| Storm drains | 50 | years |

I. Unearned and Unavailable Revenue

In the government-wide financial statements, unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the government-wide financial statements are cell phone site license lease payments received in advance, prepaid charges for services and facility rentals paid in advance.

In the fund financial statements, unearned and unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unearned revenue for transactions for which revenues have not been earned, and unavailable revenue when funds are not available to meet current financial obligations in accordance with GASB Statement No. 65. Typical transactions for which unearned or unavailable revenue is recorded are lease payments, quarterly encroachment fees, and advance registration for recreation classes which were not yet earned.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Compensated Absences Payable

City employees have vested interest in varying levels of vacation, sick leave and compensatory time based on their length of employment. It is the policy of the City to pay all accumulated vacation pay and all or a portion of sick pay when an employee retires or terminates. The long-term amount is included as a liability in the governmental activities of the government-wide 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. The General Fund is typically used to liquidate compensated absences. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

K. Claims Payable

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims includes "incurred but not reported" ("IBNR") claims. There is no fixed payment schedule to pay these liabilities.

L. Pensions

For purposes of measuring the aggregate net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 9). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The City has both Miscellaneous and Safety defined benefit pension plans.

The following timeframes are used for pension reporting:

| | |
|--------------------|-------------------------------|
| <u>CalPERS</u> | |
| Valuation Date | June 30, 2018 |
| Measurement Date | June 30, 2019 |
| Measurement Period | July 1, 2018 to June 30, 2019 |

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

The General Fund is typically used to pay pension benefits. In proprietary funds, pension benefits are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

M. Other Postemployment Benefits ("OPEB")

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the plan (Note 10).

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Other Postemployment Benefits (“OPEB”) (Continued)

For this purpose, the OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for OPEB reporting:

| OPEB | |
|--------------------|-------------------------------|
| Valuation Date | June 30, 2019 |
| Measurement Date | June 30, 2019 |
| Measurement Period | July 1, 2018 to June 30, 2019 |

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

N. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of 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.

O. Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, related debt, and deferred outflows of resources.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

P. Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Nonspendable fund balances include amounts that cannot be spent because they are not in a spendable form, such as loans receivable or inventory, or because resources legally or contractually must remain intact.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Fund Balances (Continued)

Restricted – Restricted fund balances are the portion of fund balance that have externally enforceable limitations on their usage through legislation or limitations imposed by creditors, grantor, laws and regulations of other governments or enabling legislation.

Committed – Committed fund balances are self-imposed limitations by the highest level of decision-making authority, namely the City Council, prior to the end of the reporting period. City Council adoption of a resolution is required to commit resources or to rescind the commitment.

Assigned – Assigned fund balances are limitations imposed by management based on the intended use of the funds. Modifications or rescissions of the constraints can be removed by the same type of action that limited the use of the funds. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized the Finance Director for that purpose.

Unassigned – Unassigned fund balances represent the residual net resources in excess of the other classifications. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Q. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order, except for instances wherein an ordinance specifies the fund balance:

- Committed
- Assigned
- Unassigned

R. Use of Estimates

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Accounting Changes

GASB Statement No. 95

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Application of this statement did not have a material effect on the City’s financial statements for the fiscal year ending June 30, 2020.

Note 2 – Cash and Investments

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds.

The City had the following cash and investments at June 30, 2020:

| | <u>Government-Wide Statement of Net Position</u> | | Statement of | Total |
|---------------------------------------|--|-------------------------------------|---------------------------|----------------------|
| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | Fiduciary Net Position | |
| Cash and investments | \$ 15,006,841 | \$ 1,089,775 | \$ 1,978,607 | \$ 18,075,223 |
| Cash and investment with fiscal agent | 1,042,224 | - | 600,993 | 1,643,217 |
| Total cash and investments | <u>\$ 16,049,065</u> | <u>\$ 1,089,775</u> | <u>\$ 2,579,600</u> | <u>\$ 19,718,440</u> |

The City’s cash and investments at June 30, 2020 in more detail:

| | |
|------------------------------------|-----------------------------|
| Cash and cash equivalents: | |
| Demand deposits | \$ 4,995,815 |
| Petty cash | 17,565 |
| Total cash and cash equivalents | <u>5,013,380</u> |
| Investments: | |
| Local Agency Investment Fund | 12,565,698 |
| Negotiable Certificates of Deposit | 496,145 |
| Investments with Fiscal Agent: | |
| Money Market Mutual Fund | 1,643,217 |
| Total investments | <u>14,705,060</u> |
| Total cash and investments | <u><u>\$ 19,718,440</u></u> |

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

A. Demand Deposits

The carrying amounts of the City’s demand deposits were \$4,995,815 at June 30, 2020. Bank balances at that date were \$5,621,412, the total amount of which was insured or collateralized with accounts held by the pledging financial institutions in the City’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City’s name.

The market value of pledged securities must equal at least 110% of the City’s cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (“FDIC”). The City, however, has not waived the collateralization requirements.

B. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized by the City's investment policy and the California Government Code. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|--|---------------------|---------------------------------------|--|
| United States (U.S.) Treasury Obligation | 5 years | None | None |
| Federal Agency Securities | 5 years | 30% | 15% |
| Negotiable Certificates of Deposits | 5 years | 30% | \$250,000 |
| Non-Negotiable Certificates of Deposit | 5 years | 40% | \$250,000 |
| Money Market Funds | N/A | 20% | 10% |
| Passbook Savings | N/A | None | None |
| Commercial Paper | 270 days | 25% | 10% |
| Banker's Acceptances | 180 days | 30% | 30% |
| Local Agency Investment Fund (LAIF) | N/A | None | None |
| Orange County Investment Pool | N/A | None | None |
| Repurchase Agreements | 1 year | 30% | None |

*The table is based on state law requirements or investment policy requirements, whichever is more restrictive.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

C. Investments Authorized by Debt Agreements

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|--|---------------------|---------------------------------------|--|
| United States (U.S.) Treasury Obligation | N/A | None | None |
| Federal Agency Securities | N/A | None | None |
| Negotiable Certificates of Deposits | N/A | None | None |
| Non-Negotiable Certificates of Deposit | N/A | None | None |
| Money Market Funds | N/A | None | None |
| Passbook Savings | N/A | None | None |
| Commercial Paper | 270 days | None | None |
| Banker's Acceptances | 180 days | None | None |
| Local Agency Investment Fund (LAIF) | N/A | None | None |
| Orange County Investment Pool | N/A | None | None |
| Repurchase Agreements | N/A | None | None |

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, and concentration of credit risk.

D. Fair Value Measurement

At June 30, 2020, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within the fair value hierarchy in which the fair value measurements fall at June 30, 2020:

| Investment Type | Significant other Observable Input (Level 2) | Uncategorized | Total |
|---|--|----------------------|----------------------|
| Local Agency Investment Fund | \$ - | \$ 12,565,698 | \$ 12,565,698 |
| Negotiable Certificates of Deposit Held by Fiscal Agent: | 496,145 | - | 496,145 |
| Money Market Mutual Funds | - | 1,643,217 | 1,643,217 |
| Total | \$ 496,145 | \$ 14,208,915 | \$ 14,705,060 |

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures

Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

| Investment Type | Fair value | Investment Maturities (in Years) |
|---|----------------------|----------------------------------|
| | | Less than 1 |
| Local Agency Investment Fund | \$ 12,565,698 | \$ 12,565,698 |
| Negotiable Certificates of Deposit Held by Fiscal Agent: | 496,145 | 496,145 |
| Money Market Mutual Funds | 1,643,217 | 1,643,217 |
| Total | \$ 14,705,060 | \$ 14,705,060 |

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 or the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

| Investment Type | Total | Minimum Legal Rating | AAA | Not Rated |
|---|----------------------|----------------------|---------------------|----------------------|
| | | | | |
| Local Agency Investment Fund | \$ 12,565,698 | N/A | \$ - | \$ 12,565,698 |
| Negotiable Certificates of Deposit Held by Fiscal Agent: | 496,145 | N/A | - | 496,145 |
| Money Market Mutual Funds | 1,643,217 | AAA | 1,643,217 | - |
| Total | \$ 14,705,060 | | \$ 1,643,217 | \$ 13,061,843 |

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City has no investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the provision for deposits as disclosed in Note 2A.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Custodial Credit Risk (Continued)

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

F. Investment in Local Agency Investment Fund (“LAIF”)

The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments with LAIF at June 30, 2020 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities, which included the following:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, collateralized mortgage obligations), or credit card receivables.

As of June 30, 2020, the City had \$12,565,698 invested in LAIF, which had invested 3.37% of the pool investment funds in structured notes and asset-backed securities.

Note 3 – Interfund Transactions

A. Due From/To Other Funds

At June 30, 2020, the City had the following due from/to other funds:

| Due To Other Funds | Due From Other Funds | |
|-----------------------------------|-----------------------------|-------------------|
| | General Fund | Total |
| Nonmajor Special Revenue Funds: | | |
| Housing and Community Development | \$ 301,304 | \$ 301,304 |
| PEG | 26,021 | 26,021 |
| Nonmajor Capital Projects Funds: | | |
| City Projects | 531,177 | 531,177 |
| Total | \$ 858,502 | \$ 858,502 |

The above amounts resulted from when one fund reflects a deficit in its pooled cash account. Short-term loans were made from the General Fund to address these deficits.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 3 – Interfund Transactions (Continued)

B. Transfers

During the year ended June 30, 2020, the City had the following transfers:

| Transfers In | Transfers Out | | | | Total |
|--|-------------------|--|-----------------------------------|---|---------------------|
| | General Fund | Housing Successor Special Revenue Fund | Nonmajor Governmental Funds | Sewer Maintenance Enterprise Fund | |
| General Fund | \$ - | \$ - | \$ 847,700 | \$ 192,000 | \$ 1,039,700 |
| Placentia Regional Navigation Center Special Revenue Fund | - | 87,770 | - | - | 87,770 |
| Nonmajor Governmental Funds | 270,300 | - | 484,500 | - | 754,800 |
| Total | <u>\$ 270,300</u> | <u>\$ 87,770</u> | <u>\$ 1,332,200</u> | <u>\$ 192,000</u> | <u>\$ 1,882,270</u> |

In general, transfers are used to 1) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 2) to transfer to the General Fund to fund administration services.

Transfers from non-major governmental funds to the General Fund of \$847,770 were to fund police, street maintenance, and other operating costs.

The General Fund transferred \$270,300 to the Street Lighting Special Revenue Fund to subsidize street lighting districts.

The Housing Successor Special Revenue Fund transferred \$87,770 to the Placentia Regional Navigation Center Special Revenue Fund for construction-related City program costs.

The Sewer Maintenance Enterprise Fund transferred \$192,000 to the General Fund for operating costs.

The Gas Tax Special Revenue Fund transferred \$484,500 to the Gas Tax COP Debt Service Fund to fund the 2011 Gas Tax Certificate of Participation debt service.

Note 4 – Loans Receivables

At June 30, 2020, the City had following loans receivable:

| | General Fund | Housing Successor Special Revenue Fund | Total |
|--|---------------------|---|---------------------|
| 2003 Certificates of Participation Reimbursement | \$ 2,783,136 | \$ - | \$ 2,783,136 |
| Owner's Participation Agreement | - | 52,916 | 52,916 |
| Real Property Loan Obligation Receivable | 1,166,904 | 291,728 | 1,458,632 |
| Placentia Veterans Village Loan | - | 500,000 | 500,000 |
| Total | <u>\$ 3,950,040</u> | <u>\$ 844,644</u> | <u>\$ 4,794,684</u> |

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 4 – Loans Receivables (Continued)

A. 2003 Certificates of Participation Reimbursement

On April 16, 2007, the City Council of the City of Placentia and the Board of Directors of the former Placentia Redevelopment Agency approved a reimbursement agreement between the City and the former Placentia Redevelopment Agency. This agreement provides that the former Placentia Redevelopment Agency will reimburse the City for a portion of the lease payment paid by the City to the bond trustee, with respect to the 2003 Certificates of Participation (COP).

The portion reimbursed (87.52 percent) is based upon the portion of the capital improvements and improved facilities benefiting from the original proceeds of the related debt issue that were within the confines of the development project area. The \$2,783,136 notes receivable balance as of June 30, 2020 represents 87.52 percent of the \$3,180,000 outstanding principal balance of the 2003 COP at June 30, 2020.

B. Owner's Participation Agreement

The Placentia Redevelopment Agency entered into an owner participation agreement dated January 5, 2001. Pursuant to that agreement, the Agency loaned \$150,000 to a small-business in Placentia. The term of the loan is 30 years and does not bear interest, except upon default. The loan was recorded in the Low and Moderate Housing fund of the former Redevelopment Agency of Placentia. Upon dissolution of the Redevelopment Agency at February 1, 2012, the outstanding loan receivable balance was transferred to the Housing Successor Fund. During the 2019-20 fiscal year, the City received \$5,000 in principal payments. The ending loan receivable balance at June 30, 2020 is \$52,916.

C. Real Property Loan Obligation Receivable

On January 20, 2009, the City Council of the City of Placentia and the Board of Directors of the former Placentia Redevelopment Agency approved a Purchase and Sale agreement between the City and the former Placentia Redevelopment Agency. This agreement provided that the Placentia Redevelopment Agency would finance and purchase two real properties from the City; 312 South Melrose Street and 110 South Bradford Avenue for \$2,270,000 based on appraised property values at an interest rate of 7%.

Due to the dissolution of the former Placentia Redevelopment Agency at February 1, 2012, the interest rate was decreased to 3% and the recalculated loan shall be applied first to principal and second to interest in compliance with Health and Safety Code 34191.4 (b) (3). In addition, 20% of the outstanding loan receivable balance was transferred from the City's General Fund to the Housing Successor Agency fund in compliance with Health and Safety Code 34191.4 (b) (3) (C). The total principal and interest loan obligation receivable balance as of June 30, 2020 is \$1,166,904 to the City's General Fund and \$291,728 to the Housing Successor Agency Fund for a total of \$1,458,632.

D. Placentia Veterans Village Loan Receivable

On November 13, 2018, the City Council of the Housing Successor Agency to the former Redevelopment Agency of the City of Placentia approved a loan agreement of \$500,000 between the Housing Successor Agency and Mercy Housing California to initiate construction of the Placentia Veterans Village. The loan receivable balance at June 30, 2020 is \$500,000.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 5 – Capital Assets

The following is a summary of changes in capital assets for the governmental activities for the year ended June 30, 2020:

| | Balance July 1, 2019 | Additions | Deletions | Reclassifications | Balance June 30, 2020 |
|--|-------------------------|---------------------|-----------------------|--------------------|--------------------------|
| <i>Capital assets not being depreciated:</i> | | | | | |
| Land | \$ 26,501,872 | \$ - | \$ (1,300,000) | \$ - | \$ 25,201,872 |
| Land-Right of Way | 258,822 | - | - | - | 258,822 |
| Infrastructure - Trees | 3,114,540 | - | - | - | 3,114,540 |
| Construction in progress | 3,486,735 | 12,876,550 | - | (5,935,718) | 10,427,567 |
| Total capital assets not being depreciated | 33,361,969 | 12,876,550 | (1,300,000) | (5,935,718) | 39,002,801 |
| <i>Capital assets being depreciated:</i> | | | | | |
| Structures and improvements | 14,839,359 | - | - | 305,997 | 15,145,356 |
| Equipment | 7,443,852 | - | (127,132) | 5,566,842 | 12,883,562 |
| Land improvements | 172,528 | - | - | - | 172,528 |
| Infrastructure: | - | - | - | - | - |
| Streets network | 47,932,954 | - | - | 62,879 | 47,995,833 |
| Street appurtenances | 24,120,429 | - | - | - | 24,120,429 |
| Storm drain | 9,027,054 | - | - | - | 9,027,054 |
| Total capital assets being depreciated | 103,536,176 | - | (127,132) | 5,935,718 | 109,344,762 |
| <i>Less accumulated depreciation for:</i> | | | | | |
| Structures and improvements | (5,856,896) | (487,805) | - | - | (6,344,701) |
| Equipment | (5,537,938) | (626,004) | 94,268 | - | (6,069,674) |
| Land improvements | (106,168) | (5,796) | - | - | (111,964) |
| Infrastructure: | - | - | - | - | - |
| Streets network | (22,239,385) | (1,255,777) | - | - | (23,495,162) |
| Street appurtenances | (13,727,987) | (617,854) | - | - | (14,345,841) |
| Storm drain | (6,323,817) | (176,541) | - | - | (6,500,358) |
| Total accumulated depreciation | (53,792,191) | (3,169,777) | 94,268 | - | (56,867,700) |
| Total capital assets being depreciated, net | 49,743,985 | (3,169,777) | (32,864) | 5,935,718 | 52,477,062 |
| Total governmental activities | \$ 83,105,954 | \$ 9,706,773 | \$ (1,332,864) | \$ - | \$ 91,479,863 |

Depreciation expense was charged to functions/programs of governmental activities for the year ended June 30, 2020 as follows:

| | |
|-----------------------------------|---------------------|
| General government | \$ 224,928 |
| Public safety | 464,302 |
| Public works | 2,249,848 |
| Community services | 226,387 |
| Internal service fund | 4,312 |
| Total depreciation expense | \$ 3,169,777 |

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 5 – Capital Assets (Continued)

The following is a summary of changes in capital assets for the business-type activities for the year ended June 30, 2020:

| | Balance July 1, 2019 | Additions | Deletions | Balance June 30, 2020 |
|---|-------------------------|---------------------|-------------|--------------------------|
| <i>Capital assets being depreciated:</i> | | | | |
| Structures and improvements | \$ 28,155,969 | \$ - | \$ - | \$ 28,155,969 |
| Equipment | 122,158 | - | - | 122,158 |
| Total capital assets being depreciated | <u>28,278,127</u> | <u>-</u> | <u>-</u> | <u>28,278,127</u> |
| Less accumulated depreciation for: | | | | |
| Structures and improvements | (18,971,750) | (515,099) | - | (19,486,849) |
| Equipment | (30,891) | (12,216) | - | (43,107) |
| Total accumulated depreciation | <u>(19,002,641)</u> | <u>(527,315)</u> | <u>-</u> | <u>(19,529,956)</u> |
| Total capital assets being depreciated, net | <u>9,275,486</u> | <u>(527,315)</u> | <u>-</u> | <u>8,748,171</u> |
| Total business-type activities | <u>\$ 9,275,486</u> | <u>\$ (527,315)</u> | <u>\$ -</u> | <u>\$ 8,748,171</u> |

Depreciation expense was charged to the Sewer Maintenance Fund within business-type activities.

Note 6 – Long-Term Liabilities

A. Governmental Activities

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2020 is as follows:

| | Balance July 1, 2019 | Additions | Deletions | Balance June 30, 2020 | Classification | |
|--|-------------------------|---------------------|-----------------------|--------------------------|------------------------|------------------------------|
| | | | | | Due within One Year | Due in more than One Year |
| Long-Term Debt: | | | | | | |
| Certificates of Participation: | | | | | | |
| 2003 Refunding and Improvement | | | | | | |
| Project Certificates of Participation | \$ 3,500,000 | \$ - | \$ (320,000) | \$ 3,180,000 | \$ 335,000 | \$ 2,845,000 |
| 2011 Gas Tax Certificates of Participation | 4,180,000 | - | (265,000) | 3,915,000 | 275,000 | 3,640,000 |
| Other Liabilities: | | | | | | |
| Capital Lease - electric vehicles | 61,824 | - | (50,389) | 11,435 | 11,435 | - |
| Capital Lease - radio | 1,082,485 | - | (135,165) | 947,320 | 139,445 | 807,875 |
| OCTA Advance | 2,561,406 | - | (279,207) | 2,282,199 | - | 2,282,199 |
| Fire Lease #1 | - | 2,855,359 | - | 2,855,359 | 283,640 | 2,571,719 |
| Fire Lease #2 | - | 1,362,742 | - | 1,362,742 | 160,713 | 1,202,029 |
| Total long-term debt | <u>11,385,715</u> | <u>4,218,101</u> | <u>(1,049,761)</u> | <u>14,554,055</u> | <u>1,205,233</u> | <u>13,348,822</u> |
| Claims payable | 2,231,846 | 417,843 | (414,445) | 2,235,244 | 558,811 | 1,676,433 |
| Compensated absences | 1,618,994 | 403,599 | (174,090) | 1,848,503 | 200,906 | 1,647,597 |
| Total long-term liabilities | <u>\$ 15,236,555</u> | <u>\$ 5,039,543</u> | <u>\$ (1,638,296)</u> | <u>\$ 18,637,802</u> | <u>\$ 1,964,950</u> | <u>\$ 16,672,852</u> |

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2003 Refunding and Improvements Project Certificates of Participation

On November 13, 2003, the City issued certificates of participation in the amount of \$11,145,000 to (a) refinance certain obligations relating to the Placentia Redevelopment Agency's 2003 Taxable Convertible Certificates of Participation (2003 Financing Project), (b) refinance certain obligations relating to the City's 2001 Certificates of Participation (Traffic Circulation Project) and (c) finance and refinance certain capital improvements in the City. The certificates are in denominations of \$5,000 each and bear interest ranging from 2 to 4.4 percent.

Certificates maturing on or after January 1, 2014, are subject to call for prepayment at the option of the City at a price equal to principal plus accrued interest without premium. Certificates maturing on January 1, 2028, are subject to mandatory prepayment on January 1, each year commencing January 2, 2021, from lease payments made by the City at a price equal to the principal payment.

Principal is payable annually on January 1. Interest is payable semiannually on January 1 and July 1 commencing July 1, 2004. The required reserve for the certificates was fully funded as of June 30, 2015.

Each certificate represents a direct, undivided fractional interest of the owner thereof in lease payments to be made by the City to the former Placentia Redevelopment Agency for the right to use and occupancy of an existing corporate yard and an existing public park (the Project), the property to which the City has rights of use and occupancy is subleased by the City from the former Placentia Redevelopment Agency as lessee and sublessor of the leased property. In accordance with the Lease Agreement, the City is required to pay lease payments to the bond trustee, which is designed to be sufficient in both time and amount, to pay, when due, the principal and interest with respect to the Certificates, due on January 1 and July 1 of each year. The City has covenanted that it will provide the necessary appropriations in each annual budget.

On April 17, 2007, the City Council of the City of Placentia and the Board of Directors of the former Placentia Redevelopment Agency approved a reimbursement agreement between the City and the Placentia Redevelopment Agency. This agreement provides that the former Placentia Redevelopment Agency will reimburse the City for apportion of the lease payment paid by the city to the Bond trustee, with respect to the 2003 Certificates of Participation. The portion reimbursed (87.52 percent) is based upon the portion of the capital improvements and improved facilities benefiting from the original proceeds of the related debt issue that were within the confines of the redevelopment project area.

The 2003 Certificates of Participation is the obligation of the City, and is reported in full in the government-wide Statement of Net Position, within the governmental activities. A portion of the 2003 Certificates of Participation, which constitutes 87.52 percent of the total obligation amount, is to be repaid by the former Placentia Redevelopment Agency, pursuant to the reimbursement agreement mentioned above. As such, an amount reflecting the 87.52 percent of the total obligation is reported on the Statement of Fiduciary Net Position within the RDA Successor Agency Private-Purpose Trust Fund (See Note 17 for additional details). A note receivable is reported in the General Fund, relating to the 87.52 percent of the total obligation that the city is expected to have reimbursement by the former Placentia Redevelopment Agency (See Note 3 for additional details). The outstanding balance of the 2003 Certificates of Participation as of June 30, 2020 is \$3,180,000.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

The annual debt service requirements are as follows:

| Year ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|-------------------|---------------------|
| 2021 | \$ 335,000 | \$ 151,050 | \$ 486,050 |
| 2022 | 350,000 | 135,138 | 485,138 |
| 2023 | 370,000 | 118,512 | 488,512 |
| 2024 | 385,000 | 100,938 | 485,938 |
| 2025 | 405,000 | 82,650 | 487,650 |
| 2026-2028 | 1,335,000 | 128,725 | 1,463,725 |
| Total | <u>\$ 3,180,000</u> | <u>\$ 717,013</u> | <u>\$ 3,897,013</u> |

2011 Gas Tax Certificates of Participation

On May 1, 2011, the City issued Gas Tax Revenue Certificates of Participation in the amount of \$5,955,000. Proceeds from the debt will be used to (i) finance the design, acquisition, and construction of certain local roadway improvements and street resurfacing projects within the City, (ii) fund a reserve fund for the certificates, and (iii) pay the costs incurred in connection with the certificates.

The certificates are in denominations of \$5,000 each and bear interest ranging from 2.0% to 5.5%. Interest is payable semi-annually on June 1, and December 1. Principal payments of \$185,000 to \$275,000 are due each June 1, through 2021. Term Certificates of \$1,590,000 are due June 1, 2026. Term Certificates of \$2,050,000 are due June 1, 2031.

All gas tax revenues and any other amounts (including proceeds of the sale of Certificates) held by the trustee will be irrevocably pledged to the payment of the principal, interest, and prepayment premium, if any, will not be used for any other purpose while any of the Certificates remain outstanding.

Each Certificate evidences proportionate and undivided interests of the registered owners thereof in installment sale payments to be made by the City to the California Statewide Communities Development Authority, as the purchase price for certain local roadway improvements and street resurfacing projects pursuant to a 2011 Installment Sale Agreement, dated as of May 1, 2011.

The Certificates are subject to optional, mandatory, and mandatory sinking fund prepayments under certain conditions.

Optional Prepayment

The Certificates maturing on or before June 1, 2021, are not subject to optional prepayment prior to the respective stated maturities. The Certificates maturing on or after June 1, 2022, will be subject to optional prepayment prior to maturity, at the option of the California Statewide Communities Development Authority upon direction of the City, on or after June 1, 2021, in whole or in part (by lot within any maturity), on any date, at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium. The City is required to provide written notice at least 45 days prior to the prepayment date specifying the principal amount to be prepaid.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2011 Gas Tax Certifications of Participation, Continued

Mandatory Prepayment of Certificates Upon Acceleration

The Certificates are subject to mandatory prepayment prior to maturity, in whole or in part (by lot within any maturity), on any date, from amounts received upon the acceleration of payments upon the occurrence of an event of default, at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium.

Mandatory Sinking Fund Prepayment

The Certificates maturing on June 1, 2026 and 2031 are subject to mandatory prepayment on June 1, of each year commencing June 1, 2022 and 2027, respectively.

The prepayment requirements are as follows:

| Mandatory Prepayment Date (June 1) | | Amount | Mandatory Prepayment Date (June 1) | | Amount |
|---|----|---------|---|----|---------|
| 2022 | \$ | 290,000 | 2027 | \$ | 365,000 |
| 2023 | | 300,000 | 2028 | | 390,000 |
| 2024 | | 315,000 | 2029 | | 410,000 |
| 2025 | | 335,000 | 2030 | | 430,000 |
| 2026 | | 350,000 | 2031 | | 455,000 |

Annual debt service requirements are as follows:

| Year ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|---------------------|
| 2021 | \$ 275,000 | \$ 204,281 | \$ 479,281 |
| 2022 | 290,000 | 192,250 | 482,250 |
| 2023 | 300,000 | 177,750 | 477,750 |
| 2024 | 315,000 | 162,750 | 477,750 |
| 2025 | 335,000 | 147,000 | 482,000 |
| 2026-2030 | 1,945,000 | 455,575 | 2,400,575 |
| 2031 | 455,000 | 25,025 | 480,025 |
| Total | <u>\$ 3,915,000</u> | <u>\$ 1,364,631</u> | <u>\$ 5,279,631</u> |

2009 Lease Revenue Bonds

On June 24, 2009, the Placentia Public Financing Authority (the “Authority”) issued \$4,390,000 of Lease Revenue Bonds (Working Capital Financing) (the “Bonds”) to finance the City’s accumulated working capital deficit, fund a reserve fund for the bonds, and pay the costs incurred in connection with the issuance of the Bonds. The Bonds are payable from lease payments to be made by the City to the Placentia Public Financing Authority as payable semiannually on December 1 and June 1 of each year, commencing on December 1, 2009, until maturity, and yield and interest rate of 7.5 percent.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2009 Lease Revenue Bonds (Continued)

The Bonds are secured by a first pledge of security interest all of the lease payments received with respect to the Placentia City Hall. Pursuant to the Assignment Agreement, the Authority has assigned all of its rights to receive the lease payments from the City and remedies to the trustee for the benefit of the owners of the Bonds. The City is required to pay principal and interest when due. The City paid the bonds in full as of June 30, 2020.

Capital Leases

Electric Vehicles

On October 22, 2015, the City entered into a Purchase Agreement for financing the acquisition of ten electric vehicles. The assets acquired through the capital lease were included in the machinery and equipment for governmental activities in the amount of \$275,200. The lease is for a period of five years with interest rate of 3.99% for one of the ten vehicles for a total of \$2,501. Rental payments are payable monthly in arrears of the period to which they relate. The title to the purchased equipment is in the name of the City.

The future minimum lease obligations for the capital lease payable as of June 30, 2020 are as follows:

| Year ending June 30, | Amount |
|-------------------------|------------------|
| 2021 | \$ 11,474 |
| Total payment | 11,474 |
| Interest | (39) |
| Principal | <u>\$ 11,435</u> |

800 MHz CCCS Public Safety Radio Upgrade

On October 1, 2016, the City entered into a Purchase Agreement to finance the acquisition and implementation of Citywide public safety radios and dispatch site with the Orange County 800MHz Countywide Coordinated Communications System (CCCS). The assets acquired through the capital lease were included in the machinery and equipment for governmental activities in the amount of \$1,319,360. The lease is for a period of 10 years with an interest rate of 3.13% for a total of \$187,871. Lease payments are payable quarterly in arrears of the period to which they relate to.

| Year ending June 30, | Principal | Interest | Total |
|-------------------------|-------------------|------------------|---------------------|
| 2021 | \$ 139,445 | \$ 28,025 | \$ 167,470 |
| 2022 | 143,861 | 23,609 | 167,470 |
| 2023 | 148,417 | 19,053 | 167,470 |
| 2024 | 153,118 | 14,352 | 167,470 |
| 2025 | 157,967 | 9,503 | 167,470 |
| 2026-2027 | 204,512 | 4,826 | 209,338 |
| Total | <u>\$ 947,320</u> | <u>\$ 99,368</u> | <u>\$ 1,046,688</u> |

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Capital Leases (Continued)

Fire Lease #1

On August 27, 2019, the City entered into a lease agreement for financing the acquisition of fire trucks and equipment for the Placentia Fire and Life Safety Department. The assets acquired through the capital lease were included in the machinery and equipment for governmental activities in the amount of \$3,400,000. The lease is for a period of ten years with an interest rate of 2.69%. Rental payments are payable on February 1 and August 1 commencing August 1, 2020. The title to the purchased equipment is in the name of the City. The lease funds are provided on a reimbursement basis after equipment has been purchased. Through June 30, 2020, the City had only drawn down \$2,855,359 of the available lease funds. The remaining were drawn down shortly after June 30, 2020. Therefore, future debt service requirements are as follows:

| Year ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|-------------------|---------------------|
| 2021 | \$ 283,640 | \$ 126,919 | \$ 410,559 |
| 2022 | 330,971 | 81,619 | 412,590 |
| 2023 | 339,935 | 72,656 | 412,591 |
| 2024 | 349,140 | 63,450 | 412,590 |
| 2025 | 358,596 | 53,995 | 412,591 |
| 2026-2030 | 1,737,718 | 118,943 | 1,856,661 |
| Total | <u>\$ 3,400,000</u> | <u>\$ 517,582</u> | <u>\$ 3,917,582</u> |

Fire Lease #2

On November 25, 2019, the City entered into a lease agreement for financing the acquisition of fire trucks and equipment for the Placentia Fire and Life Safety Department. The assets acquired through the capital lease were included in the machinery and equipment for governmental activities in the amount of \$1,795,000. The lease is for a period of ten years with an interest rate of 2.65%. Rental payments are payable on February 1 and August 1 commencing August 1, 2020. The title to the purchased equipment is in the name of the City. Through June 30, 2020, the City had only drawn down \$1,362,742 of the available lease funds. The remaining were drawn down shortly after June 30, 2020. Therefore, future debt service requirements are as follows:

| Year ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|-------------------|---------------------|
| 2021 | \$ 160,713 | \$ 55,288 | \$ 216,001 |
| 2022 | 173,837 | 42,165 | 216,002 |
| 2023 | 178,474 | 37,527 | 216,001 |
| 2024 | 183,235 | 32,766 | 216,001 |
| 2025 | 188,123 | 27,879 | 216,002 |
| 2026-2030 | 910,618 | 61,387 | 972,005 |
| Total | <u>\$ 1,795,000</u> | <u>\$ 257,012</u> | <u>\$ 2,052,012</u> |

OCTA Advance

On February 16, 2010, the City entered into a cooperative agreement with the Orange County Transportation Authority (the "OCTA"). Terms of the cooperative agreement required OCTA to repay CalTrans \$1.5 million for previously disallowed costs in exchange for the City's support of OCTA's direction to CalTrans for any eligible project in Orange County.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

OCTA Advance (Continued)

In addition, OCTA advanced the City \$4.1 million of future Measure M funds. Principal and accrued but unpaid interest payments commenced bi-monthly beginning July 1, 2011, and are made from future Measure M funds over approximately 19 years. Interest is equal to the yield on OCTA's short-term investment portfolio, and resets annually on June 30. The outstanding principal as of June 30, 2020 is \$2,561,406.

Claims Payable

Estimated claims payable from general liability and workers' compensation claims as determined by outside claims administrator. Outstanding balance as of June 30, 2020 is as follows:

| | |
|------------------------------|---------------------|
| General liability claims | \$ 259,657 |
| Workers' compensation claims | <u>1,975,587</u> |
| Total claims payable | <u>\$ 2,235,244</u> |

B. Business-Type Activities

A summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2020 is as follows:

| | Balance July 1, 2019 | Additions | Deletions | Balance June 30, 2020 | Classification | |
|----------------------|-------------------------|-------------|--------------------|--------------------------|------------------------|------------------------------|
| | | | | | Due within One Year | Due in more than One Year |
| Compensated absences | \$ 59,368 | \$ - | \$ (10,213) | \$ 49,155 | \$ 10,259 | \$ 38,896 |
| | <u>\$ 59,368</u> | <u>\$ -</u> | <u>\$ (10,213)</u> | <u>\$ 49,155</u> | <u>\$ 10,259</u> | <u>\$ 38,896</u> |

C. Fiduciary Activities

A summary of changes in long-term liabilities for fiduciary activities for the year ended June 30, 2020 is as follows:

| | Balance July 1, 2019 | Additions | Deletions | Balance June 30, 2020 | Classification | |
|---------------------------------------|-------------------------|-------------|-----------------------|--------------------------|------------------------|------------------------------|
| | | | | | Due within One Year | Due in More Than One Year |
| Bonds Payable: | | | | | | |
| 2013 Tax Allocation Refunding Bonds | \$ 10,535,000 | \$ - | \$ (580,000) | \$ 9,955,000 | \$ 600,000 | \$ 9,355,000 |
| Bond Premium: | | | | | | |
| 2013 Tax Allocation Refunding Bonds | 46,582 | - | (3,561) | 43,021 | - | 43,021 |
| Other Liabilities: | | | | | | |
| 2003 Refunding and Improvement | | | | | | |
| Project Certificates of Participation | 3,063,200 | - | (280,064) | 2,783,136 | 293,192 | 2,489,944 |
| SERAF Obligation | 991,314 | - | - | 991,314 | - | 991,314 |
| Real Property Loan Obligation | 1,951,384 | - | (492,752) | 1,458,632 | - | 1,458,632 |
| | <u>\$ 16,587,480</u> | <u>\$ -</u> | <u>\$ (1,356,377)</u> | <u>\$ 15,231,103</u> | <u>\$ 893,192</u> | <u>\$ 14,337,911</u> |

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

2013 Tax Allocation Refunding Bonds

On December 1, 2013, the Successor Agency to the Redevelopment Agency of the City of Placentia issued a tax allocation refunding bond (“TARB”) in the amount of \$13,120,000. Proceeds of the bond were used to refund the 2002 Series A & Series B Tax Allocation Bonds and the 2009 Subordinate Tax Allocation Note. The bond proceeds, together with other funds deposited from reserves, redeemed the 2002 Series A outstanding principal of \$2,445,000, the 2002 Series B outstanding principal of \$3,670,000, and the 2009 Subordinate TAN outstanding principal of \$6,850,000. In lieu of funding the Reserve Account with proceeds of the Bonds, the Successor Agency has determined to purchase a Municipal Bond Debt Service Reserve Insurance Policy issued by the Insurer.

The bond is a special obligation of the Successor Agency. The bond does not constitute a debt or liability of the City of Placentia, County of Orange, State of California, or of any political subdivision thereof, other than the Successor Agency. The Successor Agency shall only be obligated to pay the principal of the bond, or interest thereon, from the funds described within the Official Statement. Neither the faith and credit nor the taxing power of the City of Placentia, the County of Orange, the State of California or any of its political subdivisions is pledged to the payment of the principal of or the interest on the bond. The Successor Agency has no taxing power. As of June 30, 2020, the outstanding principal on this bond is \$9,955,000.

The annual debt service requirements are as follows:

| Year ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|----------------------|
| 2021 | \$ 600,000 | \$ 403,975 | \$ 1,003,975 |
| 2022 | 635,000 | 379,450 | 1,014,450 |
| 2023 | 650,000 | 360,175 | 1,010,175 |
| 2024 | 670,000 | 339,538 | 1,009,538 |
| 2025 | 695,000 | 315,619 | 1,010,619 |
| 2026-2030 | 3,910,000 | 1,120,000 | 5,030,000 |
| 2031-2033 | 2,795,000 | 203,181 | 2,998,181 |
| Total | <u>\$ 9,955,000</u> | <u>\$ 3,121,938</u> | <u>\$ 13,076,938</u> |

Debt Related Pledge of Revenue

The Successor Agency has pledged a portion of future tax increment revenues to repay the 2013 TARB as the source of repayment of this debt. Tax increment revenues were projected to produce a certain percentage of the debt service requirements over the life of the debt. Due to the dissolution of the former Placentia Redevelopment Agency, the pledged revenue is deposited to the County of Orange Redevelopment Property Tax Trust Fund (RPTTF). The County forwards the City funds to pay these recognized obligations.

2003 Certificates of Participation City Reimbursement

On April 17, 2007, the City Council of the City of Placentia and the Board of Directors of the former Placentia Redevelopment Agency approved a reimbursement agreement between the City and the former Placentia Redevelopment Agency. This agreement provides that the former Placentia Redevelopment Agency will reimburse the City for a portion of the lease payment paid by the City to the bond trustee, with respect to the 2003 Certificates of Participation.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

2003 Certificates of Participation City Reimbursement (Continued)

The portion reimbursed (87.52 percent) is based upon the portion of the capital improvements and improved facilities benefiting from the original proceeds of the related debt issue that were within the confines of the redevelopment project area. The updated long-term liability balance as of June 30, 2020 of \$2,783,136 represents 87.52 percent of the outstanding principal balance of the 2003 COP at June 30, 2020 of \$3,180,000, less 87.52 percent of the 2020 principal payment on the 2003 Certificate of Participation, which was paid to the City in June 2020.

Supplemental Education Revenue Augmentation Fund (SERAF) Obligation

The Successor Agency has accrued a liability in the amount of \$991,314 in regards to its Supplemental Education Revenue Augmentation Fund (SERAF) obligation. This amount includes the unpaid portions from fiscal years 2009-10 and 2010-11. In 2009, the State of California issued a mandate that shifted redevelopment funds to education purposes. This action required each local redevelopment agency to make payment to their respective County Auditor-Controller. The Placentia Redevelopment Agency did not make payment on this obligation for two fiscal years, as it did not have the means to do so. Non-payment of SERAF obligations would usually result in suspension of redevelopment activity. Upon dissolution of redevelopment in 2012, this unpaid obligation was transferred to the Successor Agency. The Successor Agency will continue working to resolve this matter. Outstanding balance of SERAF Obligation as of June 30, 2020 was \$991,314.

Real Property Loan Obligation

On January 20, 2009, the City Council of the City of Placentia and the Board of Directors of the former Placentia Redevelopment Agency approved a Purchase and Sale agreement between the City and the former Placentia Redevelopment Agency. This agreement provides that the Placentia Redevelopment Agency will finance and purchase 2 real properties from the City; 312 South Melrose Street and 110 South Bradford Avenue for \$2,270,000 based on appraised property values at an interest rate of 7%.

Due to the dissolution of the former Placentia Redevelopment Agency at February 1, 2012, the obligation was transferred to the Successor Agency. The interest rate was decreased to 3% and the recalculated loan shall be applied first to principal and second to interest in compliance with Health and Safety Code 34191.4 (b) (3). Since the Successor Agency has no taxing ability, repayment of the obligation is from County of Orange Redevelopment Property Tax Trust Fund (RPTTF) proceeds distributed to the Successor Agency based on a tax increment distribution formula. The total principal and interest loan obligation due to the City as of June 30, 2020 is \$1,458,632.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Jointly Governed Organization

Orange County Fire Authority

The City entered into a joint powers' agreement with 17 other cities and the County of Orange (the "County") in January 1995, and subsequently amended on September 23, 1999, to create the Orange County Fire Authority (the "Fire Authority"). Since 1995, other cities within the county have also joined the fire Authority to bring the total members in the Fire Authority to 23. The purpose of the Fire Authority is to provide for mutual fire protection, prevention, and suppression services and related and incidental services including, but not limited to, emergency medical and transport services, hazardous materials regulation, as well as providing facilities and personnel for such services. The Fire Authority's governing board consists of one representative from each city and two from the County. The operations of the Fire Authority are funded with structural fire fees collected by the County through either the property tax roll or with cash contributions based on the Fire Authority's annual budget. The City pays a cash contribution each year to the Fire Authority. The County pays all structural fire fees it collects to the Fire Authority. During the fiscal year ended June 30, 2020, the City paid \$7,114,119 to the Fire Authority.

On June 19, 2018, the City Council gave notice to the Fire Authority in order to withdraw from the Joint Powers Agreement. On June 4, 2019, the City Council voted to establish the Placentia Fire and Life Safety Department (the "Department") to provide citywide fire protection, prevention, and suppression services. Simultaneously, the City awarded a contract to Lynch Ambulance Services ("Lynch") to provide citywide emergency medical transport services. As part of the decision, the Fire Authority ceased fire protection, prevention, and suppression services and emergency medical transport services to the City on June 30, 2020.

Note 8 – Deferred Compensation Plans

The City has made available to its employees two deferred compensation plans, created in accordance with Internal Revenue Code (the "IRC") Section 457, whereby employees authorize the City to defer a portion of their salary to be deposited in individual investment accounts. There are several options available for employees to invest, including annuities, life insurance, savings accounts and mutual funds. Funds may be withdrawn by participants upon termination of employment, retirement, or a certified emergency. The City makes no contribution under the plans.

Pursuant to changes in IRC Section 457, the City amended its plans and established a trust into which all assets and income of the 457 plan were transferred during the year ended June 30, 1998. The assets and all income attributable to such amounts are held in trust for the exclusive benefit of the participant and their beneficiaries. These assets are no longer the property of the City, and therefore, are no longer subject to the claims of the City's general creditors. As a result, the assets of the 457 deferred compensation plans are no longer presented in an agency fund of the City's financial statements. The City has minimal involvement in the administration of the 457 plans, and therefore, lacks the fiduciary accountability that would require the 457 assets be recorded in an expendable trust fund.

The Defined Compensation Plan assets are not included in the accompanying basic financial statements.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Pension Plans

A. Summary

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|---------------------|
| Deferred outflows of resources: | | | |
| Pension contribution made after measurement date: | | | |
| CalPERS Miscellaneous | \$ 1,148,853 | \$ 235,141 | \$ 1,383,994 |
| CalPERS Safety | 2,519,683 | - | 2,519,683 |
| Total pension contribution made after measurement date | <u>3,668,536</u> | <u>235,141</u> | <u>3,903,677</u> |
| Change in assumptions | | | |
| CalPERS Miscellaneous | 388,619 | 79,540 | 468,159 |
| CalPERS Safety | 890,786 | - | 890,786 |
| Total change in assumptions | <u>1,279,405</u> | <u>79,540</u> | <u>1,358,945</u> |
| Adjustment due to difference in proportions | | | |
| CalPERS Miscellaneous | 141,432 | 28,947 | 170,379 |
| CalPERS Safety | - | - | - |
| Total adjustment due to difference in proportions | <u>141,432</u> | <u>28,947</u> | <u>170,379</u> |
| Difference between expected and actual experience | | | |
| CalPERS Miscellaneous | - | - | - |
| CalPERS Miscellaneous | 808,943 | 165,570 | 974,513 |
| CalPERS Safety | 1,762,996 | - | 1,762,996 |
| Total difference between expected and actual experience | <u>2,571,939</u> | <u>165,570</u> | <u>2,737,509</u> |
| Total deferred outflows of resources | | | |
| CalPERS Miscellaneous | 2,487,847 | 509,198 | 2,997,045 |
| CalPERS Safety | 5,173,465 | - | 5,173,465 |
| Total deferred outflows of resources | <u>\$ 7,661,312</u> | <u>\$ 509,198</u> | <u>\$ 8,170,510</u> |

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Pension Plans (Continued)

A. Summary (Continued)

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|----------------------|
| Net pension liabilities: | | | |
| CalPERS Miscellaneous | \$ 12,625,353 | \$ 2,584,083 | \$ 15,209,436 |
| CalPERS Safety | 27,002,144 | - | 27,002,144 |
| Total net pension liabilities | <u>\$ 39,627,497</u> | <u>\$ 2,584,083</u> | <u>\$ 42,211,580</u> |
| Deferred inflows of resources: | | | |
| Adjustment due to difference in proportions | | | |
| CalPERS Miscellaneous | \$ - | \$ - | \$ - |
| CalPERS Safety | 969,249 | - | 969,249 |
| Total adjustment due to difference in proportions | <u>969,249</u> | <u>-</u> | <u>969,249</u> |
| Difference between projected and actual investment earnings: | | | |
| CalPERS Miscellaneous | 220,730 | 45,177 | 265,907 |
| CalPERS Safety | 371,460 | - | 371,460 |
| Total difference between projected and actual investment earnings: | <u>592,190</u> | <u>45,177</u> | <u>637,367</u> |
| Employer contributions in excess of proportionate share of contribution | | | |
| CalPERS Miscellaneous | 714,207 | 146,180 | 860,387 |
| CalPERS Safety | 442,343 | - | 442,343 |
| Total employer contributions in excess of proportionate share of contribution | <u>1,156,550</u> | <u>146,180</u> | <u>1,302,730</u> |
| Total deferred inflows of resources | | | |
| CalPERS Miscellaneous | 934,937 | 191,357 | 1,126,294 |
| CalPERS Safety | 1,783,052 | - | 1,783,052 |
| Total deferred inflows of resources | <u>\$ 2,717,989</u> | <u>\$ 191,357</u> | <u>\$ 2,909,346</u> |
| Pension expenses: | | | |
| CalPERS Miscellaneous | \$ 2,124,723 | \$ 434,876 | \$ 2,559,599 |
| CalPERS Safety | 4,801,997 | - | 4,801,997 |
| Total net pension expenses | <u>\$ 6,926,720</u> | <u>\$ 434,876</u> | <u>\$ 7,361,596</u> |

B. General Information about the Pension Plans

Plan Description

The City contributes to the California Public Employees' Retirement System ("CalPERS"), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS 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 the CalPERS annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Pension Plans (Continued)

B. General Information about the Pension Plans (Continued)

Employees Covered by Benefit Terms

At the June 30, 2019 measurement date the following employees were covered by the benefit terms:

| | <u>Miscellaneous</u> | <u>Miscellaneous Tier 2</u> | <u>Miscellaneous PEPRA</u> | <u>Safety</u> | <u>Safety PEPRA</u> |
|-------------------------------------|----------------------|---------------------------------|--------------------------------|---------------|-------------------------|
| Active employees | 24 | 5 | 52 | 24 | 18 |
| Transferred employees | 55 | 9 | 22 | 22 | 5 |
| Separated employees | 35 | 3 | 20 | 10 | 7 |
| Retired employees and beneficiaries | 178 | - | 2 | 166 | - |
| Total | <u>292</u> | <u>17</u> | <u>96</u> | <u>222</u> | <u>30</u> |

Benefit Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPRA Safety CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

| | <u>Miscellaneous</u> | <u>Miscellaneous Tier 2</u> | <u>Miscellaneous PEPRA</u> | <u>Safety</u> | <u>Safety PEPRA</u> |
|---|----------------------|---------------------------------|--------------------------------|------------------|-------------------------|
| Benefit formula | 2.0% @ 55 | 2.0% @ 60 | 2.0% @ 62 | 3.0% @ 50 | 2.7% @ 57 |
| Benefit vesting schedule | 5 years service | 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 | monthly for life |
| Retirement age | 55 | 62 | 62 | 50 | 50-57 |
| Monthly benefits, as a % of eligible compensation | 2.0% | 2.0% | 2.0% | 3.0% | 2.7% |
| Required employee contribution rate | 7.000% | 7.000% | 6.750% | 9.000% | 12.000% |
| Required employer contribution rate | 10.221% | 8.563% | 6.985% | 21.927% | 13.034% |

Contributions

For the year ended June 30, 2020, the contributions recognized as part of pension expense for each Plan were as follows:

| | <u>Miscellaneous</u> | <u>Safety</u> | <u>Total</u> |
|--------------------------|----------------------|---------------------|---------------------|
| Contributions - employer | <u>\$ 1,383,994</u> | <u>\$ 2,519,683</u> | <u>\$ 3,903,677</u> |

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Pension Plans (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period:

| | <u>Plan Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability/(Asset)</u> |
|--|---|--|--|
| Miscellaneous | | | |
| Balance at: 6/30/18 (Valuation date) | \$ 54,634,435 | \$ 40,682,189 | \$ 13,952,246 |
| Balance at: 6/30/19 (Measurement date) | 56,351,656 | 41,142,220 | 15,209,436 |
| Net changes during 2018-2019 | <u>1,717,221</u> | <u>460,031</u> | <u>1,257,190</u> |
| Safety | | | |
| Balance at: 6/30/18 (Valuation date) | \$ 92,144,778 | \$ 65,913,238 | \$ 26,231,540 |
| Balance at: 6/30/19 (Measurement date) | 96,387,562 | 69,385,418 | 27,002,144 |
| Net changes during 2018-2019 | <u>4,242,784</u> | <u>3,472,180</u> | <u>770,604</u> |

The City's net pension liability/(asset) for each Plan is measured as the proportionate share of the net pension liability/(asset). The net pension liability/(asset) of each of the Plans is measured as of June 30, 2019, and the total pension liability/(asset) for each Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City's proportion of the net pension liability/(asset) was 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/(asset) for each Plan as of the June 30, 2018 measurement date (June 30, 2019 reporting date) and 2019 measurement date (June 30, 2020 reporting date) was as follows:

| | <u>Miscellaneous</u> | <u>Safety</u> | <u>Total</u> |
|------------------------------|----------------------|------------------|------------------|
| Proportion - June 30, 2019 | 0.37021% | 0.44706% | 0.41701% |
| Proportion - June 30, 2020 | <u>0.37981%</u> | <u>0.43255%</u> | <u>0.41194%</u> |
| Change - Increase/(Decrease) | <u>0.00960%</u> | <u>-0.01451%</u> | <u>-0.00507%</u> |

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Pension Plans (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2020, the City recognized pension expense of \$2,559,599 and \$4,801,997, for the Miscellaneous and Safety plans, respectively. At June 30, 2020, 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 |
| Contribution made after the measurement date | \$ 1,383,994 | \$ - |
| Difference between expected and actual experience | 974,513 | - |
| Changes of assumptions | 468,159 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 265,907 |
| Employer contributions in excess/(under) proportionate share of contributions | - | 860,387 |
| Adjustments due to difference in proportions | 170,379 | - |
| Total | <u>\$ 2,997,045</u> | <u>\$ 1,126,294</u> |

| Safety Plan | | |
|--|---|--|
| | Deferred outflows of Resources | Deferred inflows of Resources |
| Contribution made after the measurement date | \$ 2,519,683 | \$ - |
| Difference between expected and actual experience | 1,762,996 | - |
| Changes of assumptions | 890,786 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 371,460 |
| Employer contributions in excess/(under) proportionate share of contributions | - | 442,343 |
| Adjustments due to difference in proportions | - | 969,249 |
| Total | <u>\$ 5,173,465</u> | <u>\$ 1,783,052</u> |

| Aggregate Total | | |
|--|---|--|
| | Deferred outflows of Resources | Deferred inflows of Resources |
| Contribution made after the measurement date | \$ 3,903,677 | \$ - |
| Difference between expected and actual experience | 2,737,509 | - |
| Changes of assumptions | 1,358,945 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 637,367 |
| Employer contributions in excess/(under) proportionate share of contributions | - | 1,302,730 |
| Adjustments due to difference in proportions | 170,379 | 969,249 |
| Total | <u>\$ 8,170,510</u> | <u>\$ 2,909,346</u> |

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Pension Plans (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the Miscellaneous Plan and Safety Plan, \$1,383,994 and \$2,519,683, respectively, were reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Measurement Period Ended June 30 | Deferred Outflows/(Inflows) of Resources | | |
|-------------------------------------|--|-------------------|---------------------|
| | Miscellaneous Plan | Safety Plan | Total |
| 2021 | \$ 669,295 | \$ 1,452,280 | \$ 2,121,575 |
| 2022 | (309,118) | (608,232) | (917,350) |
| 2023 | 72,847 | (45,593) | 27,254 |
| 2024 | 53,733 | 72,275 | 126,008 |
| 2025 | - | - | - |
| Thereafter | - | - | - |
| Total | \$ 486,757 | \$ 870,730 | \$ 1,357,487 |

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

| | |
|----------------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% |
| Inflation | 2.75% |
| Salary Increases | 3.3% to 14.2% depending on age, service, and type of employment |
| Investment Rate of Return | 7.3755% |
| Mortality Rate Table | Derived using CalPERS’ Membership Data for all Funds. The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. |
| Post Retirement Benefit Increase | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter. |

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2014. Further details of the Experience Study can be found on the CalPERS website.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Pension Plans (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate

In determining the long-term expected rate of return, CalPERS took into account, both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

| <u>Asset Class</u> | <u>New Strategic Allocation</u> | <u>Real Return Years 1 - 10¹</u> | <u>Real Return Years 11 +²</u> |
|--------------------|-------------------------------------|---|---|
| Global equity | 50.00% | 4.80% | 5.98% |
| Fixed income | 28.00% | 1.00% | 2.62% |
| Inflation assets | 0.00% | 0.77% | 1.81% |
| Private equity | 8.00% | 6.30% | 7.23% |
| Real assets | 13.00% | 3.75% | 4.93% |
| Liquidity | 1.00% | 0.00% | -0.92% |

¹ An expected inflation of 2.0% was used for this period.

² An expected inflation of 2.92% was used for this period.

The discount rate used to measure the total pension liability was 7.15% for the plan. 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, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 Section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. The difference was deemed immaterial to the Public Agency Cost Sharing Multiple-Employer Defined Benefit Pension Plan.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Pension Plans (Continued)

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

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 position liability for the Plan, calculated using the discount rate for each Plan, 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:

| | Plan's Net Pension Liability/(Asset) | | |
|---------------|--------------------------------------|----------------------------------|-------------------------------|
| | Discount Rate - 1% (6.15%) | Current Discount Rate (7.15%) | Discount Rate + 1% (8.15%) |
| Miscellaneous | \$ 22,788,906 | \$ 15,209,436 | \$ 8,953,119 |
| Safety | \$ 40,211,422 | \$ 27,002,144 | \$ 16,172,605 |
| Total | \$ 63,000,328 | \$ 42,211,580 | \$ 25,125,724 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

D. Payable to the Pension Plan

At June 30, 2020, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2020.

Note 10 – Other Postemployment Benefit Plan

A. Summary

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| Deferred outflows of resources: | | | |
| Employer contributions made subsequent to the measurement date | \$ 1,091,138 | \$ 51,176 | \$ 1,142,314 |
| Changes in assumptions | 273,569 | 12,831 | 286,400 |
| Total deferred outflows of resources | \$ 1,364,707 | \$ 64,007 | \$ 1,428,714 |
| Total OPEB liability | \$ 25,303,090 | \$ 1,186,744 | \$ 26,489,834 |
| Total OPEB liability | \$ 25,303,090 | \$ 1,186,744 | \$ 26,489,834 |
| Deferred inflows of resources: | | | |
| Change in assumptions | \$ 2,433,456 | \$ 114,132 | \$ 2,547,588 |
| Difference between expected and actual experience | 2,143,721 | 100,543 | 2,244,264 |
| Total deferred inflows of resources | \$ 4,577,177 | \$ 214,675 | \$ 4,791,852 |
| OPEB Expense | \$ 702,212 | \$ 32,935 | \$ 735,147 |

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 10 – Other Postemployment Benefit Plan (Continued)

B. General Information about OPEB

Plan Description

The City provides single employer post-employment defined benefits to retired employees in the form of a contribution towards their health insurance premiums under the CalPERS health plan which provides health insurance benefits to eligible retirees in accordance with various labor agreements. The minimum required retiree contributions are established by CalPERS. Survivor benefits are not provided. Copies of the CalPERS' annual financial report can be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Eligibility

All employees hired prior to November 21, 1995 are in Tier I and become eligible for these benefits as long as they are 50 years of age or older and have worked for the City a minimum of five years and elect a service retirement from the City. The health benefits for Tier I retirees include medical, dental, optical, and life. These benefits are considered to be vested for Tier I employees. The City pays the same contribution for these benefits to Tier I employees as is paid to active employees. Vision benefits are also provided to Tier I employees who retired after September 30, 1990. The life insurance is available to Tier I retirees until they reach age of 70.

All employees hired on or after November 21, 1995 are Tier II. The City pays the minimum required medical insurance contribution established by CalPERS for Tier II employees.

Membership in the plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

| | |
|---------------------|-----|
| Active plan members | 126 |
| Retirees | 151 |
| Total | 277 |

C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

Contributions

The obligation of the City to contribute to the plan is established and may be amended by the City Council. The City Council has established a policy of funding the actuarially determined contribution (ADC) on a pay as you go basis. For the fiscal year ended June 30, 2020, the City's average contribution rate was 8.03% of covered payroll. Employees are not required to contribute to the plan.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The total OPEB liability at June 30, 2020 was \$26,489,834.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 10 – Other Postemployment Benefit Plan (Continued)

C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

| | |
|--|--|
| Discount Rate | 3.50% (Bond Buyer 20-Bond Index) |
| Inflation | 2.75% annually |
| Aggregate payroll increases | 3.00% |
| Expected long-term investment rate of return | n/a |
| Mortality, Termination, and Disability | CalPERS 1997-2015 Experience Study |
| Mortality Improvement Scale | Modified projected fully generational with Scale MP-2019 |
| Healthcare Trend Rate - Non-Medicare | An annual healthcare cost trend rate of 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 |
| Healthcare Trend Rate - Medicare | An annual healthcare cost trend rate of 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 |

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of the December 2017 CalPERS experience study covering 1997 to 2015.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87% percent. This discount rate is the mid-point, rounded to five basis points, of the range of 3-20 year municipal bond rate indices; S&P Municipal bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index.

Change in the Total OPEB Liability

| | Total OPEB Liability |
|---|---------------------------------|
| Balance at June 30, 2018 (Measurement Date) | \$ 28,240,990 |
| Changes Recognized for the Measurement Period: | |
| Service Cost | 542,976 |
| Interest on the total OPEB liability | 1,092,405 |
| Changes of benefit terms | - |
| Difference between expected and actual experience | (2,606,242) |
| Changes of assumptions | 332,593 |
| Contributions from the employer | - |
| Net investment income | - |
| Administrative expenses | - |
| Benefit payments | (1,112,888) |
| Net Changes during July 1, 2018 to June 30, 2019 | <u>(1,751,156)</u> |
| Balance at June 30, 2019 (Measurement Date) | <u>\$ 26,489,834</u> |

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 10 – Other Postemployment Benefit Plan (Continued)

C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

| Plan's Total OPEB Liability | | |
|------------------------------------|----------------------------------|-------------------------------|
| Discount Rate - 1% (2.50%) | Current Discount Rate (3.50%) | Discount Rate + 1% (4.50%) |
| \$ 30,453,458 | \$ 26,489,834 | \$ 23,305,160 |

Sensitivity of the Total OPEB Liability to Changes in the Health Care 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:

| Plan's Total OPEB Liability | | |
|------------------------------------|---------------|---------------|
| Healthcare Cost | | |
| -1% | Trend Rates | 1% |
| \$ 23,272,381 | \$ 26,489,834 | \$ 30,475,617 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$735,147. At June 30, 2020, 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 |
|---|---|--|
| Difference between expected and actual experience | \$ - | \$ 2,244,264 |
| Changes in assumptions | 286,400 | 2,547,588 |
| Employer contributions made subsequent to the measurement date | 1,142,314 | - |
| Total | \$ 1,428,714 | \$ 4,791,852 |

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 7.1 years, which was determined as of July 1, 2018, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

\$1,142,314 was reported as a deferred outflow of resources related to OPEB resulting from the City's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 10 – Other Postemployment Benefit Plan (Continued)

C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year Ended June 30 | Deferred Outflows/ (Inflows) of Resources |
|------------------------------|--|
| 2021 | \$ (900,234) |
| 2022 | (900,234) |
| 2023 | (900,234) |
| 2024 | (900,234) |
| 2025 | (510,234) |
| Thereafter | (394,282) |
| | \$ (4,505,452) |

Note 11 – Risk Management and Self Insurance Program

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in municipal agency risk pools for their property, workers' compensation, and excess liability coverage.

A. General Liability

The City is a member of the Public Agency Risk Sharing Authority of California (“PARSAC”), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers’ compensation, and property claims. Under the program, the City has a \$100,000 retention limits similar to a deductible with the PARSAC being responsible for losses above that amount up to \$1 million.

The PARSAC has additional coverage of \$34 million in excess of its \$1 million retention limit affiliated risk management authorities. The PARSAC also provides \$1 billion aggregate per occurrence property coverage to its members with such coverage provided by purchased insurance.

B. Worker’s Compensation

The City is a member of the Local Agency Workers’ Compensation Excess (the “LAWCX”), a joint powers authority, which provides joint protection programs for public entities covering worker’s compensation claims. Under the program, the City has a \$250,000 retention limits similar to a deductible with the LAWCX being responsible for losses above that amount up to \$4.7 million. The City has purchased excess coverage for Workers’ Compensation excess of \$5 million.

C. Other Insurance

The City has Crime Bond Insurance coverage as a member of PARSAC under Alliant Crime Insurance Program (the “ACIP”) excess of \$2,500 up to \$1 million. This insurance includes coverage for faithful performance of duty, forgery or alteration, inside premises theft of money and securities, inside premises robbery and safety burglary other property, outside the premises, computer fraud, funds transfer fraud, and money orders and counterfeit paper currency fraud.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Risk Management and Self Insurance Program

C. Other Insurance (Continued)

A reconciliation of changes in aggregates for claims filed in the current and prior fiscal years are as follows:

| | Beginning of Year Liability | Current Year Claims and Changes in Estimates | Claim Payments | End of Year Liability | Amounts Due within One Year | Amounts Due in more than One Year |
|------------------------------|-----------------------------------|---|-------------------|-----------------------------|-----------------------------------|--|
| <u>Workers' Compensation</u> | | | | | | |
| 2017-2018 | \$ 2,567,343 | \$ 534,595 | \$ (1,174,785) | \$ 1,927,153 | \$ 481,788 | \$ 1,445,365 |
| 2018-2019 | 1,927,153 | 944,772 | (663,980) | 2,207,945 | 551,986 | 1,655,959 |
| 2019-2020 | 2,207,945 | 153,342 | (385,700) | 1,975,587 | 493,897 | 1,481,690 |
| <u>General Liability</u> | | | | | | |
| 2017-2018 | \$ 51,619 | \$ 38,136 | \$ (20,740) | \$ 69,015 | \$ 17,254 | \$ 51,761 |
| 2018-2019 | 69,015 | 19,428 | (64,542) | 23,901 | 5,975 | 17,926 |
| 2019-2020 | 23,901 | 264,501 | (28,745) | 259,657 | 64,914 | 194,743 |

Note 12 – Classification of Fund Balances

At June 30, 2020, fund balances are classified in the governmental funds as follows:

| | General Fund | Housing Successor Special Revenue Fund | Placentia Regional Navigation Center Special Revenue Fund | Nonmajor Governmental Funds | Total |
|----------------------------|----------------------|---|---|-----------------------------------|----------------------|
| Nonspendable | | | | | |
| Inventory | \$ 60,855 | \$ - | \$ - | \$ - | \$ 60,855 |
| Prepaid items | 16,300 | - | - | - | 16,300 |
| Loans receivable | 3,656,848 | - | - | - | 3,656,848 |
| Total nonspendable | 3,734,003 | - | - | - | 3,734,003 |
| Restricted | | | | | |
| Public safety | - | - | - | 692,126 | 692,126 |
| Public works | - | - | - | 1,911,605 | 1,911,605 |
| Community development | - | - | - | 448,023 | 448,023 |
| Debt service | 555,258 | - | - | 495,316 | 1,050,574 |
| Grant programs | - | - | - | 87,767 | 87,767 |
| Transportation | - | - | - | 744,320 | 744,320 |
| Park development | - | - | - | 20,073 | 20,073 |
| Street maintenance | - | - | - | 684,805 | 684,805 |
| Air quality | - | - | - | 121,059 | 121,059 |
| Housing | - | 1,747,004 | - | 224,604 | 1,971,608 |
| Total restricted | 555,258 | 1,747,004 | - | 5,429,698 | 7,731,960 |
| Committed | | | | | |
| Measure U - infrastructure | 1,640,303 | - | - | - | 1,640,303 |
| Measure U - OPEB | 770,595 | - | - | - | 770,595 |
| MetroLink station | 3,400,000 | - | - | - | 3,400,000 |
| Total committed | 5,810,898 | - | - | - | 5,810,898 |
| Unassigned | | | | | |
| | 3,866,292 | - | (777,811) | (773,746) | 2,314,735 |
| Total fund balances | \$ 13,966,451 | \$ 1,747,004 | \$ (777,811) | \$ 4,655,952 | \$ 19,591,596 |

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 13 – Commitments and Contingencies

A. Commitments

The City had several outstanding or planned construction and other projects as of June 30, 2020. These projects are evidenced by contractual commitments with contractors or other agencies and include:

| Project | Commitment |
|----------------------|---------------------|
| HSIP Traffic Signals | \$ 1,191,152 |
| Navigation Center CS | 461,736 |
| RES Slurry Seal | 429,586 |
| Other | 923,923 |
| Total | \$ 3,006,397 |

The City has various outstanding purchase commitments. Total commitments at June 30, 2020 are as follows:

| | Outstanding Purchase Commitments |
|--------------------------|--|
| Governmental funds: | |
| General Fund | \$ 203,817 |
| Other governmental funds | 94,594 |
| | \$ 298,411 |

B. Contingencies

The City is a defendant in a number of lawsuits, which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty.

C. Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. While no matters of noncompliance were disclosed by the audit of the financial statements or single audit of the Federal grant programs, grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 14 – Other Required Fund Disclosures

A. Expenditures in Excess of Appropriation

Excess of expenditures over appropriations occurred in individual funds during the year ended June 30, 2020 as follows:

| | Expenditures | Appropriation | Expenditure in Excess of Appropriations |
|--|--------------|---------------|---|
| Special Revenue Funds: | | | |
| Street Lighting | \$ 416,914 | \$ 410,300 | \$ (6,614) |
| Landscape Maintenance District 92-1 | 471,900 | 450,500 | (21,400) |
| Community Based Transitional Housing Grant | 775,624 | 671,900 | (103,724) |
| TOD Impact Fee | 67,508 | - | (67,508) |

B. Deficit Net Position and Fund Balances

Funds with deficit net position/fund balance at June 30, 2020 are as follows:

| | Deficit Fund Balance | Deficit Net Position |
|---|-------------------------|-------------------------|
| Capital Projects Fund: | | |
| City Capital Projects | \$ (510,327) | |
| Proprietary Fund: | | |
| Refuse | | \$ (449,694) |
| Special Revenue Funds: | | |
| Placentia Regional Navigation Center | \$ (777,811) | |
| Street Lighting | (10,306) | |
| Landscape Maintenance District 92-1 | (15,325) | |
| Housing and Community Development | (209,526) | |
| Public, Educational, and Government (PEG) | (28,262) | |
| | \$ (237,788) | |

At June 30, 2020, the City had an unrestricted net position deficit of \$(56,033,667) on the Statement of Activities. This deficit was created from the implementation of GASB Statement 68 (Net Pension Liability) in fiscal year 2015 and the implementation of GASB Statement 75 (Total OPEB Liability) in 2018. The City expects to eliminate the deficit via increased pension and OPEB contributions consistent with the amortization schedules provided by the City's pension and OPEB administrators.

City of Placentia
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 15 – COVID-19 Pandemic

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the City could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the City and the duration cannot be estimated at this time.

Note 16 – Subsequent Events

A. Debt Issuance

In October 2020, the Placentia Public Financing Authority issued \$52,950,000 of Lease Revenue Bonds (Federally Taxable), Series 2020A. The Bonds were issued to pay the City's currently unamortized, unfunded accrued actuarial liability (UAAL) to the California Public Employees' Retirement System (CalPERS) for the benefit of City employees, to fund certain anticipated increases to the accrued liability to CalPERS, to fund a reserve account for the bonds, and to pay the costs incurred in connection with the issuance of the bonds. Interest rates range from 1.724% to 3.987%. Interest on the bonds is payable semiannually on June 1 and December 1 commencing June 1, 2021.

Proceeds of the bonds that were used to pay down the UAAL were \$27,625,422 and \$15,803,765 for the City's Miscellaneous and Safety Plans, respectively.

B. Coronavirus Relief Funds Allocation

On June 29, 2020, the State approved the budget and authorized the Department of Finance to allocate \$1,289,065,000 to address the public health and public safety impacts of COVID-19 including homelessness. Pursuant to the provisions of Control Section 11.90, cities with populations between 300,000 and 500,000 were allocated \$225 million and cities with populations of less than 300,000 were allocated \$275 million. Based on the City's population, the City is allocated \$635,802 and will be received in six installments starting July 2020.

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**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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City of Placentia
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|-----------------------|----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 33,588,000 | \$ 34,447,200 | \$ 34,830,127 | \$ 382,927 |
| Intergovernmental | 253,000 | 415,000 | 701,864 | 286,864 |
| Licenses and permits | 1,901,000 | 2,549,000 | 2,453,827 | (95,173) |
| Fines and forfeitures | 569,000 | 449,000 | 418,752 | (30,248) |
| Investment income | 72,000 | 100,000 | 170,567 | 70,567 |
| Charges for services | 870,000 | 947,000 | 885,206 | (61,794) |
| Leases and rents | 1,542,000 | 1,428,000 | 1,211,622 | (216,378) |
| Miscellaneous | 702,000 | 803,800 | 866,076 | 62,276 |
| Total Revenues | 39,497,000 | 41,139,000 | 41,538,041 | 399,041 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 8,483,800 | 8,572,467 | 8,298,766 | 273,701 |
| Public safety | 21,666,800 | 22,253,892 | 21,399,386 | 854,506 |
| Public works | 3,845,700 | 4,555,700 | 3,980,719 | 574,981 |
| Community development | 1,093,700 | 1,205,983 | 1,198,254 | 7,729 |
| Community services | 1,620,500 | 1,671,850 | 1,537,369 | 134,481 |
| Capital outlay | 3,351,400 | 9,394,878 | 7,271,232 | 2,123,646 |
| Debt service: | | | | |
| Principal retirement | 320,000 | 320,000 | 582,614 | (262,614) |
| Interest and fiscal charges | 168,700 | 168,700 | 206,426 | (37,726) |
| Total Expenditures | 40,550,600 | 48,143,470 | 44,474,766 | 3,668,704 |
| REVENUE OVER (UNDER) EXPENDITURES | (1,053,600) | (7,004,470) | (2,936,725) | 4,067,745 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 958,700 | 1,623,674 | 1,039,700 | (583,974) |
| Transfers out | (112,300) | (835,274) | (270,300) | 564,974 |
| Transfer from Successor Agency | - | - | 19,000 | 19,000 |
| Proceeds from capital lease | - | - | 4,218,101 | 4,218,101 |
| Total other financing sources (uses) | 846,400 | 788,400 | 5,006,501 | 4,218,101 |
| NET CHANGE IN FUND BALANCE | \$ (207,200) | \$ (6,216,070) | 2,069,776 | \$ 8,285,846 |
| FUND BALANCE: | | | | |
| Beginning of Year | | | 10,349,237 | |
| End of Year | | | \$ 12,419,013 | |

City of Placentia
Required Supplementary Information (Unaudited)
Housing Successor Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------|------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 5,294 | \$ 5,294 |
| Lease revenue | 9,600 | 9,600 | 8,100 | (1,500) |
| Miscellaneous | 98,600 | 98,600 | 157,750 | 59,150 |
| Total Revenues | <u>108,200</u> | <u>108,200</u> | <u>171,144</u> | <u>62,944</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community services | - | 87,800 | - | 87,800 |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | 3,810 | (3,810) |
| Total Expenditures | <u>-</u> | <u>87,800</u> | <u>3,810</u> | <u>83,990</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>108,200</u> | <u>20,400</u> | <u>167,334</u> | <u>146,934</u> |
| Other Financing Uses: | | | | |
| Transfers out | - | - | (87,770) | (87,770) |
| Total Other Financing Uses | <u>-</u> | <u>-</u> | <u>(87,770)</u> | <u>(87,770)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 108,200</u> | <u>\$ 20,400</u> | <u>79,564</u> | <u>\$ 59,164</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | 1,667,440 | |
| End of Year | | | <u>\$ 1,747,004</u> | |

City of Placentia
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – Placentia Regional Navigation Center Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 1,816,700 | \$ 3,438,906 | \$ 1,622,206 |
| Investment income | - | - | 37,634 | 37,634 |
| Total Revenues | - | 1,816,700 | 3,476,540 | 1,659,840 |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | - | 1,024,200 | 1,202,266 | (178,066) |
| Community services | - | 53,100 | 48,581 | 4,519 |
| Capital outlay | - | 3,568,000 | 3,106,056 | 461,944 |
| Total expenditures | - | 4,645,300 | 4,356,903 | 288,397 |
| NET CHANGE IN FUND BALANCE | \$ - | \$ (2,828,600) | (792,593) | \$ 1,459,213 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 14,782 | |
| End of year | | | <u>\$ (777,811)</u> | |

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City of Placentia
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2020

Budgetary Control and Accounting Policy

The City prepares its budgets on the basis of estimated revenues and expenditures and, accordingly, the budget amounts included in the accompanying financial statements are presented on a basis substantially consistent with generally accepted accounting principles. Encumbrance accounting is utilized during the fiscal year, whereby purchase orders, contracts and other commitments are recorded in order to control appropriations. However, at fiscal year-end, all appropriations lapse. Accordingly, encumbrances are cancelled and generally are re-appropriated as part of the following year's budget. Encumbrances are not included in reported expenditures.

Annual budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. In 2020, the City did not create a budget for the following governmental special revenue funds: Park Development, Traffic Offender, Sewer Construction, and TOD Impact Fee.

The budgetary level of control for all governmental fund types is the fund level. The City Administrator has the discretion to transfer appropriations between departments within a fund, but transfers between funds must be approved by the City Council.

City of Placentia
Schedule of the City's Proportionate Share of the Net Pension Liabilities and Related Ratios
Last Ten Fiscal Years
For the Year Ended June 30, 2020

| | Miscellaneous Plan | | | | | |
|--|---------------------------|------------------|------------------|------------------|------------------|------------------|
| Measurement period, year ended ¹ | <u>6/30/2019</u> | <u>6/30/2018</u> | <u>6/30/2017</u> | <u>6/30/2016</u> | <u>6/30/2015</u> | <u>6/30/2014</u> |
| Plan's proportion of the net pension liability | 0.14843% | 0.14479% | 0.14212% | 0.14024% | 0.13337% | 0.13850% |
| Plan's proportionate share of the net pension liability | \$ 15,209,436 | \$ 13,952,246 | \$ 14,094,828 | \$ 12,135,165 | \$ 9,154,245 | \$ 8,617,803 |
| Plan's covered payroll | \$ 4,324,190 | \$ 4,198,243 | \$ 4,075,964 | \$ 4,140,888 | \$ 3,220,454 | \$ 3,712,315 |
| Plan's proportionate share of the net pension liability as a percentage of covered payroll | 351.73% | 332.34% | 345.80% | 293.06% | 284.25% | 232.14% |
| Plan's fiduciary net position | \$ 41,142,220 | \$ 40,682,189 | \$ 39,816,871 | \$ 38,103,697 | \$ 40,735,920 | \$ 42,161,022 |
| Plan's fiduciary net position as a percentage of the total pension liability | 73.01% | 74.46% | 73.86% | 75.85% | 81.65% | 83.03% |
| Plan's proportionate share of aggregate employer contributions | \$ 1,139,534 | \$ 932,993 | \$ 785,438 | \$ 667,441 | \$ 383,155 | \$ 412,406 |

Notes to Schedule:

Changes in assumptions In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent.

¹ Historical information is presented only for measurement periods after GASB 68 implementation.

City of Placentia
Schedule of the City's Proportionate Share of the Net Pension Liabilities and Related Ratios
Last Ten Fiscal Years (Continued)
For the Year Ended June 30, 2020

| | Safety Plan | | | | | |
|--|--------------------|------------------|------------------|------------------|------------------|------------------|
| Measurement period, year ended ¹ | <u>6/30/2019</u> | <u>6/30/2018</u> | <u>6/30/2017</u> | <u>6/30/2016</u> | <u>6/30/2015</u> | <u>6/30/2014</u> |
| Plan's proportion of the net pension liability | 0.26351% | 0.27222% | 0.27242% | 0.28572% | 0.30267% | 0.30596% |
| Plan's proportionate share of the net pension liability | \$ 27,002,144 | \$ 26,231,540 | \$ 27,017,047 | \$ 24,723,412 | \$ 20,774,757 | \$ 19,038,500 |
| Plan's covered payroll | \$ 4,130,110 | \$ 4,009,816 | \$ 3,893,025 | \$ 4,142,921 | \$ 4,074,947 | \$ 4,323,789 |
| Plan's proportionate share of the net pension liability as a percentage of covered payroll | 653.79% | 654.18% | 693.99% | 596.76% | 509.82% | 440.32% |
| Plan's fiduciary net position | \$ 69,385,418 | \$ 65,913,238 | \$ 62,459,293 | \$ 58,150,629 | \$ 60,121,518 | \$ 61,484,214 |
| Plan's fiduciary net position as a percentage of the total pension liability | 71.99% | 71.53% | 69.81% | 70.17% | 74.32% | 76.36% |
| Plan's proportionate share of aggregate employer contributions | \$ 2,108,590 | \$ 3,034,432 | \$ 2,753,462 | \$ 2,568,441 | \$ 2,175,167 | \$ 2,157,763 |

Notes to Schedule:

Changes in assumptions. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

¹ Historical information is presented only for measurement periods after GASB 68 implementation.

City of Placentia
Schedule of City's Pension Contributions
Last Ten Fiscal Years
For the Year Ended June 30, 2020

Miscellaneous Plan

| Fiscal year ¹ | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually determined contribution (actuarially determined) | \$ 1,383,994 | \$ 1,139,534 | \$ 932,993 | \$ 785,438 | \$ 667,441 | \$ 383,155 | \$ 412,406 |
| Contributions in relation to the actuarially determined contributions | (1,383,994) | (1,139,534) | (932,993) | (785,438) | (667,441) | (383,155) | (412,406) |
| Contribution deficiency (excess) | \$ - |
| Covered payroll | \$ 4,453,916 | \$ 4,324,190 | \$ 4,198,243 | \$ 4,075,964 | \$ 4,140,888 | \$ 3,220,454 | \$ 3,712,315 |
| Contributions as a percentage of covered payroll | 31.07% | 26.35% | 22.22% | 19.27% | 16.12% | 11.90% | 11.11% |

¹ Historical information is presented only for measurement periods after GASB 68 implementation.

Notes to Schedule

Valuation date: 6/30/2018 6/30/2017 6/30/2016 6/30/2015 6/30/2014 6/30/2013 6/30/2012

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were from the June 30, 2018 public agency valuations.

Methods and assumptions used to determine contribution rates:

| | |
|----------------------------|---|
| Actuarial cost method | Entry Age Normal |
| Amortization method/period | For details, see June 30, 2014 Funding Valuation Report |
| Asset valuation method | Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report. |
| Inflation | 2.75% |
| Salary increases | Varies by entry age and service |
| Payroll growth | 3.00% |
| Investment rate of return | 7.50%, net of pension plan investment and administrative expenses, including inflation |
| Retirement age | The probabilities of retirement are based on the 2015 CalPERS Experience study for the period from 1997 to 2014. |
| Mortality | The probabilities of mortality are based on the 2015 CalPERS Experience Study for the period from 1997 to 2014. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries. |

City of Placentia
Schedule of City's Pension Contributions (Continued)
Last Ten Fiscal Years
For the Year Ended June 30, 2020

Safety Plan

| Fiscal year | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 ¹ |
|---|--------------|--------------|--------------|--------------|--------------|--------------|----------------------|
| Contractually determined contribution (actuarially determined) | \$ 2,519,683 | \$ 2,108,590 | \$ 3,034,432 | \$ 2,753,462 | \$ 2,568,441 | \$ 2,175,167 | \$ 2,157,763 |
| Contributions in relation to the actuarially determined contributions | (2,519,683) | (2,108,590) | (3,034,432) | (2,753,462) | (2,568,441) | (2,175,167) | (2,157,763) |
| Contribution deficiency (excess) | \$ - |
| Covered payroll | \$ 4,254,014 | \$ 4,130,110 | \$ 4,009,816 | \$ 3,893,025 | \$ 4,142,921 | \$ 4,074,947 | \$ 4,323,789 |
| Contributions as a percentage of covered payroll | 59.23% | 51.05% | 75.68% | 70.73% | 62.00% | 53.38% | 49.90% |

¹ Historical information is presented only for measurement periods after GASB 68 implementation.

Notes to Schedule

Valuation date: 6/30/2018 6/30/2017 6/30/2016 6/30/2015 6/30/2014 6/30/2013 6/30/2012

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were from the June 30, 2018 public agency valuations.

Methods and assumptions used to determine contribution rates:

| | |
|----------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Amortization method/period | For details, see June 30, 2014 Funding Valuation Report |
| Asset valuation method | Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report. |
| Inflation | 2.75% |
| Salary increases | Varies by entry age and service |
| Payroll growth | 3.00% |
| Investment rate of return | 7.50%, net of pension plan investment and administrative expenses, including inflation |
| Retirement age | The probabilities of retirement are based on the 2015 CalPERS Experience study for the period from 1997 to 2014. |
| Mortality | The probabilities of mortality are based on the 2015 CalPERS Experience Study for the period from 1997 to 2014. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of |

City of Placentia
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Fiscal Years
For the Year Ended June 30, 2020

| Measurement period, year ending: ¹ | <u>6/30/2019</u> | <u>6/30/2018</u> | <u>6/30/2017</u> |
|--|----------------------|----------------------|----------------------|
| Total OPEB liability | | | |
| Service cost | \$ 542,976 | \$ 569,606 | \$ 675,000 |
| Interest | 1,092,405 | 1,032,870 | 899,000 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | (2,606,242) | - | - |
| Changes of assumptions | 332,593 | (1,089,486) | (3,058,000) |
| Benefit payments, including refunds of member contributions | (1,112,888) | (1,107,000) | (1,116,000) |
| Net change in total OPEB liability | (1,751,156) | (594,010) | (2,600,000) |
| Total OPEB liability - beginning | 28,240,990 | 28,835,000 | 31,435,000 |
| Total OPEB liability - ending (a) | \$ 26,489,834 | \$ 28,240,990 | \$ 28,835,000 |
| OPEB fiduciary net position | | | |
| Contributions - employer | \$ 1,142,314 | \$ 1,112,888 | \$ 1,116,000 |
| Net investment income | - | - | - |
| Benefit payments, including refunds of member contributions | (1,142,314) | (1,112,888) | (1,116,000) |
| Administrative expense | - | - | - |
| Net change in plan fiduciary net position | - | - | - |
| Plan fiduciary net position - beginning | - | - | - |
| Plan fiduciary net position - ending (b) | - | - | - |
| Plan net OPEB liability - ending (a) - (b) | \$ 26,489,834 | \$ 28,240,990 | \$ 28,835,000 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00% | 0.00% | 0.00% |
| Covered payroll | \$ 12,286,189 | \$ 11,810,189 | \$ 9,367,000 |
| Plan net OPEB liability as a percentage of covered payroll | 216% | 239% | 308% |

¹ Historical information is only presented for measurement periods after GASB 75 implementation.

Notes to Schedule:

For the June 30, 2019 measurement date, the discount rate was updated based on the municipal bond rate as of the measurement date and the mortality improvement scale was updated to Scale MP-2019.

City of Placentia
Schedule of City's OPEB Contributions
Last Ten Fiscal Years
For the Year Ended June 30, 2020

| Fiscal year ¹ | 2019-20 | 2018-19 | 2017-18 |
|--|---------------|---------------|---------------|
| Actuarially determined contribution | \$ 1,142,314 | \$ 1,112,888 | \$ 1,107,000 |
| Contributions in relation to the actuarially determined contribution | (1,142,314) | (1,112,888) | (1,107,000) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - |
| Covered payroll | \$ 12,286,189 | \$ 11,810,189 | \$ 11,466,203 |
| Contributions as a percentage of covered payroll | 9.30% | 9.42% | 9.65% |

¹ Historical information is only presented for measurement periods after GASB 75 implementation.

Notes to Schedule

| | | | |
|-----------------|-----------|-----------|-----------|
| Valuation date: | 6/30/2019 | 6/30/2017 | 6/30/2017 |
|-----------------|-----------|-----------|-----------|

Methods and assumptions used to determine contribution rates:

| | |
|--|---|
| Actuarial cost method | Entry Age Normal |
| Amortization method/period | Level percentage of payroll |
| Inflation | 2.75% annually |
| Salary increases | Varies by entry age and service |
| Payroll growth | 3.00% |
| Discount rate | 3.50% (Bond Buyer 20-Bond Index) |
| Mortality, retirement, disability, termination | CalPERS Experience Study 1997-2015 |
| Mortality improvement | Post-retirement mortality projected fully generational with Scale MP-2019 |

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SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Miscellaneous Grants Special Revenue Fund – to account for Federal, State, County or other grants received which are not otherwise separately accounted for in other funds.

Park Development Special Revenue Fund – to account for in lieu fees charged to developers on a per unit basis for park development and rehabilitation.

Street Lighting Special Revenue Fund - to account for funds received from special assessments on property owners to provide street lighting in areas of the City not covered by the County lighting district.

Measure M Special Revenue Fund – to account for funds received by the City as a result of the voter-approved ballot measure in 1990 and extended by voter approval in 2006 to increase sales tax by ½ percent in Orange County to fund transportation projects.

Storm Drain Construction Special Revenue Fund – to account for funds restricted by State law to be spent on storm drain construction, which are received from acreage fees placed on developers at the time of development. The City is divided into eight storm drain areas and funds can be expended only within the area in which funds are collected.

Thoroughfare Construction Special Revenue Fund – to account for funds restricted by City ordinance to be spent for traffic signal, bridge and culvert construction, which are received from acreage fees placed on developers at the time of development.

Asset Seizure Special Revenue Fund – to account for monies seized from criminal activities. Revenues are restricted for use in law enforcement.

Traffic Offender Special Revenue Fund – to account for revenue generated from driving under the influence (DUI) administrative impound fees that are restricted to be spent on traffic enforcement activities, including but not limited to personnel, training, and equipment costs.

Supplemental Law Enforcement Special Revenue Fund – to account for the receipts and expenditures of funds resulting from the Citizen's Option for Public Safety (COPS) program, a state funded program, which are restricted for front line municipal police services.

Air Quality Special Revenue Fund – to account for the City's portion of motor vehicle registration fees collected pursuant to AB2766 passed during the 1990 State legislative session. This fee was levied to fund programs to reduce air pollution from mobile sources, such as cars, trucks, and buses.

Landscape Maintenance District 92-1 Special Revenue Fund – to account for benefit assessments levied under the Landscaping and Lighting Act of 1972, restricted for maintenance, operation, and administration of landscape improvements in certain areas of the City.

Housing and Community Development Special Revenue Fund – to account for U.S. Housing and Community Development Department grants requiring segregated fund accounting, such as the Community Development Block Grant program.

Gasoline Tax Special Revenue Fund – to account for receipts and expenditures of money apportioned under Streets and Highways Code Sections 2103, 2105, 2106, 2107, and 2107.5 of the State of California. These funds are earmarked for maintenance, rehabilitation or improvement of public streets.

Sewer Construction Special Revenue Fund – to account for funds restricted by State law to be spent on sewer construction, which are received from acreage fees placed on developers at the time of development.

PEG Special Revenue Fund - to account for a portion of funds received from cable television franchise fees that are restricted for use for Public, Educational and Governmental (PEG) access channels and related programming.

Affordable Housing In Lieu Fund - to account for the receipt and expenditure of developer fees restricted for affordable housing purposes.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SBI Gas Tax Fund - to account for the receipts and expenditures of Road Maintenance and Rehabilitation Account (RMRA) funds resulting from the Road Repair and Accountability Act of 2017 (SB 1). Funds are restricted for maintenance, rehabilitation or improvement of streets, freeways, bridges and other transit related improvements.

North Orange County Public Safety Grant Fund - to account for the receipts and expenditures of the North Orange County Public Safety Task Force (NOC) grant funds to the City. Funds are restricted to be used for law enforcement activities, including but not limited to pertaining to violence prevention, intervention and suppression activities.

Community Based Transitional Housing Grant Fund - to account for the receipts and expenditures of the Community-Based Transitional Housing Program Grant awarded by the State of California Department of Finance. Funds are restricted to be used to provide transitional support housing that provides treatment and reentry programming to individuals who will benefit from those services.

TOD Impact Fee Special Revenue Fund - to account for the receipts and expenditures of new development impact on the City's sewer collection system in the City's Transit-Oriented Development Zone (TOD). Funds are restricted within the TOD project area, including but not limited to acquisition, financing, construction and reconstruction of sanitary or sewer facilities and infrastructure in the TOD.

Citywide Development Impact Fee Fund - to account for the receipts and expenditures of new development impact on Citywide infrastructure systems and facilities. Funds are restricted to provide monies for the acquisition, construction and reconstruction of facilities, equipment and other capital purposed to accommodate future growth and maintain the existing level of services to all areas of the City.

General Plan Update Fee Fund - to account for the accumulation of General Plan update fees that are charged on building permits. Expenditures are restricted to update the City General Plan or other specific plans.

Technology Impact Fee Fund - to account for the accumulation of technology fees charged on building permits. Expenditures are restricted for the acquisition and construction of technology improvements.

OCATT Fund - to account for public safety staff assigned to the Orange County Auto Theft Task Force (OCATT). Activities include auto theft, including, but not limited to, prevention, intervention, and suppression activities.

City Capital Projects Fund - to account for and report financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities within the boundaries of the City.

2011 Gas Tax COP Debt Service Fund - to account for the receipt and expenditure of gas tax revenues pledged for the payment of debt service on the 2011 Gas Tax Certificates of Participation.

City of Placentia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

Special Revenue Funds

| | Miscellaneous Grants | Park Development | Street Lighting | Measure M |
|--|-------------------------|---------------------|--------------------|-------------------|
| ASSETS | | | | |
| Cash and investments | \$ 86,637 | \$ 20,073 | \$ 21,255 | \$ 658,480 |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Taxes | - | - | 3,673 | 228,886 |
| Grants | 14,087 | - | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total assets | <u>\$ 100,724</u> | <u>\$ 20,073</u> | <u>\$ 24,928</u> | <u>\$ 887,366</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 11,231 | \$ - | \$ 35,234 | \$ 202,561 |
| Accrued liabilities | 1,726 | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | <u>12,957</u> | <u>-</u> | <u>35,234</u> | <u>202,561</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenues | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | |
| Restricted | 87,767 | 20,073 | - | 684,805 |
| Unassigned (deficit) | - | - | (10,306) | - |
| Total fund balances | <u>87,767</u> | <u>20,073</u> | <u>(10,306)</u> | <u>684,805</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 100,724</u> | <u>\$ 20,073</u> | <u>\$ 24,928</u> | <u>\$ 887,366</u> |

(Continued)

City of Placentia
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

Special Revenue Funds

| | Storm Drain Construction | Thoroughfare Construction | Asset Seizure | Traffic Offender |
|--|-----------------------------|------------------------------|-------------------|---------------------|
| ASSETS | | | | |
| Cash and investments | \$ 24,423 | \$ 25,597 | \$ 542,024 | \$ 4,543 |
| Receivables: | | | | |
| Accounts | - | - | - | 1,124 |
| Taxes | - | - | - | - |
| Grants | - | - | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total assets | \$ 24,423 | \$ 25,597 | \$ 542,024 | \$ 5,667 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ 26,981 | \$ - |
| Accrued liabilities | - | - | 40 | - |
| Due to other funds | - | - | - | - |
| Total liabilities | - | - | 27,021 | - |
| Deferred inflows of resources: | | | | |
| Unavailable revenues | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - |
| Fund balances: | | | | |
| Restricted | 24,423 | 25,597 | 515,003 | 5,667 |
| Unassigned (deficit) | - | - | - | - |
| Total fund balances | 24,423 | 25,597 | 515,003 | 5,667 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 24,423 | \$ 25,597 | \$ 542,024 | \$ 5,667 |

(Continued)

City of Placentia
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

Special Revenue Funds

| | Supplemental Law Enforcement | Air Quality | Landscape Maintenance District 92-1 | Housing and Community Development |
|--|------------------------------------|-------------------|---|---|
| ASSETS | | | | |
| Cash and investments | \$ 95,030 | \$ 121,059 | \$ 23,868 | \$ - |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Taxes | - | - | 3,369 | - |
| Grants | - | - | - | 91,778 |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total assets | \$ 95,030 | \$ 121,059 | \$ 27,237 | \$ 91,778 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ 35,016 | \$ - |
| Accrued liabilities | - | - | 7,546 | - |
| Due to other funds | - | - | - | 301,304 |
| Total liabilities | - | - | 42,562 | 301,304 |
| Deferred inflows of resources: | | | | |
| Unavailable revenues | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - |
| Fund balances: | | | | |
| Restricted | 95,030 | 121,059 | - | - |
| Unassigned (deficit) | - | - | (15,325) | (209,526) |
| Total fund balances | 95,030 | 121,059 | (15,325) | (209,526) |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 95,030 | \$ 121,059 | \$ 27,237 | \$ 91,778 |

(Continued)

City of Placentia
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

Special Revenue Funds

| | Special Revenue Funds | | | |
|--|-----------------------|-----------------------|------------------|----------------------------------|
| | Gasoline Tax | Sewer Construction | PEG | Affordable Housing In-Lieu |
| ASSETS | | | | |
| Cash and investments | \$ 55,648 | \$ 21,890 | \$ - | \$ 55,200 |
| Receivables: | | | | |
| Accounts | - | - | 20,102 | - |
| Taxes | - | - | - | - |
| Grants | - | - | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total assets | <u>\$ 55,648</u> | <u>\$ 21,890</u> | <u>\$ 20,102</u> | <u>\$ 55,200</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 55,648 | \$ - | \$ 22,343 | \$ - |
| Accrued liabilities | - | - | - | - |
| Due to other funds | - | - | 26,021 | - |
| Total liabilities | <u>55,648</u> | <u>-</u> | <u>48,364</u> | <u>-</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenues | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | |
| Restricted | - | 21,890 | - | 55,200 |
| Unassigned (deficit) | - | - | (28,262) | - |
| Total fund balances | <u>-</u> | <u>21,890</u> | <u>(28,262)</u> | <u>55,200</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 55,648</u> | <u>\$ 21,890</u> | <u>\$ 20,102</u> | <u>\$ 55,200</u> |

(Continued)

City of Placentia
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

Special Revenue Funds

| | SB1 Gas Tax | NOC Public Safety Grant | Community Based Transitional Housing Grant | TOD Impact Fee |
|--|-------------------|----------------------------|--|-------------------|
| ASSETS | | | | |
| Cash and investments | \$ 695,711 | \$ 84,250 | \$ 191,613 | \$ 739,208 |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Taxes | 138,412 | - | - | - |
| Grants | - | - | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total assets | <u>\$ 834,123</u> | <u>\$ 84,250</u> | <u>\$ 191,613</u> | <u>\$ 739,208</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 89,803 | \$ - | \$ - | \$ 3,020 |
| Accrued liabilities | - | 7,824 | 22,209 | - |
| Due to other funds | - | - | - | - |
| Total liabilities | <u>89,803</u> | <u>7,824</u> | <u>22,209</u> | <u>3,020</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenues | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | |
| Restricted | 744,320 | 76,426 | 169,404 | 736,188 |
| Unassigned (deficit) | - | - | - | - |
| Total fund balances | <u>744,320</u> | <u>76,426</u> | <u>169,404</u> | <u>736,188</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 834,123</u> | <u>\$ 84,250</u> | <u>\$ 191,613</u> | <u>\$ 739,208</u> |

(Continued)

City of Placentia
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

Special Revenue Funds

| | Citywide Development Impact Fee | General Plan Update Fee | Technology Impact Fee | OCATT |
|--|---------------------------------------|----------------------------|--------------------------|-------------|
| ASSETS | | | | |
| Cash and investments | \$ 1,103,507 | \$ 274,068 | \$ 173,934 | \$ - |
| Receivables: | | | | |
| Accounts | - | - | 110 | - |
| Taxes | - | - | - | - |
| Grants | - | - | - | - |
| Restricted assets: | | | | |
| Cash and investments with fiscal agents | - | - | - | - |
| Total assets | <u>\$ 1,103,507</u> | <u>\$ 274,068</u> | <u>\$ 174,044</u> | <u>\$ -</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 57 | \$ 32 | \$ - |
| Accrued liabilities | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | <u>-</u> | <u>57</u> | <u>32</u> | <u>-</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenues | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | |
| Restricted | 1,103,507 | 274,011 | 174,012 | - |
| Unassigned (deficit) | - | - | - | - |
| Total fund balances | <u>1,103,507</u> | <u>274,011</u> | <u>174,012</u> | <u>-</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 1,103,507</u> | <u>\$ 274,068</u> | <u>\$ 174,044</u> | <u>\$ -</u> |

(Continued)

City of Placentia
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

| | Capital Projects Fund | Debt Service Fund | Total Other Governmental Funds |
|--|--------------------------|----------------------|--------------------------------------|
| | City Capital Projects | 2011 Gas Tax COP | |
| ASSETS | | | |
| Cash and investments | \$ - | \$ 8,350 | \$ 5,026,368 |
| Receivables: | | | |
| Accounts | 49,944 | - | 71,280 |
| Taxes | - | - | 374,340 |
| Grants | 335,224 | - | 441,089 |
| Restricted assets: | | | |
| Cash and investments with fiscal agents | - | 486,966 | 486,966 |
| Total assets | \$ 385,168 | \$ 495,316 | \$ 6,400,043 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 29,094 | \$ - | \$ 511,020 |
| Accrued liabilities | - | - | 39,345 |
| Due to other funds | 531,177 | - | 858,502 |
| Total liabilities | 560,271 | - | 1,408,867 |
| Deferred inflows of resources: | | | |
| Unavailable revenues | 335,224 | - | 335,224 |
| Total deferred inflows of resources | 335,224 | - | 335,224 |
| Fund balances: | | | |
| Restricted | - | 495,316 | 5,429,698 |
| Unassigned (deficit) | (510,327) | - | (773,746) |
| Total fund balances | (510,327) | 495,316 | 4,655,952 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 385,168 | \$ 495,316 | \$ 6,400,043 |

(Continued)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

| | Miscellaneous Grants | Park Development | Street Lighting | Measure M |
|---|-------------------------|---------------------|--------------------|-------------------|
| REVENUES: | | | | |
| Intergovernmental | \$ 61,837 | \$ - | \$ - | \$ 1,070,157 |
| Fines and forfeitures | - | - | - | - |
| Investment earnings | - | 376 | - | 12,815 |
| Charges for services | - | - | 136,307 | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 61,837 | 376 | 136,307 | 1,082,972 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 6,534 | - | - | - |
| Public safety | 30,717 | - | - | - |
| Public works | - | - | 416,914 | 63,531 |
| Community development | - | - | - | - |
| Community services | 81,854 | - | - | 32,511 |
| Capital outlay | - | - | - | 464,177 |
| Debt service: | | | | |
| Principal retirement | - | - | - | 279,207 |
| Interest and fiscal charges | - | - | - | 45,240 |
| Total expenditures | 119,105 | - | 416,914 | 884,666 |
| REVENUES OVER (UNDER) EXPENDITURES | (57,268) | 376 | (280,607) | 198,306 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | 270,300 | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | 270,300 | - |
| NET CHANGES IN FUND BALANCES | (57,268) | 376 | (10,307) | 198,306 |
| FUND BALANCES: | | | | |
| Beginning of year | 145,035 | 19,697 | 1 | 486,499 |
| End of year | \$ 87,767 | \$ 20,073 | \$ (10,306) | \$ 684,805 |

(Continued)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

| | Special Revenue Funds | | | |
|---|-----------------------------|------------------------------|-------------------|---------------------|
| | Storm Drain Construction | Thoroughfare Construction | Asset Seizure | Traffic Offender |
| REVENUES: | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | 400,098 | - |
| Investment earnings | 463 | 492 | 9,372 | 86 |
| Charges for services | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 463 | 492 | 409,470 | 86 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | 43,032 | - |
| Public works | - | - | - | - |
| Community development | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | 74,958 | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | - | - | 117,990 | - |
| REVENUES OVER (UNDER) EXPENDITURES | 463 | 492 | 291,480 | 86 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| NET CHANGES IN FUND BALANCES | 463 | 492 | 291,480 | 86 |
| FUND BALANCES: | | | | |
| Beginning of year | 23,960 | 25,105 | 223,523 | 5,581 |
| End of year | \$ 24,423 | \$ 25,597 | \$ 515,003 | \$ 5,667 |

(Continued)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

| | Supplemental Law Enforcement | Air Quality | Landscape Maintenance District 92-1 | Housing and Community Development |
|---|------------------------------------|-------------------|---|---|
| REVENUES: | | | | |
| Intergovernmental | \$ 156,007 | \$ 48,095 | \$ - | \$ 316,344 |
| Fines and forfeitures | - | - | - | - |
| Investment earnings | 2,285 | 3,124 | - | - |
| Charges for services | - | - | 443,982 | - |
| Miscellaneous | - | 14,318 | - | - |
| Total revenues | 158,292 | 65,537 | 443,982 | 316,344 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | 70,471 | 8,128 | - | - |
| Public works | - | - | 471,900 | - |
| Community development | - | - | - | 232,777 |
| Community services | - | - | - | - |
| Capital outlay | - | 76,000 | - | - |
| Debt service: | | | | |
| Principal retirement | - | 50,389 | - | - |
| Interest and fiscal charges | - | 231 | - | - |
| Total expenditures | 70,471 | 134,748 | 471,900 | 232,777 |
| REVENUES OVER (UNDER) EXPENDITURES | 87,821 | (69,211) | (27,918) | 83,567 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (100,000) | - | - | (91,800) |
| Total other financing sources (uses) | (100,000) | - | - | (91,800) |
| NET CHANGES IN FUND BALANCES | (12,179) | (69,211) | (27,918) | (8,233) |
| FUND BALANCES: | | | | |
| Beginning of year | 107,209 | 190,270 | 12,593 | (201,293) |
| End of year | <u>\$ 95,030</u> | <u>\$ 121,059</u> | <u>\$ (15,325)</u> | <u>\$ (209,526)</u> |

(Continued)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

| | Special Revenue Funds | | | |
|---|-----------------------|-----------------------|--------------------|----------------------------------|
| | Gasoline Tax | Sewer Construction | PEG | Affordable Housing In-Lieu |
| REVENUES: | | | | |
| Intergovernmental | \$ 1,200,968 | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - |
| Investment earnings | 1,996 | 405 | - | 1,042 |
| Charges for services | - | - | 84,697 | - |
| Miscellaneous | - | - | - | - |
| Total revenues | 1,202,964 | 405 | 84,697 | 1,042 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | 83,240 | - |
| Public safety | - | - | - | - |
| Public works | 97,659 | - | - | - |
| Community development | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | 97,659 | - | 83,240 | - |
| REVENUES OVER (UNDER) EXPENDITURES | 1,105,305 | 405 | 1,457 | 1,042 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (1,105,400) | - | - | - |
| Total other financing sources (uses) | (1,105,400) | - | - | - |
| NET CHANGES IN FUND BALANCES | (95) | 405 | 1,457 | 1,042 |
| FUND BALANCES: | | | | |
| Beginning of year | 95 | 21,485 | (29,719) | 54,158 |
| End of year | <u>\$ -</u> | <u>\$ 21,890</u> | <u>\$ (28,262)</u> | <u>\$ 55,200</u> |

(Continued)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

| | Special Revenue Funds | | | |
|---|-----------------------|----------------------------|--|-------------------|
| | SB1 Gas Tax | NOC Public Safety Grant | Community Based Transitional Housing Grant | TOD Impact Fee |
| REVENUES: | | | | |
| Intergovernmental | \$ 906,401 | \$ 310,000 | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - |
| Investment earnings | 12,496 | - | - | 14,666 |
| Charges for services | - | - | - | 1,000,335 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>918,897</u> | <u>310,000</u> | <u>-</u> | <u>1,015,001</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | 265,505 | 422,126 | - |
| Public works | 616,542 | - | - | 67,508 |
| Community development | - | - | 261,700 | - |
| Community services | - | 499 | 91,798 | - |
| Capital outlay | 541,524 | 581 | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>1,158,066</u> | <u>266,585</u> | <u>775,624</u> | <u>67,508</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>(239,169)</u> | <u>43,415</u> | <u>(775,624)</u> | <u>947,493</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGES IN FUND BALANCES | <u>(239,169)</u> | <u>43,415</u> | <u>(775,624)</u> | <u>947,493</u> |
| FUND BALANCES: | | | | |
| Beginning of year | 983,489 | 33,011 | 945,028 | (211,305) |
| End of year | <u>\$ 744,320</u> | <u>\$ 76,426</u> | <u>\$ 169,404</u> | <u>\$ 736,188</u> |

(Continued)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

Special Revenue Funds

| | Citywide Development Impact Fee | General Plan Update Fee | Technology Impact Fee | OCATT |
|---|---------------------------------------|----------------------------|--------------------------|-------------|
| REVENUES: | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - |
| Investment earnings | 20,885 | 4,484 | 3,298 | - |
| Charges for services | 1,087,684 | 270,106 | 147,265 | - |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>1,108,569</u> | <u>274,590</u> | <u>150,563</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Public works | - | 12,408 | - | - |
| Community development | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>-</u> | <u>12,408</u> | <u>-</u> | <u>-</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>1,108,569</u> | <u>262,182</u> | <u>150,563</u> | <u>-</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | (35,000) | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(35,000)</u> | <u>-</u> |
| NET CHANGES IN FUND BALANCES | <u>1,108,569</u> | <u>262,182</u> | <u>115,563</u> | <u>-</u> |
| FUND BALANCES: | | | | |
| Beginning of year | (5,062) | 11,829 | 58,449 | - |
| End of year | <u>\$ 1,103,507</u> | <u>\$ 274,011</u> | <u>\$ 174,012</u> | <u>\$ -</u> |

(Continued)

City of Placentia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

| | Capital Projects Fund | Debt Service Fund | Total Other Governmental Funds |
|---|--------------------------|----------------------|--------------------------------------|
| | City Capital Projects | 2011 Gas Tax COP | |
| REVENUES: | | | |
| Intergovernmental | \$ 248,051 | \$ - | \$ 4,317,860 |
| Fines and forfeitures | - | - | 400,098 |
| Investment earnings | - | 5,654 | 93,939 |
| Charges for services | - | - | 3,170,376 |
| Miscellaneous | 49,944 | - | 64,262 |
| Total revenues | 297,995 | 5,654 | 8,046,535 |
| EXPENDITURES: | | | |
| Current: | | | |
| General government | - | - | 89,774 |
| Public safety | - | - | 839,979 |
| Public works | 210,609 | - | 1,957,071 |
| Community development | - | - | 494,477 |
| Community services | - | - | 206,662 |
| Capital outlay | - | - | 1,157,240 |
| Debt service: | | | |
| Principal retirement | - | 265,000 | 594,596 |
| Interest and fiscal charges | - | 219,480 | 264,951 |
| Total expenditures | 210,609 | 484,480 | 5,604,750 |
| REVENUES OVER (UNDER) EXPENDITURES | 87,386 | (478,826) | 2,441,785 |
| OTHER FINANCING SOURCES (USES): | | | |
| Transfers in | - | 484,500 | 754,800 |
| Transfers out | - | - | (1,332,200) |
| Total other financing sources (uses) | - | 484,500 | (577,400) |
| NET CHANGES IN FUND BALANCES | 87,386 | 5,674 | 1,864,385 |
| FUND BALANCES: | | | |
| Beginning of year | (597,713) | 489,642 | 2,791,567 |
| End of year | <u>\$ (510,327)</u> | <u>\$ 495,316</u> | <u>\$ 4,655,952</u> |

(Concluded)

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Miscellaneous Grants Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|----------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 205,610 | \$ 196,300 | \$ 61,837 | \$ (134,463) |
| Total Revenues | <u>205,610</u> | <u>196,300</u> | <u>61,837</u> | <u>(134,463)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 6,600 | 6,600 | 6,534 | 66 |
| Public safety | 100,000 | 85,000 | 30,717 | 54,283 |
| Public works | 14,000 | 14,000 | - | 14,000 |
| Community development | 13,300 | 13,300 | - | 13,300 |
| Community services | 69,400 | 77,400 | 81,854 | (4,454) |
| Total Expenditures | <u>203,300</u> | <u>196,300</u> | <u>119,105</u> | <u>77,195</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 2,310</u> | <u>\$ -</u> | <u>(57,268)</u> | <u>\$ (57,268)</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>145,035</u> | |
| End of Year | | | <u>\$ 87,767</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Park Development Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 376 | \$ 376 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>376</u> | <u>376</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community development | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 376 | <u>\$ 376</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | 19,697 | |
| End of Year | | | <u>\$ 20,073</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Street Lighting Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|--------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 154,400 | \$ 140,000 | \$ 136,307 | \$ (3,693) |
| Total Revenues | <u>154,400</u> | <u>140,000</u> | <u>136,307</u> | <u>(3,693)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 378,300 | 410,300 | 416,914 | (6,614) |
| Total Expenditures | <u>378,300</u> | <u>410,300</u> | <u>416,914</u> | <u>(6,614)</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>(223,900)</u> | <u>(270,300)</u> | <u>(280,607)</u> | <u>(10,307)</u> |
| Other Financing Sources: | | | | |
| Transfers in | 212,300 | 270,300 | 270,300 | - |
| Total Other Financing Sources | <u>212,300</u> | <u>270,300</u> | <u>270,300</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (11,600)</u> | <u>\$ -</u> | <u>(10,307)</u> | <u>\$ (10,307)</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>1</u> | |
| End of Year | | | <u>\$ (10,306)</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure M Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 917,500 | \$ 917,500 | \$ 1,070,157 | \$ 152,657 |
| Investment income | - | - | 12,815 | 12,815 |
| Total Revenues | <u>917,500</u> | <u>917,500</u> | <u>1,082,972</u> | <u>165,472</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | - | 139,359 | 63,531 | 75,828 |
| Community services | 58,000 | 58,000 | 32,511 | 25,489 |
| Capital outlay | 616,000 | 630,000 | 464,177 | 165,823 |
| Debt service: | | | | |
| Principal retirement | 246,000 | 246,000 | 279,207 | (33,207) |
| Interest and fiscal charges | 32,600 | 32,600 | 45,240 | (12,640) |
| Total Expenditures | <u>952,600</u> | <u>1,105,959</u> | <u>884,666</u> | <u>221,293</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (35,100)</u> | <u>\$ (188,459)</u> | 198,306 | <u>\$ 386,765</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>486,499</u> | |
| End of Year | | | <u>\$ 684,805</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Storm Drain Construction Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|--------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 463 | \$ 463 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>463</u> | <u>463</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | - | 20,000 | - | 20,000 |
| Total expenditures | <u>-</u> | <u>20,000</u> | <u>-</u> | <u>20,000</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (20,000)</u> | 463 | <u>\$ 20,463</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | 23,960 | |
| End of Year | | | <u>\$ 24,423</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Thoroughfare Construction Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 492 | \$ 492 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>492</u> | <u>492</u> |
| Expenditures: | | | | |
| Capital outlay | 8,200 | 8,200 | - | 8,200 |
| Total expenditures | <u>8,200</u> | <u>8,200</u> | <u>-</u> | <u>8,200</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (8,200)</u> | <u>\$ (8,200)</u> | 492 | <u>\$ 8,692</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>25,105</u> | |
| End of Year | | | <u>\$ 25,597</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Asset Seizure Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|---------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ - | \$ 307,500 | \$ 400,098 | \$ 92,598 |
| Investment income | - | - | 9,372 | 9,372 |
| Total Revenues | <u>-</u> | <u>307,500</u> | <u>409,470</u> | <u>101,970</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 80,000 | 117,000 | 43,032 | 73,968 |
| Capital outlay | 50,000 | 126,000 | 74,958 | 51,042 |
| Total Expenditures | <u>130,000</u> | <u>243,000</u> | <u>117,990</u> | <u>125,010</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (130,000)</u> | <u>\$ 64,500</u> | 291,480 | <u>\$ 226,980</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | 223,523 | |
| End of Year | | | <u>\$ 515,003</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Traffic Offender Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 86 | \$ 86 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>86</u> | <u>86</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>86</u> | <u>\$ 86</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>5,581</u> | |
| End of Year | | | <u>\$ 5,667</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Supplemental Law Enforcement Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|--------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 100,000 | \$ 100,000 | \$ 156,007 | \$ 56,007 |
| Investment income | - | - | 2,285 | 2,285 |
| Total Revenues | <u>100,000</u> | <u>100,000</u> | <u>158,292</u> | <u>58,292</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | - | 73,000 | 70,471 | 2,529 |
| Total expenditures | <u>-</u> | <u>73,000</u> | <u>70,471</u> | <u>2,529</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>100,000</u> | <u>27,000</u> | <u>87,821</u> | <u>55,763</u> |
| Other Financing (Uses): | | | | |
| Transfers out | (100,000) | (100,000) | (100,000) | - |
| Total Other Financing (Uses) | <u>(100,000)</u> | <u>(100,000)</u> | <u>(100,000)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (73,000)</u> | <u>(12,179)</u> | <u>\$ 60,821</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>107,209</u> | |
| End of Year | | | <u>\$ 95,030</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Air Quality Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 67,000 | \$ 67,000 | \$ 48,095 | \$ (18,905) |
| Investment income | - | - | 3,124 | 3,124 |
| Miscellaneous | - | - | 14,318 | 14,318 |
| Total Revenues | <u>67,000</u> | <u>67,000</u> | <u>65,537</u> | <u>(1,463)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 14,600 | 14,600 | 8,128 | 6,472 |
| Public works | - | 30,844 | - | 30,844 |
| Capital outlay | 12,000 | 88,000 | 76,000 | 12,000 |
| Debt service: | | | | |
| Principal retirement | 50,600 | 50,700 | 50,389 | 311 |
| Interest and fiscal charges | - | - | 231 | (231) |
| Total Expenditures | <u>77,200</u> | <u>184,144</u> | <u>134,748</u> | <u>49,396</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (10,200)</u> | <u>\$ (117,144)</u> | <u>(69,211)</u> | <u>\$ 47,933</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>190,270</u> | |
| End of Year | | | <u>\$ 121,059</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Landscape Maintenance District 92-1 Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|-------------------|-------------------|--------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ 1,400 | \$ - | \$ (1,400) |
| Charges for services | 439,700 | 439,700 | 443,982 | 4,282 |
| Total Revenues | <u>439,700</u> | <u>441,100</u> | <u>443,982</u> | <u>2,882</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 447,200 | 450,500 | 471,900 | (21,400) |
| Total Expenditures | <u>447,200</u> | <u>450,500</u> | <u>471,900</u> | <u>(21,400)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (7,500)</u> | <u>\$ (9,400)</u> | (27,918) | <u>\$ (18,518)</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>12,593</u> | |
| End of Year | | | <u>\$ (15,325)</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing and Community Development Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 374,700 | \$ 374,700 | \$ 316,344 | \$ (58,356) |
| Total Revenues | <u>374,700</u> | <u>374,700</u> | <u>316,344</u> | <u>(58,356)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community development | 62,500 | 62,500 | 232,777 | (170,277) |
| Capital outlay | 220,400 | 220,400 | - | 220,400 |
| Total Expenditures | <u>282,900</u> | <u>282,900</u> | <u>232,777</u> | <u>50,123</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>91,800</u> | <u>91,800</u> | <u>83,567</u> | <u>(8,233)</u> |
| Other Financing (Uses): | | | | |
| Transfers out | (91,800) | (91,800) | (91,800) | - |
| Total Other Financing (Uses) | <u>(91,800)</u> | <u>(91,800)</u> | <u>(91,800)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>(8,233)</u> | <u>\$ (8,233)</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | (201,293) | |
| End of Year | | | <u>\$ (209,526)</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gasoline Tax Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,392,200 | \$ 1,392,200 | \$ 1,200,968 | \$ (191,232) |
| Investment income | 2,000 | 2,000 | 1,996 | (4) |
| Total Revenues | <u>1,394,200</u> | <u>1,394,200</u> | <u>1,202,964</u> | <u>(191,236)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 230,800 | 230,800 | 97,659 | 133,141 |
| Total expenditures | <u>288,800</u> | <u>288,800</u> | <u>97,659</u> | <u>191,141</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>1,105,400</u> | <u>1,105,400</u> | <u>1,105,305</u> | <u>(95)</u> |
| Other Financing (Uses): | | | | |
| Transfers out | (1,105,400) | (1,105,400) | (1,105,400) | - |
| Total Other Financing (Uses) | <u>(1,105,400)</u> | <u>(1,105,400)</u> | <u>(1,105,400)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>(95)</u> | <u>\$ (95)</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>95</u> | |
| End of Year | | | <u>\$ -</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Sewer Construction Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 405 | \$ 405 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>405</u> | <u>405</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>405</u> | <u>\$ 405</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>21,485</u> | |
| End of Year | | | <u>\$ 21,890</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
PEG Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 80,000 | \$ 80,000 | \$ 84,697 | \$ 4,697 |
| Total Revenues | <u>80,000</u> | <u>80,000</u> | <u>84,697</u> | <u>4,697</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 97,300 | 97,300 | 83,240 | 14,060 |
| Total Expenditures | <u>97,300</u> | <u>97,300</u> | <u>83,240</u> | <u>14,060</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (17,300)</u> | <u>\$ (17,300)</u> | 1,457 | <u>\$ 18,757</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | (29,719) | |
| End of Year | | | <u>\$ (28,262)</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Affordable Housing In-Lieu Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|--------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment earnings | \$ - | \$ - | \$ 1,042 | \$ 1,042 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>1,042</u> | <u>1,042</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 53,500 | 53,500 | - | 53,500 |
| Total Expenditures | <u>53,500</u> | <u>53,500</u> | <u>-</u> | <u>53,500</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (53,500)</u> | <u>\$ (53,500)</u> | 1,042 | <u>\$ 54,542</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | 54,158 | |
| End of Year | | | <u>\$ 55,200</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
SB1 RMRA Gas Tax Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 867,000 | \$ 867,000 | \$ 906,401 | \$ 39,401 |
| Investment income | - | - | 12,496 | 12,496 |
| Total Revenues | <u>867,000</u> | <u>867,000</u> | <u>918,897</u> | <u>51,897</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | - | 616,588 | 616,542 | 46 |
| Capital outlay | 867,000 | 872,800 | 541,524 | 331,276 |
| Total Expenditures | <u>867,000</u> | <u>1,489,388</u> | <u>1,158,066</u> | <u>331,322</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (622,388)</u> | <u>(239,169)</u> | <u>\$ 383,219</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>983,489</u> | |
| End of Year | | | <u>\$ 744,320</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
North Orange County Public Safety Grant Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 378,500 | \$ 404,000 | \$ 310,000 | \$ (94,000) |
| Total Revenues | <u>378,500</u> | <u>404,000</u> | <u>310,000</u> | <u>(94,000)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 364,700 | 343,400 | 265,505 | 77,895 |
| Community service | - | 14,000 | 499 | 13,501 |
| Capital outlay | <u>13,800</u> | <u>23,000</u> | <u>581</u> | <u>22,419</u> |
| Total Expenditures | <u>378,500</u> | <u>380,400</u> | <u>266,585</u> | <u>113,815</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ 23,600</u> | 43,415 | <u>\$ 19,815</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>33,011</u> | |
| End of Year | | | <u>\$ 76,426</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Based Transitional Housing Grant Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-------------------------|-------------------|---|
| | Original | Final | | |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | \$ 343,000 | \$ 343,000 | \$ 422,126 | \$ (79,126) |
| Community development | 261,400 | 261,700 | 261,700 | - |
| Community service | 67,200 | 67,200 | 91,798 | (24,598) |
| Total Expenditures | <u>671,600</u> | <u>671,900</u> | <u>775,624</u> | <u>(103,724)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (671,600)</u> | <u>\$ (671,900)</u> | (775,624) | <u>\$ (103,724)</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>945,028</u> | |
| End of Year | | | <u>\$ 169,404</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
TOD Impact Fee Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 14,666 | \$ 14,666 |
| Charges for services | - | - | 1,000,335 | 1,000,335 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>1,015,001</u> | <u>1,015,001</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | - | - | 67,508 | (67,508) |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>67,508</u> | <u>(67,508)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 947,493 | <u>\$ 947,493</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>(211,305)</u> | |
| End of Year | | | <u>\$ 736,188</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Citywide Development Impact Fee Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 20,885 | \$ 20,885 |
| Charges for services | 608,000 | 1,165,000 | 1,087,684 | (77,316) |
| Total Revenues | <u>608,000</u> | <u>1,165,000</u> | <u>1,108,569</u> | <u>(56,431)</u> |
| Expenditures: | | | | |
| Capital outlay | 608,000 | 958,000 | - | 958,000 |
| Total Expenditures | <u>608,000</u> | <u>958,000</u> | <u>-</u> | <u>958,000</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ 207,000</u> | 1,108,569 | <u>\$ 901,569</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | (5,062) | |
| End of Year | | | <u>\$ 1,103,507</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Plan Update Fee Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 4,484 | \$ 4,484 |
| Charges for services | 78,400 | 228,400 | 270,106 | 41,706 |
| Total Revenues | <u>78,400</u> | <u>228,400</u> | <u>274,590</u> | <u>46,190</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | - | 20,000 | 12,408 | 7,592 |
| Total Expenditures | <u>-</u> | <u>20,000</u> | <u>12,408</u> | <u>7,592</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 78,400</u> | <u>\$ 208,400</u> | 262,182 | <u>\$ 53,782</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | 11,829 | |
| End of Year | | | <u>\$ 274,011</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Technology Impact Fee Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-------------------------------------|------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 3,298 | \$ 3,298 |
| Charges for services | 41,000 | 131,000 | 147,265 | 16,265 |
| Total Revenues | <u>41,000</u> | <u>131,000</u> | <u>150,563</u> | <u>19,563</u> |
| Other Financing (Uses): | | | | |
| Transfers out | | | (35,000) | (35,000) |
| Total Other Financing (Uses) | - | - | <u>(35,000)</u> | <u>(35,000)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 41,000</u> | <u>\$ 131,000</u> | 115,563 | <u>\$ (15,437)</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | 58,449 | |
| End of Year | | | <u>\$ 174,012</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
OATT Special Revenue Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|----------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 127,000 | \$ 127,000 | \$ - | \$ (127,000) |
| Total Revenues | <u>127,000</u> | <u>127,000</u> | <u>-</u> | <u>(127,000)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 127,000 | 127,000 | - | 127,000 |
| Total Expenditures | <u>127,000</u> | <u>127,000</u> | <u>-</u> | <u>127,000</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>-</u> | |
| End of Year | | | <u>\$ -</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
City Capital Projects Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|------------------|-------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 1,284,000 | \$ 248,051 | \$ (1,035,949) |
| Miscellaneous | - | 250,000 | 49,944 | (200,056) |
| Total Revenues | <u>-</u> | <u>1,534,000</u> | <u>297,995</u> | <u>(1,236,005)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | - | 1,541,100 | 210,609 | 1,330,491 |
| Total Expenditures | <u>-</u> | <u>1,541,100</u> | <u>210,609</u> | <u>1,330,491</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (7,100)</u> | <u>87,386</u> | <u>\$ 94,486</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>(597,713)</u> | |
| End of Year | | | <u>\$ (510,327)</u> | |

City of Placentia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
2011 Gas Tax COP Debt Service Fund
For the Year Ended June 30, 2020

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ - | \$ - | \$ 5,654 | \$ 5,654 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>5,654</u> | <u>5,654</u> |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal retirement | 265,000 | 265,000 | 265,000 | - |
| Interest and fiscal charges | <u>219,500</u> | <u>219,500</u> | <u>219,480</u> | <u>20</u> |
| Total Expenditures | <u>484,500</u> | <u>484,500</u> | <u>484,480</u> | <u>20</u> |
| REVENUE OVER (UNDER) EXPENDITURES | <u>(484,500)</u> | <u>(484,500)</u> | <u>(478,826)</u> | <u>5,674</u> |
| Other Financing Sources: | | | | |
| Transfers in | <u>484,500</u> | <u>484,500</u> | <u>484,500</u> | <u>-</u> |
| Total Other Financing Sources | <u>484,500</u> | <u>484,500</u> | <u>484,500</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>5,674</u> | <u>\$ 5,674</u> |
| FUND BALANCE: | | | | |
| Beginning of Year | | | <u>489,642</u> | |
| End of Year | | | <u>\$ 495,316</u> | |

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INTERNAL SERVICE FUND FINANCIAL STATEMENTS

City of Placentia
Combining Statement of Net Position
All Internal Service Funds
June 30, 2020

| | Risk Management | Health and Welfare | Equipment Replacement | Total |
|--|--------------------|-----------------------|--------------------------|-------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 2,551,660 | \$ 245,119 | \$ 87,996 | \$ 2,884,775 |
| Total current assets | <u>2,551,660</u> | <u>245,119</u> | <u>87,996</u> | <u>2,884,775</u> |
| Total assets | <u>2,551,660</u> | <u>245,119</u> | <u>87,996</u> | <u>2,884,775</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 88,097 | 17,731 | - | 105,828 |
| Accrued claims and judgments - due within one year | 558,811 | - | - | 558,811 |
| Total current liabilities | <u>646,908</u> | <u>17,731</u> | <u>-</u> | <u>664,639</u> |
| Noncurrent liabilities: | | | | |
| Accrued claims and judgments - due in more than one year | 1,676,433 | - | - | 1,676,433 |
| Total noncurrent liabilities | <u>1,676,433</u> | <u>-</u> | <u>-</u> | <u>1,676,433</u> |
| Total liabilities | <u>2,323,341</u> | <u>17,731</u> | <u>-</u> | <u>2,341,072</u> |
| NET POSITION | | | | |
| Investment in capital assets | - | - | - | - |
| Unrestricted | 228,319 | 227,388 | 87,996 | 543,703 |
| Total net position | <u>\$ 228,319</u> | <u>\$ 227,388</u> | <u>\$ 87,996</u> | <u>\$ 543,703</u> |

City of Placentia
Combining Statement for All Internal Service Funds of
Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2020

| | Governmental Activities | | | |
|---|-------------------------|-----------------------|--------------------------|-------------------|
| | Risk Management | Health and Welfare | Equipment Replacement | Total |
| OPERATING REVENUES: | | | | |
| Reimbursements | \$ 1,014 | \$ 65,303 | \$ - | \$ 66,317 |
| Sales and service charges | 1,056,000 | 1,156,200 | - | 2,212,200 |
| Total operating revenues | <u>1,057,014</u> | <u>1,221,503</u> | <u>-</u> | <u>2,278,517</u> |
| OPERATING EXPENSES: | | | | |
| Administration | 72,938 | (88,412) | (37,165) | (52,639) |
| Reinsurance premiums | - | 112,269 | - | 112,269 |
| Claims | 165,796 | - | - | 165,796 |
| Medical and dental premiums | - | 999,183 | - | 999,183 |
| Liability insurance premiums | 594,130 | 5,398 | - | 599,528 |
| Depreciation expense | - | - | 4,312 | 4,312 |
| Total operating expenses | <u>832,864</u> | <u>1,028,438</u> | <u>(32,853)</u> | <u>1,828,449</u> |
| OPERATING INCOME (LOSS) | 224,150 | 193,065 | 32,853 | 450,068 |
| NONOPERATING INCOME (LOSS): | | | | |
| Investment income | 4,169 | - | - | 4,169 |
| Gain (loss) on disposal of capital assets | - | - | 16,350 | 16,350 |
| Total Nonoperating Income (Loss) | <u>4,169</u> | <u>-</u> | <u>16,350</u> | <u>20,519</u> |
| CHANGES IN NET POSITION | 228,319 | 193,065 | 49,203 | 470,587 |
| NET POSITION: | | | | |
| Beginning of the year | - | 34,323 | 38,793 | 73,116 |
| End of the year | <u>\$ 228,319</u> | <u>\$ 227,388</u> | <u>\$ 87,996</u> | <u>\$ 543,703</u> |

City of Placentia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020

| | Risk Management | Health and Welfare | Equipment Replacement | Total |
|---|---------------------|-----------------------|--------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from customers and users | \$ 1,057,013 | \$ 1,283,810 | \$ - | \$ 2,340,823 |
| Cash paid to suppliers for goods and services | (535,739) | (1,116,820) | - | (1,652,559) |
| Cash paid to employees for services | (72,938) | 88,412 | 37,165 | 52,639 |
| Cash paid for insurance claims | (165,796) | - | - | (165,796) |
| Net cash provided by operating activities | <u>282,540</u> | <u>255,402</u> | <u>37,165</u> | <u>575,107</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Cash transfers (out) | - | (17,292) | - | (17,292) |
| Net cash (used in) noncapital financing activities | <u>-</u> | <u>(17,292)</u> | <u>-</u> | <u>(17,292)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Proceeds from sale of capital assets | - | - | 16,350 | 16,350 |
| Net cash provided by capital and related financing activities | <u>-</u> | <u>-</u> | <u>16,350</u> | <u>16,350</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Interest received | 4,169 | - | - | 4,169 |
| Net cash provided by investing activities | <u>4,169</u> | <u>-</u> | <u>-</u> | <u>4,169</u> |
| Net increase in cash and cash equivalents | 286,709 | 238,110 | 53,515 | 578,334 |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION: | | | | |
| Beginning of year | 2,264,951 | 7,009 | 34,481 | 2,306,441 |
| End of year | <u>\$ 2,551,660</u> | <u>\$ 245,119</u> | <u>\$ 87,996</u> | <u>\$ 2,884,775</u> |
| CASH AND CASH EQUIVALENTS: | | | | |
| Cash and investments | \$ 2,551,660 | \$ 245,119 | \$ 87,996 | \$ 2,884,775 |
| Total cash and cash equivalents | <u>\$ 2,551,660</u> | <u>\$ 245,119</u> | <u>\$ 87,996</u> | <u>\$ 2,884,775</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating income | \$ 224,150 | \$ 193,065 | \$ 32,853 | \$ 450,068 |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: | | | | |
| Changes in assets and liabilities: | | | | |
| (Increase)/decrease in accounts receivables | - | 62,307 | - | 62,307 |
| Increase/(decrease) in accounts payable | 54,991 | 30 | - | 55,021 |
| Increase/(decrease) in claims payable | 3,399 | - | - | 3,399 |
| Net cash provided by (used in) operating activities | <u>\$ 282,540</u> | <u>\$ 255,402</u> | <u>\$ 37,165</u> | <u>\$ 575,107</u> |

AGENCY FUNDS FINANCIAL STATEMENTS

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City of Placentia
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2020

| | Special Deposits | Community Facilities District | Public Safety CFD 2014-01 | Total |
|---------------------------|---------------------|-------------------------------------|------------------------------|---------------------|
| Assets: | | | | |
| Cash and investments | \$ 1,130,419 | \$ 48,606 | \$ 25,761 | \$ 1,204,786 |
| Taxes receivable | - | 72 | - | 72 |
| Miscellaneous receivables | - | - | 452 | 452 |
| Total Assets | \$ 1,130,419 | \$ 48,678 | \$ 26,213 | \$ 1,205,310 |
| Liabilities: | | | | |
| Deposits payable | 1,130,419 | 48,678 | 26,213 | 1,205,310 |
| Total Liabilities | \$ 1,130,419 | \$ 48,678 | \$ 26,213 | \$ 1,205,310 |

City of Placentia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

| | Balance June 30, 2019 | Additions | Deletions | Balance June 30, 2020 |
|---|--------------------------|-------------------|----------------|--------------------------|
| <u>Special Deposits</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 643,124 | \$ 487,295 | \$ - | \$ 1,130,419 |
| Total Assets | \$ 643,124 | \$ 487,295 | \$ - | \$ 1,130,419 |
| Liabilities: | | | | |
| Deposits payable | \$ 643,124 | \$ 487,295 | \$ - | \$ 1,130,419 |
| Total Liabilities | \$ 643,124 | \$ 487,295 | \$ - | \$ 1,130,419 |
| | Balance June 30, 2019 | Additions | Deletions | Balance June 30, 2020 |
| <u>Community Facilities District</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 47,530 | \$ 1,076 | \$ - | \$ 48,606 |
| Taxes receivable | 150 | - | (78) | 72 |
| Total Assets | \$ 47,680 | \$ 1,076 | \$ (78) | \$ 48,678 |
| Liabilities: | | | | |
| Deposits payable | \$ 47,680 | \$ 1,076 | \$ (78) | \$ 48,678 |
| Total Liabilities | \$ 47,680 | \$ 1,076 | \$ (78) | \$ 48,678 |
| | Balance June 30, 2019 | Additions | Deletions | Balance June 30, 2020 |
| <u>Public Safety CFD 2014-01</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 25,258 | \$ 503 | \$ - | \$ 25,761 |
| Miscellaneous receivables | 410 | 42 | - | 452 |
| Total Assets | \$ 25,668 | \$ 545 | \$ - | \$ 26,213 |
| Liabilities: | | | | |
| Deposits payable | \$ 25,668 | \$ 545 | \$ - | \$ 26,213 |
| Total Liabilities | \$ 25,668 | \$ 545 | \$ - | \$ 26,213 |

City of Placentia
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
For the Year Ended June 30, 2020

| | Balance June 30, 2019 | Additions | Deletions | Balance June 30, 2020 |
|---------------------------|--------------------------|--------------------------|-----------------------|----------------------------|
| <u>Total</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 715,912 | \$ 488,874 | \$ - | \$ 1,204,786 |
| Taxes receivable | 150 | - | (78) | 72 |
| Miscellaneous receivables | 410 | 42 | - | 452 |
| Total Assets | <u>\$ 716,472</u> | <u>\$ 488,916</u> | <u>\$ (78)</u> | <u>\$ 1,205,310</u> |
| Liabilities: | | | | |
| Deposits payable | \$ 716,472 | \$ 488,916 | \$ (78) | \$ 1,205,310 |
| Total Liabilities | <u>\$ 716,472</u> | <u>\$ 488,916</u> | <u>\$ (78)</u> | <u>\$ 1,205,310</u> |

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STATISTICAL SECTION

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City of Placentia
Description of Statistical Section Contents

This part of the City of Placentia's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

| Contents: | Pages |
|---|---------|
| 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. | 162-171 |
| Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. | 172-177 |
| Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future. | 178-183 |
| Demographic and Economic Information - These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place. | 185 |
| Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and activities it performs. | 186-189 |

City of Placentia
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

| | Fiscal Year | | | | |
|--|--------------------|------------------|------------------|------------------|------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Governmental activities | | | | | |
| Net investment in capital assets | \$ 60,198 | \$ 70,726 | \$ 78,273 | \$ 74,238 | \$ 66,333 |
| Restricted | 8,717 | 2,981 | 3,630 | 2,901 | 7,027 |
| Unrestricted | (12,267) | (7,936) | (14,229) | (9,273) | (34,145) |
| Total governmental activities net position | \$ 56,648 | \$ 65,771 | \$ 67,674 | \$ 67,866 | \$ 39,215 |
| Business-type activities | | | | | |
| Net investment in capital assets | \$ 13,277 | \$ 12,686 | \$ 12,275 | \$ 11,760 | \$ 11,280 |
| Unrestricted | (1,041) | (874) | (1,115) | (680) | 1,289 |
| Total business-type activities net position | \$ 12,236 | \$ 11,812 | \$ 11,160 | \$ 11,080 | \$ 12,569 |
| Primary government | | | | | |
| Net investment in capital assets | \$ 73,475 | \$ 83,412 | \$ 90,548 | \$ 85,998 | \$ 77,613 |
| Restricted | 8,717 | 2,981 | 3,630 | 2,901 | 7,027 |
| Unrestricted | (13,308) | (8,810) | (15,344) | (9,953) | (32,856) |
| Total primary government net position | \$ 68,884 | \$ 77,583 | \$ 78,834 | \$ 78,946 | \$ 51,784 |

City of Placentia
Net Position by Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

| | Fiscal Year | | | | |
|--|--------------------|------------------|------------------|------------------|------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Governmental activities | | | | | |
| Net investment in capital assets | \$ 66,799 | \$ 67,960 | \$ 67,915 | \$ 72,176 | \$ 81,106 |
| Restricted | 7,681 | 6,199 | 5,819 | 6,090 | 7,732 |
| Unrestricted | (30,490) | (32,780) | (52,089) | (50,858) | (53,352) |
| Total governmental activities net position | \$ 43,990 | \$ 41,379 | \$ 21,645 | \$ 27,408 | \$ 35,486 |
| Business-type activities | | | | | |
| Net investment in capital assets | \$ 10,765 | \$ 10,303 | \$ 9,778 | \$ 9,275 | \$ 8,748 |
| Unrestricted | 845 | 1,066 | (1,514) | (2,055) | (2,682) |
| Total business-type activities net position | \$ 11,610 | \$ 11,369 | \$ 8,264 | \$ 7,220 | \$ 6,066 |
| Primary government | | | | | |
| Net investment in capital assets | \$ 77,564 | \$ 78,263 | \$ 77,693 | \$ 81,451 | \$ 89,854 |
| Restricted | 7,681 | 6,199 | 5,819 | 6,090 | 7,732 |
| Unrestricted | (29,645) | (31,714) | (53,603) | (52,913) | (56,034) |
| Total primary government net position | \$ 55,600 | \$ 52,748 | \$ 29,909 | \$ 34,628 | \$ 41,552 |

City of Placentia
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

| | Fiscal Year | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 4,974 | \$ 10,833 | \$ 10,516 | \$ 9,673 | \$ 9,248 |
| Public safety | 18,342 | 16,104 | 16,965 | 16,915 | 15,689 |
| Public works | 6,466 | 6,525 | 6,506 | 5,720 | 6,644 |
| Community development | 1,145 | 1,034 | 1,011 | 1,142 | 1,845 |
| Community services | - | - | - | - | - |
| Redevelopment | 2,077 | 658 | - | - | - |
| SERAF | 174 | - | - | - | - |
| Interest on long-term debt | 1,892 | 1,414 | 603 | 667 | 861 |
| Total governmental activities | <u>35,070</u> | <u>36,568</u> | <u>35,601</u> | <u>34,117</u> | <u>34,287</u> |
| Business-type activities: | | | | | |
| Refuse | 2,779 | 2,880 | 2,933 | 2,950 | 2,795 |
| Compressed natural gas | 464 | 100 | 137 | - | - |
| Sewer maintenance | 1,404 | 1,114 | 1,143 | 1,071 | 1,069 |
| Total business-type activities | <u>4,647</u> | <u>4,094</u> | <u>4,213</u> | <u>4,021</u> | <u>3,864</u> |
| Total primary government expenses | <u>\$ 39,717</u> | <u>\$ 40,662</u> | <u>\$ 39,814</u> | <u>\$ 38,138</u> | <u>\$ 38,151</u> |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services | | | | | |
| General government | \$ 3,003 | \$ 2,091 | \$ 2,268 | \$ 2,408 | \$ 2,053 |
| Public safety | 1,740 | 1,556 | 1,570 | 1,282 | 1,469 |
| Public works | 1,204 | 1,548 | 1,539 | 3,238 | 854 |
| Community development | 427 | 776 | 317 | 590 | 277 |
| Community services | - | - | - | - | - |
| Operating grants | 2,608 | 2,137 | 1,656 | 700 | 1,407 |
| Capital grants and contributions | 2,128 | 1,605 | 1,256 | 1,634 | 3,216 |
| Total governmental activities program revenues | <u>11,110</u> | <u>9,713</u> | <u>8,606</u> | <u>9,852</u> | <u>9,276</u> |
| Business-type activities: | | | | | |
| Charges for services | | | | | |
| Refuse | 2,432 | 2,730 | 2,749 | 2,865 | 2,874 |
| Compressed natural gas | 541 | 76 | 335 | 119 | 25 |
| Sewer maintenance | 778 | 858 | 876 | 884 | 819 |
| Total business-type activities program revenues | <u>3,751</u> | <u>3,664</u> | <u>3,960</u> | <u>3,868</u> | <u>3,718</u> |
| Total primary government program revenues | <u>\$ 14,861</u> | <u>\$ 13,377</u> | <u>\$ 12,566</u> | <u>\$ 13,720</u> | <u>\$ 12,994</u> |
| Net (expense)/revenue | | | | | |
| Governmental activities | \$ (23,960) | \$ (26,855) | \$ (26,995) | \$ (24,265) | \$ (25,011) |
| Business-type activities | (896) | (430) | (253) | (153) | (146) |
| Total primary government net expenses | <u>\$ (24,856)</u> | <u>\$ (27,285)</u> | <u>\$ (27,248)</u> | <u>\$ (24,418)</u> | <u>\$ (25,157)</u> |

City of Placentia
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

| | Fiscal Year | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 5,343 | \$ 10,579 | \$ 10,046 | \$ 9,346 | \$ 11,654 |
| Public safety | 18,556 | 19,188 | 18,114 | 20,547 | 26,139 |
| Public works | 7,445 | 7,246 | 4,328 | 2,466 | 4,926 |
| Community development | 1,373 | 1,904 | 1,068 | 1,502 | 1,640 |
| Community services | 1,263 | 1,318 | 1,690 | 4,401 | 1,757 |
| Redevelopment | - | - | - | - | - |
| SERAF | - | - | - | - | - |
| Interest on long-term debt | 837 | 783 | 717 | 588 | 475 |
| Total governmental activities | <u>34,817</u> | <u>41,018</u> | <u>35,963</u> | <u>38,850</u> | <u>46,591</u> |
| Business-type activities: | | | | | |
| Refuse | 2,555 | 2,571 | 3,034 | 3,164 | 3,127 |
| Compressed natural gas | - | - | - | - | - |
| Sewer maintenance | 1,418 | 954 | 1,943 | 1,593 | 1,836 |
| Total business-type activities | <u>3,973</u> | <u>3,525</u> | <u>4,977</u> | <u>4,757</u> | <u>4,963</u> |
| Total primary government expenses | <u>\$ 38,790</u> | <u>\$ 44,543</u> | <u>\$ 40,940</u> | <u>\$ 43,607</u> | <u>\$ 51,554</u> |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services | | | | | |
| General government | \$ 1,956 | \$ 2,136 | \$ 2,206 | \$ 2,356 | \$ 2,651 |
| Public safety | 1,340 | 1,092 | 1,078 | 742 | 771 |
| Public works | 679 | 597 | 670 | 1,100 | 776 |
| Community development | 1,211 | 1,074 | 1,251 | 1,011 | 1,670 |
| Community services | 221 | 194 | 314 | 213 | 145 |
| Operating grants | 4,744 | 4,637 | 4,575 | 7,709 | 9,588 |
| Capital grants and contributions | 145 | 465 | 4,528 | 1,117 | 2,994 |
| Total governmental activities program revenues | <u>10,296</u> | <u>10,195</u> | <u>14,622</u> | <u>14,251</u> | <u>18,595</u> |
| Business-type activities: | | | | | |
| Charges for services | | | | | |
| Refuse | 2,890 | 2,958 | 3,039 | 3,148 | 3,252 |
| Compressed natural gas | - | - | - | - | - |
| Sewer maintenance | 688 | 722 | 760 | 722 | 723 |
| Total business-type activities program revenues | <u>3,578</u> | <u>3,680</u> | <u>3,799</u> | <u>3,870</u> | <u>3,975</u> |
| Total primary government program revenues | <u>\$ 13,874</u> | <u>\$ 13,875</u> | <u>\$ 18,421</u> | <u>\$ 18,121</u> | <u>\$ 22,570</u> |
| Net (expense)/revenue | | | | | |
| Governmental activities | \$ (24,521) | \$ (30,823) | \$ (21,341) | \$ (24,598) | \$ (27,996) |
| Business-type activities | (395) | 155 | (1,178) | (887) | (988) |
| Total primary government net expenses | <u>\$ (24,916)</u> | <u>\$ (30,668)</u> | <u>\$ (22,519)</u> | <u>\$ (25,485)</u> | <u>\$ (28,984)</u> |

City of Placentia
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

| | Fiscal Year | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| General Revenues and | | | | | |
| Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Taxes | | | | | |
| Property | \$ 13,416 | \$ 12,452 | \$ 11,389 | \$ 11,804 | \$ 12,449 |
| Sales and use | 5,063 | 4,225 | 4,160 | 4,512 | 6,284 |
| Utility users | 2,767 | 2,851 | 2,863 | 2,800 | 2,874 |
| Franchise | 2,453 | 2,056 | 2,186 | 2,228 | 2,338 |
| Other | 771 | 805 | 998 | 1,029 | 1,177 |
| Miscellaneous | 126 | 1,386 | 1,359 | 1,336 | 1,451 |
| Investment income | 595 | 199 | 197 | 24 | 576 |
| Other | 2,339 | 1,047 | 2,918 | 708 | - |
| Special item | - | - | - | - | (2,764) |
| Contribution from Successor Agency | - | - | - | - | - |
| Extraordinary item | - | 10,880 | - | - | - |
| Transfers | 831 | 76 | 248 | 4 | 165 |
| Total governmental activities | 28,361 | 35,977 | 26,318 | 24,445 | 24,550 |
| Business-type activities | | | | | |
| Investment income | 8 | 8 | 5 | 2 | 5 |
| Special item | - | - | - | - | 2,764 |
| Gain on disposal of assets | - | - | - | - | - |
| Other | - | 75 | 75 | 75 | 75 |
| Transfers | (831) | (76) | (478) | (4) | (165) |
| Total business-type activities | (823) | 7 | (398) | 73 | 2,679 |
| Total primary government | \$ 27,538 | \$ 35,984 | \$ 25,920 | \$ 24,518 | \$ 27,229 |
| Change in Net Position | | | | | |
| Governmental activities | \$ 1,506 | \$ 8,982 | \$ 2,053 | \$ (566) | \$ 29 |
| Business-type activities | (1,253) | (246) | (551) | (73) | 2,284 |
| Total primary government | \$ 253 | \$ 8,736 | \$ 1,502 | \$ (639) | \$ 2,313 |

City of Placentia
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

| | Fiscal Year | | | | |
|--------------------------------------|-------------------|------------------|------------------|------------------|------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Revenues and | | | | | |
| Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Taxes | | | | | |
| Property | \$ 13,259 | \$ 13,972 | \$ 14,560 | \$ 15,478 | \$ 15,981 |
| Sales and use | 6,848 | 7,020 | 6,948 | 8,184 | 13,141 |
| Utility users | 2,750 | 2,637 | 2,545 | 2,461 | 2,362 |
| Franchise | 2,332 | 2,244 | 2,270 | 2,340 | 2,358 |
| Other | 1,258 | 1,365 | 1,316 | 1,267 | 1,047 |
| Miscellaneous | 35 | 41 | 125 | 136 | 447 |
| Investment income | 34 | 31 | 72 | 227 | 312 |
| Other - Gain on sale of property | - | - | - | - | 215 |
| Special item | - | - | - | - | - |
| Contribution from Successor Agency | - | - | - | - | 19 |
| Extraordinary item | (1,035) | - | - | - | - |
| Transfers | 646 | 402 | 251 | 268 | 192 |
| Total governmental activities | <u>26,127</u> | <u>27,712</u> | <u>28,087</u> | <u>30,361</u> | <u>36,074</u> |
| Business-type activities | | | | | |
| Investment income | 7 | 7 | 24 | 34 | 27 |
| Special item | - | - | - | - | - |
| Gain on disposal of assets | - | - | - | - | - |
| Other | 75 | - | - | - | - |
| Transfers | (646) | (402) | (251) | (192) | (192) |
| Total business-type activities | <u>(564)</u> | <u>(395)</u> | <u>(227)</u> | <u>(158)</u> | <u>(165)</u> |
| Total primary government | <u>\$ 25,563</u> | <u>\$ 27,317</u> | <u>\$ 27,860</u> | <u>\$ 30,203</u> | <u>\$ 35,909</u> |
| Change in Net Position | | | | | |
| Governmental activities | \$ (4,696) | \$ 6,371 | \$ 6,746 | \$ 30,361 | \$ 8,078 |
| Business-type activities | (409) | (1,573) | (1,405) | (158) | (1,153) |
| Total primary government | <u>\$ (5,105)</u> | <u>\$ 4,798</u> | <u>\$ 5,341</u> | <u>\$ 30,203</u> | <u>\$ 6,925</u> |

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City of Placentia
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

| | Fiscal Year | | | | | | | | |
|-------------------------------------|------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Fund | | | | | | | | | |
| Nonspendable | \$ 4,774 | \$ 4,368 | \$ 3,450 | \$ 4,104 | \$ 3,881 | \$ 3,354 | \$ 4,955 | \$ 4,706 | \$ 3,734 |
| Restricted | - | - | 439 | 1,030 | 1,030 | 1,024 | 1,019 | 571 | 555 |
| Committed | - | - | - | 119 | 3,600 | 3,600 | 3,400 | 4,528 | 5,811 |
| Assigned | - | - | - | 185 | 286 | 40 | - | - | - |
| Unassigned | 1,997 | 1,385 | 1,001 | 2,510 | 72 | 56 | (1,346) | 543 | 3,866 |
| | <u>\$ 6,771</u> | <u>\$ 5,753</u> | <u>\$ 4,890</u> | <u>\$ 7,948</u> | <u>\$ 8,869</u> | <u>\$ 8,074</u> | <u>\$ 8,028</u> | <u>\$ 10,349</u> | <u>\$ 13,966</u> |
| All Other Governmental Funds | | | | | | | | | |
| Nonspendable | \$ 96 | \$ 88 | \$ 84 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | 8,118 | 3,630 | 2,930 | 5,999 | 6,651 | 5,175 | 4,800 | 5,518 | 7,177 |
| Assigned | - | - | - | 485 | - | - | - | - | - |
| Unassigned | (2,441) | (2,196) | (761) | - | - | (368) | (531) | (1,045) | (1,552) |
| | <u>5,773</u> | <u>1,522</u> | <u>2,253</u> | <u>6,484</u> | <u>6,651</u> | <u>4,807</u> | <u>4,269</u> | <u>4,473</u> | <u>5,625</u> |
| | <u>\$ 12,544</u> | <u>\$ 7,275</u> | <u>\$ 7,143</u> | <u>\$ 14,432</u> | <u>\$ 15,520</u> | <u>\$ 12,881</u> | <u>\$ 12,297</u> | <u>\$ 14,823</u> | <u>\$ 19,591</u> |

City of Placentia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

| | Fiscal Year | | | | |
|--|--------------------|-------------------|-------------------|-----------------|-----------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Revenues | | | | | |
| Property Tax | \$ 13,415 | \$ 12,451 | \$ 11,389 | \$ 11,804 | \$ 12,449 |
| Sales Tax | 5,063 | 5,611 | 5,519 | 5,848 | 6,284 |
| Other Tax | 6,116 | 5,712 | 6,047 | 6,138 | 6,316 |
| Intergovernmental | 5,036 | 3,742 | 3,143 | 3,531 | 4,033 |
| Licenses and permits | 1,397 | 1,730 | 1,211 | 1,618 | 1,690 |
| Fines and forfeitures | 604 | 753 | 842 | 575 | 733 |
| Investment income | 595 | 423 | 161 | 210 | 177 |
| Charges for services | 2,343 | 2,370 | 1,800 | 1,912 | 2,228 |
| Other | 4,138 | 1,786 | 4,598 | 2,087 | 2,424 |
| Total Revenues | 38,707 | 34,578 | 34,710 | 33,723 | 36,334 |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | 3,958 | 4,690 | 4,275 | 4,409 | 6,432 |
| Public Safety | 15,322 | 15,978 | 16,845 | 16,853 | 16,500 |
| Public Works | 5,864 | 6,617 | 10,826 | 5,760 | 4,246 |
| Community development | 983 | 1,033 | 1,011 | 1,142 | 1,824 |
| Community services | - | - | - | - | - |
| Redevelopment | 1,775 | 659 | - | - | - |
| SERAF | 174 | - | - | - | - |
| Capital Outlay | 392 | 441 | 347 | 79 | 2,042 |
| Debt Service | | | | | |
| Principal | 1,420 | 1,186 | 355 | 723 | 1,070 |
| Interest | 1,759 | 1,617 | 594 | 577 | 813 |
| Other debt service | - | - | - | - | - |
| Total Expenditures | 31,647 | 32,221 | 34,253 | 29,543 | 32,927 |
| Excess of Revenues Over/(Under) Expenditures | 7,060 | 2,357 | 457 | 4,180 | 3,407 |
| Other Financing Sources/(Uses) | | | | | |
| Transfers In | 12,063 | 10,869 | 12,072 | 6,998 | 4,939 |
| Transfers Out | (14,263) | (17,020) | (17,827) | (11,310) | (4,552) |
| Proceeds from long-term debt | 5,784 | 399 | - | - | - |
| Other | - | 193 | - | - | (2,764) |
| Total Other Financing Sources | 3,584 | (5,559) | (5,755) | (4,312) | (2,377) |
| Extraordinary Items | - | - | - | - | - |
| Net Change in Fund Balances | \$ 10,644 | \$ (3,202) | \$ (5,298) | \$ (132) | \$ 1,030 |
| Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures | 11.32% | 9.67% | 2.88% | 4.62% | 6.49% |

City of Placentia
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

| | Fiscal Year | | | | |
|--|--------------------|-------------------|-----------------|-----------------|-----------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Revenues | | | | | |
| Property Tax | \$ 13,259 | \$ 13,972 | \$ 14,551 | \$ 15,478 | \$ 15,981 |
| Sales Tax | 7,257 | 7,020 | 6,948 | 10,646 | 13,141 |
| Other Tax | 6,318 | 6,222 | 6,043 | 3,548 | 5,708 |
| Intergovernmental | 2,998 | 3,572 | 6,487 | 7,530 | 8,459 |
| Licenses and permits | 1,733 | 1,572 | 1,702 | 1,922 | 2,454 |
| Fines and forfeitures | 1,154 | 1,297 | 592 | 613 | 819 |
| Investment income | 34 | 32 | 69 | 228 | 307 |
| Charges for services | 2,216 | 1,743 | 2,197 | 2,003 | 4,056 |
| Other | 2,108 | 1,892 | 2,151 | 2,289 | 2,327 |
| Total Revenues | <u>37,077</u> | <u>37,322</u> | <u>40,740</u> | <u>44,258</u> | <u>53,252</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | 6,571 | 10,450 | 8,109 | 7,889 | 8,389 |
| Public Safety | 17,880 | 18,436 | 19,156 | 18,718 | 23,442 |
| Public Works | 4,824 | 5,050 | 5,951 | 6,078 | 5,938 |
| Community development | 952 | 1,858 | 1,291 | 1,171 | 1,693 |
| Community services | 1,191 | 1,292 | 1,526 | 4,405 | 1,793 |
| Redevelopment | - | - | - | - | - |
| SERAF | - | - | - | - | - |
| Capital Outlay | 1,262 | 2,340 | 2,971 | 1,047 | 11,534 |
| Debt Service | | | | | |
| Principal | 1,333 | 1,654 | 1,855 | 2,105 | 1,177 |
| Interest | 837 | 783 | 717 | 587 | 475 |
| Other debt service | - | - | - | - | - |
| Total Expenditures | <u>34,850</u> | <u>41,863</u> | <u>41,576</u> | <u>42,000</u> | <u>54,441</u> |
| Excess of Revenues Over/(Under) Expenditures | <u>2,227</u> | <u>(4,541)</u> | <u>(836)</u> | <u>2,258</u> | <u>(1,189)</u> |
| Other Financing Sources/(Uses) | | | | | |
| Transfers In | 7,000 | 8,010 | 4,778 | 1,515 | 1,882 |
| Transfers Out | (6,354) | (7,607) | (4,527) | (1,247) | (1,690) |
| Proceeds from long-term debt | 251 | - | - | - | 5766 |
| Other | - | - | - | - | - |
| Total Other Financing Sources | <u>897</u> | <u>403</u> | <u>251</u> | <u>268</u> | <u>5,958</u> |
| Extraordinary Items | <u>(2,035)</u> | <u>1,500</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u>\$ 1,089</u> | <u>\$ (2,638)</u> | <u>\$ (585)</u> | <u>\$ 2,526</u> | <u>\$ 4,769</u> |
| Ratio of Total Debt Service Expenditures to Total Noncapital Expenditures | 6.91% | 6.57% | 7.14% | 7.04% | 4.00% |

City of Placentia
Revenues by Source - General Fund
Last Ten Fiscal Years
(modified accrual basis of accounting)

| Fiscal Year | Property Taxes | Sales and Use Taxes | Other Taxes | Licenses and Permits | Fines Forfeitures & Penalties | Use of Money and Property |
|--------------------|---------------------------|------------------------------------|------------------------|-------------------------------------|--|--|
| 2009-10 | \$ 11,185,541 | \$ 3,930,224 | \$ 1,960,357 | \$ 2,445,469 | \$ 788,012 | \$ 34,236 |
| 2010-11 | 11,143,701 | 5,063,285 | 3,261,866 | 1,397,396 | 542,172 | 514,827 |
| 2011-12 | 11,160,051 | 5,611,105 | 2,860,703 | 1,730,070 | 595,239 | 391,869 |
| 2012-13 | 11,388,950 | 5,518,907 | 3,183,996 | 1,210,722 | 468,229 | 160,212 |
| 2013-14 | 11,804,238 | 5,847,742 | 3,338,556 | 1,618,068 | 459,123 | 206,104 |
| 2014-15 | 12,448,958 | 6,207,771 | 3,394,915 | 1,690,191 | 484,676 | 170,892 |
| 2015-16 | 13,259,241 | 7,257,004 | 3,550,183 | 1,733,049 | 542,253 | - |
| 2016-17 | 13,971,691 | 7,019,906 | 3,578,424 | 1,571,584 | 587,005 | - |
| 2017-18 | 14,551,076 | 6,948,279 | 6,042,998 | 1,701,878 | 562,390 | - |
| 2018-19 | 15,477,587 | 10,646,104 | 3,547,567 | 1,922,689 | 438,581 | - |
| 2019-20 | 15,980,879 | 13,140,914 | 5,708,333 | 2,453,827 | 418,752 | - |

* Investment Earnings and Rents previously reported as Use of Money and Property. Leases previously reported as Other Revenues.

City of Placentia
Revenues by Source - General Fund (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

| Fiscal Year | Investment Earnings* | Leases and Rents* | Inter-governmental Revenue | Charges for Current Services | Other Revenues | Totals |
|--------------------|-----------------------------|--------------------------|-----------------------------------|-------------------------------------|-----------------------|---------------|
| 2009-10 | \$ - | \$ - | \$ 460,128 | \$ 935,521 | \$ 109,395 | \$ 21,848,883 |
| 2010-11 | - | - | 537,577 | 1,648,767 | 2,492,821 | 26,602,412 |
| 2011-12 | - | - | 54,850 | 1,350,666 | 1,239,397 | 24,993,950 |
| 2012-13 | - | - | 127,867 | 1,256,723 | 4,597,034 | 27,912,640 |
| 2013-14 | - | - | 58,058 | 1,189,249 | 1,571,109 | 26,092,247 |
| 2014-15 | - | - | 224,246 | 1,383,803 | 1,778,619 | 27,784,071 |
| 2015-16 | 24,157 | 670,631 | 466,271 | 1,091,250 | 1,053,220 | 29,647,259 |
| 2016-17 | 3,645 | 1,199,161 | 297,831 | 863,387 | 629,737 | 29,722,371 |
| 2017-18 | 31,161 | 1,255,240 | 252,963 | 1,284,507 | 708,662 | 33,339,154 |
| 2018-19 | 164,724 | 1,230,532 | 353,354 | 1,070,821 | 944,874 | 35,796,833 |
| 2019-20 | 170,567 | 1,211,622 | 701,864 | 885,206 | 885,076 | 41,557,041 |

* Investment Earnings and Rents previously reported as Use of Money and Property. Leases previously reported as Other Revenues.

City of Placentia
Assessed Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)

| Fiscal Year Ended June 30 | City | | | Taxable Assessed Value | Direct Rate |
|--|----------------|---------------------------|------------------|---------------------------------------|------------------------|
| | Secured | Public Utility | Unsecured | | |
| 2011 | \$ 4,795,523 | 390 | \$ 172,060 | \$ 4,967,973 | 0.1644 |
| 2012 | 4,849,370 | 390 | 157,793 | 5,007,553 | 0.1644 |
| 2013 | 4,934,183 | 292 | 145,927 | 5,080,402 | 0.1644 |
| 2014 | 5,065,170 | 292 | 141,308 | 5,206,770 | 0.1644 |
| 2015 | 5,359,402 | 292 | 155,890 | 5,515,584 | 0.1644 |
| 2016 | 5,706,871 | 292 | 169,843 | 5,877,006 | 0.1644 |
| 2017 | 5,948,117 | 292 | 186,698 | 6,135,107 | 0.1644 |
| 2018 | 6,259,165 | 292 | 183,716 | 6,443,173 | 0.1644 |
| 2019 | 6,564,402 | 544 | 210,294 | 6,775,240 | 0.1644 |
| 2020 | 6,862,623 | 544 | 189,948 | 7,053,115 | 0.1524 |

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 re-assessed 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.

City of Placentia
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Placentia City | 0.1340 | 0.1340 | 0.1340 | 0.1340 | 0.1340 | 0.1340 | 0.1340 | 0.1340 | 0.1340 | 0.1340 |
| Placentia City Street Lighting Reorg. | 0.0304 | 0.0304 | 0.0304 | 0.0304 | 0.0304 | 0.0304 | 0.0304 | 0.0304 | 0.0304 | 0.0304 |
| Direct City Rate | 0.1644 |
| Overlapping Rates: | | | | | | | | | | |
| OC Water District - Water Reserve | 0.0001 | 0.0001 | 0.0001 | 0.0001 | 0.0001 | 0.0001 | 0.0001 | 0.0001 | 0.0001 | 0.0001 |
| OC Vector Control | 0.0011 | 0.0011 | 0.0011 | 0.0011 | 0.0011 | 0.0011 | 0.0011 | 0.0011 | 0.0011 | 0.0011 |
| OC Transportation Authority | 0.0026 | 0.0026 | 0.0026 | 0.0026 | 0.0026 | 0.0026 | 0.0026 | 0.0026 | 0.0026 | 0.0026 |
| Orange County Water District | 0.0080 | 0.0080 | 0.0080 | 0.0080 | 0.0080 | 0.0080 | 0.0080 | 0.0080 | 0.0080 | 0.0080 |
| OC Harbor Beaches & Parks | 0.0144 | 0.0144 | 0.0144 | 0.0144 | 0.0144 | 0.0144 | 0.0144 | 0.0144 | 0.0144 | 0.0144 |
| OC Department of Education | 0.0171 | 0.0171 | 0.0171 | 0.0171 | 0.0171 | 0.0171 | 0.0171 | 0.0171 | 0.0171 | 0.0171 |
| Orange County Flood Control | 0.0186 | 0.0186 | 0.0186 | 0.0186 | 0.0186 | 0.0186 | 0.0186 | 0.0186 | 0.0186 | 0.0186 |
| OC Sanitation District #2 Operating | 0.0309 | 0.0309 | 0.0309 | 0.0309 | 0.0309 | 0.0309 | 0.0309 | 0.0309 | 0.0309 | 0.0309 |
| Placentia Library District | 0.0376 | 0.0376 | 0.0376 | 0.0376 | 0.0376 | 0.0376 | 0.0376 | 0.0376 | 0.0376 | 0.0376 |
| Orange County General Fund | 0.0579 | 0.0579 | 0.0579 | 0.0579 | 0.0579 | 0.0579 | 0.0579 | 0.0579 | 0.0579 | 0.0579 |
| North OC Comm. College General Fund | 0.0655 | 0.0655 | 0.0655 | 0.0655 | 0.0655 | 0.0655 | 0.0655 | 0.0655 | 0.0655 | 0.0655 |
| Education Revenue Augmentation Fund | 0.1876 | 0.1876 | 0.1876 | 0.1876 | 0.1876 | 0.1876 | 0.1876 | 0.1876 | 0.1876 | 0.1876 |
| Placentia Yorba Linda Unified Gen. Fund | 0.3943 | 0.3943 | 0.3943 | 0.3943 | 0.3943 | 0.3943 | 0.3943 | 0.3943 | 0.3943 | 0.3943 |
| Total Direct City and Overlapping Rate | 1.0000 |
| Metropolitan Water District | 0.0037 | 0.0037 | 0.0035 | 0.0035 | 0.0035 | 0.0035 | 0.0035 | 0.0035 | 0.0035 | 0.0035 |
| Placentia Yorba Linda Unified | 0.0580 | 0.0585 | 0.0620 | 0.0653 | 0.0582 | 0.0567 | 0.0548 | 0.0553 | 0.0526 | 0.0485 |
| N. Orange County Community College | 0.0176 | 0.0174 | 0.0190 | 0.0170 | 0.0170 | 0.0304 | 0.0289 | 0.0293 | 0.0283 | 0.0241 |
| Total Rate | 1.0793 | 1.0796 | 1.0845 | 1.0858 | 1.0787 | 1.0906 | 1.0871 | 1.0881 | 1.0844 | 1.0761 |

Note:

In 1978, the voters of the State of California passed Proposition 13 which set 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.

City of Placentia
Principal Property Taxpayers
Current and Nine Years Ago
(amounts expressed in thousands)

| | 2020 | | | Taxpayer | 2011 | | |
|-----------------------------------|------------------------|---------------------|--|---------------------------------|------------------------|---------------------|--|
| | Taxable Assessed Value | Estimated Total Tax | Percent of Total City Taxable Assessed Value | | Taxable Assessed Value | Estimated Total Tax | Percent of Total City Taxable Assessed Value |
| Fairfield Placentia Place LLC | \$ 109,068 | \$ 1,091 | 1.55% | OC of SD Holdings | \$ 63,819 | \$ 638 | 1.29% |
| Placentia 422 | 58,814 | 588 | 0.83% | Placentia 422 | 50,827 | 508 | 1.02% |
| Villa Angelina Apartment Fund LTD | 56,251 | 563 | 0.80% | Villa Tierra Apartments LLC | 33,438 | 334 | 0.67% |
| MG Union Place Apartments LLC | 46,038 | 460 | 0.65% | Placentia-Linda Hospital Inc. | 29,932 | 299 | 0.60% |
| Placentia-Linda Hospital Inc. | 42,285 | 423 | 0.60% | Donahue Schriber Realty Group | 24,349 | 243 | 0.49% |
| Sedona-Placentia Owner LLC | 38,474 | 385 | 0.55% | Inland Western Placentia LLC | 22,100 | 221 | 0.44% |
| NMC Placentia LLC | 36,440 | 364 | 0.52% | Reef Imperial Rose Inc. | 19,819 | 198 | 0.40% |
| Arlon Graphics LLC | 32,938 | 329 | 0.47% | Western B West California LLC | 14,558 | 146 | 0.29% |
| Reef Imperial Rose Inc. | 30,685 | 307 | 0.44% | Greka Oil and Gas Inc. | 14,494 | 145 | 0.29% |
| Donahue Schriber Realty Group | 28,517 | 285 | 0.40% | Bradford Terrace Placentia Apts | 14,279 | 143 | 0.29% |
| | <u>\$ 479,510</u> | <u>\$ 4,795</u> | <u>6.80%</u> | | <u>\$ 287,615</u> | <u>\$ 2,876</u> | <u>5.79%</u> |

City of Placentia
Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---------------------------------|--|---|--------------------|--|---------------------------|--------------------|
| | | Amount | Percent of Levy | | Amount | Percent of Levy |
| 2011 | \$ 13,612,265 | \$ 13,551,901 | 99.56% | N/A | N/A | N/A |
| 2012 | 14,121,383 | 13,695,151 | 96.98% | N/A | N/A | N/A |
| 2013 | 12,064,669 | 11,889,799 | 98.55% | N/A | N/A | N/A |
| 2014 | 12,294,236 | 12,266,287 | 99.77% | N/A | N/A | N/A |
| 2015 | 13,012,736 | 12,973,298 | 99.70% | N/A | N/A | N/A |
| 2016 | 12,742,715 | 13,529,800 | 106.18% | N/A | N/A | N/A |
| 2017 | 12,831,914 | 12,865,221 | 100.26% | N/A | N/A | N/A |
| 2018 | 13,471,679 | 13,421,607 | 99.63% | N/A | N/A | N/A |
| 2019 | 18,264,702 | 10,124,750 | 55.43% | N/A | N/A | N/A |
| 2020 | 14,623,234 | 14,675,128 | 100.35% | N/A | N/A | N/A |

Note:

The amounts presented include City property taxes, In-Lieu Vehicle License Fees, and "triple flip" property tax revenue in lieu of sales tax. 2016 includes final payment of "triple flip" property tax revenue.

City of Placentia
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | Percent of Assessed Valuation | Per Capita | Percent of Personal Income |
|-------------|--------------------------------|----------------|-------------------------------|--------------------------|--------------------------|-------------------------------|------------|----------------------------|
| | Tax Allocation Bonds and Notes | Capital Leases | Certificates of Participation | Capital Leases | Total Primary Government | | | |
| 2011 | \$ 17,790 | \$ - | \$ 12,336 | \$ - | \$ 30,126 | 0.606% | \$ 576 | 1.97% |
| 2012 | 4,202 | 299 | 11,341 | - | 15,842 | 0.316% | 310.12 | 1.04% |
| 2013 | 4,062 | 189 | 10,471 | - | 14,722 | 0.290% | 284.34 | 0.97% |
| 2014 | 3,870 | 75 | 9,572 | - | 13,517 | 0.260% | 259.47 | 0.89% |
| 2015 | 3,579 | 41 | 9,147 | - | 12,767 | 0.231% | 245.12 | 0.83% |
| 2016 | 3,063 | 218 | 8,697 | - | 11,978 | 0.204% | 229.19 | 0.76% |
| 2017 | 2,242 | 162 | 8,237 | - | 10,641 | 0.173% | 203.59 | 0.66% |
| 2018 | 1,226 | 1,325 | 7,737 | - | 10,288 | 0.160% | 195.01 | 0.60% |
| 2019 | - | 1,144 | 7,680 | - | 8,824 | 0.130% | 168.61 | 0.49% |
| 2020 | - | 6,154 | 7,095 | - | 13,249 | 0.188% | 257.29 | 0.70% |

City of Placentia
Direct and Overlapping Governmental Activity Debt
As of June 30, 2020

| | | |
|---|----|-----------|
| 2019-20 Assessed Valuation: | \$ | 6,775,070 |
| Successor Agency Incremental Valuation: | | 342,392 |
| Adjusted Assessed Valuation: | \$ | 6,432,678 |

| DIRECT DEBT: | Total Debt 06/30/20 | % Applicable (1) | City's Share of Debt 6/30/20 |
|--|------------------------|------------------|---------------------------------|
| Capital Leases | \$ 6,153,756 | 100.00% | \$ 6,153,756 |
| Certificates of Participation | 7,095,000 | 100.00% | 7,095,000 |
| | | | \$ 13,248,756 |
| OVERLAPPING TAX AND ASSESSMENT DEBT: | | | |
| Placentia -Yorba Linda Unified 2002, 2008, and 2012 Bond | \$ 221,543,976 | 22.144% | \$ 49,058,698 |
| Metropolitan Water District | \$ 7,543,176 | 1.209% | \$ 91,197 |
| N. OC Community College Bond 2002, 2005, 2014 Bond | \$ 278,074,457 | 5.203% | \$ 14,468,214 |
| TOTAL OVERLAPPING DEBT | | | \$ 63,618,109 |
| TOTAL DIRECT AND OVERLAPPING DEBT | | | \$ 76,866,865 |

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

Ratios of Direct vs. Overlapping Debt

| | |
|------------------|---------|
| Direct Debt | 17.24% |
| Overlapping Debt | 82.76% |
| Total Debt | 100.00% |

Ratios of Debt to Assessed Valuation

| | |
|------------------|-------|
| Direct Debt | 0.18% |
| Overlapping Debt | 0.88% |
| Total Debt | 1.06% |

City of Placentia
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for the Current Year

| | | |
|--------------------------------------|----|---------------|
| Assessed value | \$ | 7,242,533,892 |
| Debt limit (3.75% of assessed value) | | 271,595,021 |
| Debt applicable to limit | | - |
| Legal debt margin - Current Year | \$ | 271,595,021 |

| Fiscal Year | Debt Limit | Debt Applicable to Limit | Legal Debt Margin | Debt as Percentage of Limit |
|-------------|----------------|--------------------------|-------------------|-----------------------------|
| 2010 | \$ 186,295,449 | \$ - | \$ 186,295,449 | 0% |
| 2011 | 191,977,149 | - | 191,977,149 | 0% |
| 2012 | 187,783,433 | - | 187,783,433 | 0% |
| 2013 | 181,800,203 | - | 181,800,203 | 0% |
| 2014 | 186,635,310 | - | 186,635,310 | 0% |
| 2015 | 213,385,760 | - | 213,385,760 | 0% |
| 2016 | 220,387,742 | - | 220,387,742 | 0% |
| 2017 | 230,066,512 | - | 230,066,512 | 0% |
| 2018 | 248,734,552 | - | 248,734,552 | 0% |
| 2019 | 261,192,507 | - | 261,192,507 | 0% |
| 2020 | 271,595,021 | - | 271,595,021 | 0% |

Note: The City charter includes a debt limit of 15%; however, at the time the charter was established, only 25% of the market value was used. For the purpose of determining the debt limit, the City is following the intent of the charter and reducing the debt limit to 3.75% of assessed valuation.

City of Placentia
Demographics and Economic Statistics
Last Ten Calendar Years
(personal income in thousands, except per capita)

| Calendar Year | City Population | Personal Income | Per Capita Personal Income | Unemployment Rate |
|----------------------|------------------------|------------------------|-----------------------------------|--------------------------|
| 2009 | 51,869 | \$ 1,600,275 | \$ 30,852 | 8.0% |
| 2010 | 52,305 | 1,530,078 | 29,253 | 8.5% |
| 2011 | 51,084 | 1,526,645 | 29,885 | 7.7% |
| 2012 | 51,776 | 1,525,217 | 29,458 | 5.0% |
| 2013 | 52,094 | 1,511,507 | 29,015 | 4.4% |
| 2014 | 52,084 | 1,540,384 | 29,575 | 6.2% |
| 2015 | 52,263 | 1,567,115 | 29,985 | 5.1% |
| 2016 | 52,268 | 1,614,628 | 30,891 | 4.5% |
| 2017 | 52,755 | 1,716,075 | 32,529 | 3.5% |
| 2018 | 52,333 | 1,805,719 | 34,504 | 3.0% |
| 2019 | 51,494 | 1,899,759 | 36,892 | 2.9% |

Sources: City Population - State Department of Finance
 Unemployment Rate - California Employment Development Department
 HDL, Coren Cone

City of Placentia
Taxable Sales by Category
Last Ten Calendar Years
(amounts expressed in thousands)

| | Fiscal Year | | | | |
|----------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| General Merchandise | \$ 6,554 | \$ 6,339 | \$ 6,227 | \$ 6,482 | \$ 6,459 |
| Food Stores | 15,107 | 16,462 | 17,718 | 17,541 | 17,898 |
| Eating and Drinking Places | 60,571 | 61,511 | 61,816 | 62,479 | 66,582 |
| Building Materials | 28,216 | 36,868 | 39,460 | 37,884 | 48,092 |
| Auto Dealers and Supplies | 63,210 | 66,736 | 69,200 | 78,924 | 85,659 |
| Service Stations | 51,876 | 68,726 | 83,112 | 80,210 | 78,562 |
| Other Retail Stores | 55,636 | 56,075 | 55,311 | 63,164 | 64,434 |
| All Other Outlets | 174,333 | 182,705 | 192,626 | 197,944 | 213,510 |
| Total | \$ 455,503 | \$ 495,422 | \$ 525,470 | \$ 544,628 | \$ 581,196 |

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's sales tax revenue.

HDL Taxable Sales by Category HDL

City of Placentia
Taxable Sales by Category (Continued)
Last Ten Calendar Years
(amounts expressed in thousands)

| | Fiscal Year | | | | |
|----------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| General Merchandise | \$ 6,635 | \$ 6,759 | \$ 7,178 | \$ 7,440 | \$ 7,649 |
| Food Stores | 18,529 | 17,919 | 17,102 | 17,530 | 18,363 |
| Eating and Drinking Places | 79,730 | 84,676 | 85,373 | 83,083 | 87,912 |
| Building Materials | 38,156 | 55,996 | 60,664 | 68,803 | 74,767 |
| Auto Dealers and Supplies | 105,341 | 107,146 | 104,963 | 82,789 | 72,781 |
| Service Stations | 70,961 | 62,495 | 68,101 | 74,924 | 73,200 |
| Other Retail Stores | 60,419 | 70,775 | 74,578 | 75,597 | 76,411 |
| All Other Outlets | 255,719 | 240,166 | 234,501 | 245,115 | 268,067 |
| Total | \$ 635,490 | \$ 645,932 | \$ 652,460 | \$ 655,281 | \$ 679,150 |

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's sales tax revenue.

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City of Placentia
Budgeted Full-Time Employees by Department
Last Ten Fiscal Years

| Department | Fiscal Year | | | | | | | | | |
|----------------------|-------------|--------|--------|-------|--------|--------|--------|--------|--------|--------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| City Clerk | 2.00 | 2.00 | 2.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 | - | 2.00 |
| Administration | 7.00 | 7.00 | 7.00 | 6.00 | 8.00 | 7.00 | 7.00 | 11.50 | 9.50 | 10.50 |
| Finance | 7.00 | 7.00 | 7.00 | 7.00 | 6.00 | 7.00 | 7.00 | 8.00 | 8.00 | 8.00 |
| Development Services | 3.00 | 3.00 | 3.00 | - | - | 4.00 | 4.75 | 6.50 | 8.50 | 8.50 |
| Police | 62.00 | 67.00 | 68.00 | 62.00 | 67.00 | 69.50 | 74.50 | 80.00 | 76.00 | 84.00 |
| Public Works | 22.00 | 22.00 | 22.00 | 19.00 | 18.00 | 19.00 | 20.25 | 20.75 | 20.00 | 22.00 |
| Community Services | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 6.00 | 6.50 | 7.25 | 7.00 | 7.00 |
| Total | 107.00 | 112.00 | 113.00 | 99.00 | 105.00 | 114.50 | 122.00 | 136.00 | 129.00 | 142.00 |

City of Placentia
Operating Indicators by Function
Last Ten Fiscal Years

| Function/Program | Fiscal Year | | | | |
|---------------------------------|-------------|---------|---------|---------|---------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Police | | | | | |
| Physical arrests | 2,170 | 2,067 | 1,289 | 1,600 | 1,732 |
| Parking citations | 7,971 | 8,211 | 6,970 | 7,147 | 11,141 |
| Traffic citations | 5,628 | 4,819 | 3,366 | 3,330 | 2,498 |
| Community Development | | | | | |
| Building Permits | 646 | 657 | 776 | 808 | 1,411 |
| Building and Zoning Inspections | 112 | 133 | 145 | 97 | 178 |
| Public Works | | | | | |
| Feet of Sewer Main Cleaned | 401,280 | 401,280 | 401,280 | 401,280 | 401,280 |
| Streetsweeping Miles | 21,684 | 21,684 | 21,684 | 21,684 | 21,684 |
| Traffic Signals Maintained | 57 | 57 | 57 | 57 | 57 |
| Culture and Recreation | | | | | |
| Recreation Classes | 585 | 659 | 704 | 710 | 787 |

City of Placentia
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

| Function/Program | Fiscal Year | | | | |
|---------------------------------|-------------|---------|---------|---------|---------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Police | | | | | |
| Physical arrests | 1,373 | 1,250 | 1,381 | 1,282 | 1,053 |
| Parking citations | 12,729 | 13,161 | 2,359 | 7,398 | 4,646 |
| Traffic citations | 2,060 | 1,824 | 2,659 | 7,707 | 1,601 |
| Community Development | | | | | |
| Building Permits | 1,472 | 1,268 | 1,347 | 1,263 | 1,407 |
| Building and Zoning Inspections | 133 | 128 | 87 | 92 | 126 |
| Public Works | | | | | |
| Feet of Sewer Main Cleaned | 401,280 | 249,134 | 385,510 | 318,118 | 396,000 |
| Streetsweeping Miles | 21,684 | 21,684 | 7,955 | 7,955 | 8,772 |
| Traffic Signals Maintained | 57 | 57 | 61 | 61 | 63 |
| Culture and Recreation | | | | | |
| Recreation Classes | 747 | 727 | 645 | 610 | 577 |

City of Placentia
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

| Function/Program | Fiscal Year | | | | |
|-------------------------------|-------------|-------|-------|-------|-------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Public Safety | | | | | |
| Police Stations | 1 | 1 | 1 | 1 | 1 |
| Sworn Officers | 50 | 46 | 47 | 46 | 46 |
| Patrol Vehicles | 26 | 26 | 26 | 26 | 26 |
| Fire Stations | 2 | 2 | 2 | 2 | 2 |
| Highways and Streets | | | | | |
| Miles of Streets | 107 | 107 | 107 | 107 | 107 |
| Street Trees | 9,214 | 9,214 | 9,214 | 9,214 | 9,214 |
| Traffic Signals | 229 | 229 | 229 | 229 | 229 |
| Street Lights | 3,656 | 3,656 | 3,656 | 3,656 | 3,656 |
| Sewer | | | | | |
| Miles of Sanitary Sewers | 76 | 76 | 76 | 76 | 76 |
| Storm Drains | 506 | 506 | 506 | 506 | 506 |
| Culture and Recreation | | | | | |
| Parks | 16 | 16 | 16 | 16 | 16 |
| Area of Parks (Acres) | 72.9 | 72.9 | 72.9 | 72.9 | 72.9 |
| Community Buildings | 7 | 7 | 7 | 7 | 7 |
| Community Centers | 3 | 3 | 3 | 3 | 3 |
| Senior Center | 1 | 1 | 1 | 1 | 1 |
| Baseball Diamonds | 7 | 7 | 7 | 7 | 7 |
| Basketball Courts | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 |
| Soccer Fields | 1 | 1 | 1 | 1 | 1 |
| Pools | 2 | 2 | 2 | 2 | 2 |
| Gymnasiums | 1 | 1 | 1 | 1 | 1 |

City of Placentia
Capital Asset Statistics by Function/Program (Continued)
Last Ten Fiscal Years

| Function/Program | Fiscal Year | | | | |
|-------------------------------|-------------|-------|-------|-------|-------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Public Safety | | | | | |
| Police Stations | 1 | 1 | 1 | 1 | 1 |
| Sworn Officers | 46 | 46 | 51 | 51 | 46 |
| Patrol Vehicles | 26 | 26 | 32 | 32 | 33 |
| Fire Stations | 2 | 2 | 2 | 2 | 2 |
| Highways and Streets | | | | | |
| Miles of Streets | 107 | 107 | 107 | 132 | 132 |
| Street Trees | 9,214 | 9,214 | 9,139 | 7,175 | 7,077 |
| Traffic Signals | 229 | 229 | 230 | 230 | 230 |
| Street Lights | 3,656 | 3,656 | 3,660 | 3,660 | 3,656 |
| Sewer | | | | | |
| Miles of Sanitary Sewers | 76 | 76 | 76 | 76 | 84 |
| Storm Drains | 506 | 506 | 506 | 506 | 506 |
| Culture and Recreation | | | | | |
| Parks | 16 | 16 | 16 | 16 | 15 |
| Area of Parks (Acres) | 72.9 | 72.9 | 72.9 | 100.9 | 60.9 |
| Community Buildings | 7 | 7 | 7 | 7 | 7 |
| Community Centers | 3 | 3 | 3 | 3 | 3 |
| Senior Center | 1 | 1 | 1 | 1 | 1 |
| Baseball Diamonds | 7 | 7 | 7 | 7 | 7 |
| Basketball Courts | 7.5 | 7.5 | 7.5 | 7.5 | 7 |
| Soccer Fields | 1 | 1 | 1 | 1 | 1 |
| Pools | 2 | 2 | 2 | 2 | 2 |
| Gymnasiums | 1 | 1 | 1 | 1 | 1 |

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**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***

Independent Auditors' Report

To the Honorable Mayor and Members of the City Council
of the City of Placentia
Placentia, 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 the City of Placentia, California (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon February 9, 2021.

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 the 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 City'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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
of the City of Placentia
Placentia, California
Page 2

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.

The PwC Group, LLP

Santa Ana, California
February 9, 2021



Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL
VIA: CITY ADMINISTRATOR
FROM: DIRECTOR OF FINANCE
DATE: FEBRUARY 16, 2021
SUBJECT: **MID-YEAR BUDGET REPORT**

FISCAL
IMPACT:

| Fund | Revenues (Including Transfers-In) | Appropriations (Including Capital & Transfers-Out) |
|------------------|---|---|
| General Fund | \$1,121,447 | \$1,738,580 |
| Special Revenue | \$3,791,555 | \$3,012,890 |
| Capital Projects | \$123,142 | \$0 |
| Internal Service | \$235,102 | \$348,413 |
| Other Agencies | \$1,818,005 | \$1,818,005 |
| Total | \$7,089,252 | \$6,917,888 |

SUMMARY:

Upon the deliberation and adoption of the Fiscal Year 2020-21 Budget, Staff indicated that due to the unknown effects of COVID-19, Staff would establish a conservative General Fund operational budget and present comprehensive quarterly reports. This mid-year report is developed and presented to the Council to provide the most current information on the financial activities of the City on which to base decisions. Additionally, these types of quarterly reports assist City departments in communicating their financial operations throughout the fiscal year including any program changes and significant impacts to their annual budgets, as well as gauging the City's budget plan as compared to actual revenue and expenditures. This report includes requested departmental budget adjustments and preliminary year-to-date actuals through the second quarter of 2020-21, covering the period through December 31, 2020.

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Approve Resolution No. R-2021-XX, a Resolution of the City Council of the City of Placentia, California authorizing a budget amendment in Fiscal Year 2020-21 in compliance with City Charter of the City of Placentia Section 1206 pertaining to appropriations for actual expenditures; and

3. c.
February 16, 2021

2. Direct Staff to return to Council to amend the City’s position allocation plan.

It is recommended that the Placentia Public Financing Authority (PPFA) take the following action:

1. Approve the Mid-Year Budget Report and adopt Resolution No. PPFA-2021-XX, a Resolution of the Placentia Public Financing Authority of the City of Placentia, California taking actions necessary to adopt the Fiscal Year 2020-21 Annual Budget.

DISCUSSION:

General Fund: The General Fund 2020-21 Amended Budget includes revenues of \$39.6 million and expenditures of \$37.9 million. The proposed budget adjustments in the 2020-21 Mid-Year Budget Report include an increase in revenues of \$1.1 million and an increase in expenditures of \$1.7 million. Approval of this item will result in a net decrease of \$617,132 in the General Fund budgetary fund balance to a total of \$12.5 million.

| General Fund | Budgeted Sources | | | |
|-------------------------------|----------------------|----------------------------|-------------------------|-------------------|
| | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed |
| Revenue | | | | |
| Property Taxes | 16,470,800 | - | - | 16,470,800 |
| Sales & Use Taxes | 6,138,000 | - | 707,647 | 6,845,647 |
| Other Taxes | 6,508,000 | - | - | 6,508,000 |
| Permits | 915,000 | - | 315,000 | 1,230,000 |
| Fines & Forfeitures | 444,000 | - | - | 444,000 |
| Intergovernmental | 231,000 | - | 134,000 | 365,000 |
| Charges for Services | 1,041,000 | - | - | 1,041,000 |
| Miscellaneous | 3,439,399 | - | (700,000) | 2,739,399 |
| Total Revenue | 35,187,199 | - | 456,647 | 35,643,846 |
| Transfers In | 1,623,103 | - | - | 1,623,103 |
| Measure U Transfers-In | | | | |
| Reserve Contribution | 1,019,000 | - | 332,400 | 1,351,400 |
| Employee Retention | 1,019,188 | - | 332,400 | 1,351,588 |
| OPEB | 735,000 | - | - | 735,000 |
| Total Transfers In | 4,396,291 | - | 664,800 | 5,061,091 |
| Total Sources | 39,583,490 | - | 1,121,447 | 40,704,937 |

Revenue budget adjustment requests include the following:

- Sales & Use Taxes – an increase of \$707,647 due to revised estimates provided by the City’s sales tax consultant based upon actuals to date.
- Permits – an increase of \$315,000 due to the receipt of building permit fees from a large development that were not included in the adopted 2020-21 budget.

- Intergovernmental – an increase of \$134,000 due to the award of Prop 69 funds.
- Miscellaneous – a decrease of \$700,000 of bond proceeds to accurately report the Pension UAL lease revenue bonds transaction in the Placentia Public Financing Authority budget.
- Measure U Transfers-In – an increase of \$664,800 due to revised estimates provided by the City’s sales tax consultant based upon actuals to date.

| General Fund | Budgeted Requirements | | | |
|------------------------------------|-----------------------|----------------------------|-------------------------|-------------------|
| | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed |
| Department | | | | |
| Legislative | 1,080,100 | - | - | 1,080,100 |
| Administration | 4,848,690 | - | 183,766 | 5,032,456 |
| Finance | 1,180,085 | - | - | 1,180,085 |
| Development Services | 1,223,421 | - | 27,864 | 1,251,285 |
| Public Safety - Police | 12,031,588 | - | 296,211 | 12,327,799 |
| Public Safety - Animal Control | 327,000 | - | - | 327,000 |
| Fire & Life Safety | 3,778,036 | - | 162,368 | 3,940,403 |
| Public Works | 4,401,974 | - | 185,108 | 4,587,083 |
| Community Services | 1,785,498 | - | 80,000 | 1,865,498 |
| General Government | 4,002,914 | - | 320,500 | 4,323,414 |
| Debt Service | 2,196,900 | - | 418,005 | 2,614,905 |
| Total Department | 36,856,205 | - | 1,673,822 | 38,530,028 |
| Capital Improvement Program | 752,188 | - | 64,757 | 816,945 |
| Transfers Out | 275,000 | - | - | 275,000 |
| Total Requirements | 37,883,393 | - | 1,738,580 | 39,621,973 |

Expenditure budget adjustment requests include the following:

- Administration – an increase in expenditures of \$183,766 due to an increase in salaries and benefits of \$103,766 due to the addition of one (1) Public Safety Communications Supervisor – Dispatch and for anticipated overtime for Support Services (Dispatch) being higher than budgeted; an increase in management consulting services of \$60,000 for legal services regarding labor negotiations for expiring City MOU’s; and \$20,000 for professional services and software maintenance.
- Development Services – an increase of \$27,864 due to an increase in contract services for fire plan check services.
- Public Safety – Police – an increase in expenditures of \$296,211 primarily due to an increase in salaries and benefits of \$76,411 for the addition of one (1) IT Sergeant; an increase in machinery and equipment of \$148,000 for Prop 69 related expenses; an increase in professional services of \$46,700 for Anaheim Police Department air support

services, restitution claim services, and background checks which are trending higher than anticipated; and an increase in software maintenance of \$20,100 for body worn camera networking services.

- Fire & Life Safety – an increase in expenditures of \$162,368 due to an increase in salaries and benefits of \$132,368 for the addition of one (1) Deputy Chief and one (1) Training Officer; and an increase of \$30,000 for required equipment and supplies.
- Public Works – an increase in expenditures of \$185,108 due to an increase in professional services of \$33,616 for a BNSF Quiet Zone audit and dead animal pickup services; an increase in repair and maintenance/facilities of \$42,500 for various projects including the replacement of cubicles and office furniture for both Finance and Community Services, additional funding of \$15,000 for new solar parking lot lights for the City's parking lot at the future Metrolink station, and new street lights in the alleys in Old Town Placentia, and \$8,500 for the installation of a garage door at the City yard for MCU; an increase in vehicle repair and maintenance of \$58,992 for the continued repair and maintenance of City vehicles due to anticipated expenses exceeding budget; and an increase in contract services of \$50,000 for third-party plan check services that was omitted from the adopted budget in error.
- Community Services – an increase of \$80,000 for repair and maintenance/facilities expense for required park and landscaping repairs.
- General Government – an increase in expenditures of \$320,500 due to an increase workers' comp expenses of \$252,000; an increase in electricity of \$43,500; and an increase in water of \$25,000.
- Debt Service – a net increase in expenditures of \$418,005 due to an increase in transfers out of \$1,118,005 to the Placentia Public Financing Authority (PPFA) for the June 2021 bond payment for the 2020 Pension Lease Revenue Bonds offset by a decrease in expenditures of \$700,000 for issuance costs to accurately report the transaction in the PPFA budget.
- Capital Improvement Program – an increase in expenditures of \$64,757 due to an increase in machinery and equipment of \$37,757 for the purchase of fire equipment; and an increase in vehicles of \$27,000 for the installation of communication equipment on fire apparatus.

Special Revenue Funds: The Special Revenue Fund 2020-21 Amended Budget includes revenues of \$28.0 million and expenditures of \$26.1 million. The proposed budget adjustments in the 2020-21 Mid-Year Budget Report include an increase in revenues of \$3.8 million and an increase in expenditures of \$3.0 million. Approval of this item will result in a net increase of \$778,665 in the Special Revenue Fund budgetary fund balance. Notable adjustments include:

- CDBG – an increase in revenue of \$1.6 million due to an increase CDBG-CV funding received by the City for small business grants, an increase in funding from County of Orange District 4 Small Business Grant Relief Program, and anticipated reimbursements for prior year expenditures. An increase in expenditures of \$1.2 million due to an increase

in grants for the Placentia Small Business Emergency Relief Grant Program. The result of these requests is a zero ending budgetary fund balance.

- **Measure U** – an increase in revenue of \$1.7 million due to a revised forecast provided by the City’s sales tax consultant based on actuals year-to-date. An increase in expenditures of \$1.3 million due to an increase in construction services of \$531,900 for the renovation of the Old City Hall for Fire & Life Safety offices (\$443,900), for the Parque Del Arroyo project that wasn’t carried forward from the previous fiscal year (\$30,000), and for the reconfiguration of the City Clerk and Treasurer’s offices (\$20,000); an increase in machinery and equipment of \$87,142 for the Fire CAD2CAD approved by Council in June (\$85,000) and for an additional Opticom unit for a patrol unit (\$2,142); and an increase in transfers out to the General Fund of \$664,800 for a contribution to reserves and employee recruitment and retention as a result of the revised forecast provided by the City’s sales tax consultant based on actuals year-to-date.
- **Miscellaneous Grants Fund** – an increase in revenue and expenditures of \$150,000 due to the receipt of LEAP Grant funds for special studies including Accessory Dwelling Unit (ADU) Development Tools, Citywide Zoning Changes, and the Adoption of California Environmental Quality Act (CEQA) and Vehicle Miles Traveled (VMT) Guidelines.
- **General Plan Update Fees** – an increase in expenditures of \$25,000 for the housing element update.
- **Parks & Rec Impact Fees** – an increase in revenue and expenditures of \$360,000 for anticipated park capital improvement projects as a result of available funding.
- **Asset Seizure** – an increase in expenditures of \$7,200 for a kiosk for the Police Department lobby to track visitor statistics.

Capital Projects: The Capital Projects Fund 2020-21 Amended Budget includes expenditures of \$1.3 million and revenues of \$1.2 million. The proposed budget adjustment in the 2020-21 Mid-Year Budget Report includes an increase in revenues of \$123,142 and approval of this item will result in an increase of \$123,142 in the Capital Projects Fund budgetary fund balance. An increase in revenue of \$123,142 in is requested to reflect the Caltrans reimbursement for the Systemic Safety Analysis Report Program (SSARP) project.

Internal Service Funds: The Risk Management internal service fund 2020-21 Amended Budget includes revenues and expenditures of \$1.3 million. The proposed budget adjustment in the 2020-21 Mid-Year Budget Report includes an increase in revenues of \$235,102, an increase in expenditures of \$348,413, and approval of this item will result in a decrease of \$113,311 in the Risk Management budgetary fund balance. An increase in revenue of \$235,102 is to reflect the transfer in from the General Fund to offset the increase in expenditures of \$348,413 as a result of an increase in workers’ comp expense and liability insurance premiums.

Other Agencies: The proposed budget for the Placentia Public Financing Authority (PPFA) to be established in the 2020-21 Mid-Year Budget Report reflects revenues and expenditures of \$1.8 million. The revenues include bond proceeds and a transfer in from the General Fund for the

anticipated expenditures which include the cost of issuance and the required June 2021 bond payment for the 2020 Pension Lease Revenue Bonds.

Classification Actions: The 2020-21 Mid-Year Budget Report includes the following classification actions:

- Addition of one (1) Public Safety Communications Supervisor – Dispatch for Support Services
- Establish the classification of and add one (1) Deputy Chief for the Fire & Life Safety Department
- Establish the classification of and add one (1) Training officer for the Fire & Life Safety Department
- Establish the classification of and add one (1) Information Technology (IT) Sergeant for the Police Department

Following the approval of the 2020-21 Mid-Year Budget Report which includes the associated required budget appropriation for the positions added above, Staff will return to Council for approval of an amended Position Allocation Plan to encompass all the classification actions above.

FISCAL IMPACT:

The fiscal impact associated with the approval of this item is summarized below with the detailed budget adjustments as listed in Exhibit A (attached).

| Fund | Revenues (Including Transfers-In) | Appropriations (Including Capital & Transfers-Out) |
|------------------|--|---|
| General Fund | \$1,121,447 | \$1,738,580 |
| Special Revenue | \$3,791,555 | \$3,012,890 |
| Capital Projects | \$123,142 | \$0 |
| Internal Service | \$235,102 | \$348,413 |
| Other Agencies | \$1,818,005 | \$1,818,005 |
| Total | \$7,089,252 | \$6,917,888 |

Based upon preliminary 2020-21 projections, it is anticipated that the General Fund unassigned fund balance (contingency reserve) will increase by an additional \$4.3 million for a total unassigned fund balance of \$7.8 million. This increase is mainly due to revenues projected to come in significantly higher than Staff originally budgeted, coupled with the receipt of CARES Act Funds designed to reimburse the City for COVID related expenditures. Based upon the aforementioned mid-year budget update, City's 2020-21 budget is fairing very positive. Should the City's forecast figures generally stay consistent with planned revenues and expenditures, the 2020-21 budget is on a structurally sound and fiscally sustainable path.

Prepared by:



Jessica Brown
Director of Finance

Reviewed and approved:



Damien R. Arrula
City Administrator

Attachments:

1. Mid-Year Budget Report
2. Resolution R-2021-XX – Authorizing a Budget Amendment in Fiscal Year 2020-21
 - a. Exhibit A – Detailed Budget Adjustments
3. Resolution PPFA-2021-XX – Adopting the Fiscal Year 2020-21 Annual Budget
4. Presentation – Mid-Year Budget Report



**City of Placentia
2020-21 Mid-Year Budget Report
As of December 31, 2020**

**City of Placentia
2020-21 Mid-Year Budget Report
By Fund Type**

| FUND TYPE | Unaudited Fund Balance 7/1/2020 | Budgeted Sources | | | | Budgeted Requirements | | | | Est. Fund Balance 6/30/2021 |
|-------------------------------|---------------------------------------|----------------------|----------------------------|-------------------------|-------------------|-----------------------|----------------------------|-------------------------|-------------------|-----------------------------------|
| | | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed | |
| General Fund | 11,453,334 | 39,583,490 | - | 1,121,447 | 40,704,937 | 37,883,393 | - | 1,738,580 | 39,621,973 | 12,536,299 |
| Special Revenue Funds | (5,808,957) | 27,970,640 | 65,000 | 3,791,555 | 31,827,195 | 26,064,438 | 44,500 | 3,012,890 | 29,121,828 | (3,103,590) |
| Debt Service | 495,315 | 484,500 | - | - | 484,500 | 484,500 | - | - | 484,500 | 495,315 |
| City Capital Projects | (510,326) | 1,191,152 | - | 123,142 | 1,314,294 | 1,330,467 | - | - | 1,330,467 | (526,499) |
| Enterprise Funds | 6,109,119 | 4,461,200 | - | - | 4,461,200 | 5,066,356 | - | - | 5,066,356 | 5,503,963 |
| Internal Service Funds | 509,961 | 2,459,500 | - | 235,102 | 2,694,602 | 2,642,787 | 35,904 | 348,413 | 3,027,104 | 177,459 |
| Other Agencies | - | - | - | 1,818,005 | 1,818,005 | - | - | 1,818,005 | 1,818,005 | - |
| Total All Funds | 12,248,445 | 76,150,482 | 65,000 | 7,089,252 | 83,304,734 | 73,471,941 | 80,404 | 6,917,888 | 80,470,233 | 15,082,946 |

NOTE: Sources includes Transfers In and Requirements includes Transfers Out

**City of Placentia
2020-21 Mid-Year Budget Report
General Fund Revenue**

| General Fund | Budgeted Sources | | | |
|-------------------------------|----------------------|----------------------------|-------------------------|-------------------|
| | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed |
| Revenue | | | | |
| Property Taxes | 16,470,800 | - | - | 16,470,800 |
| Sales & Use Taxes | 6,138,000 | - | 707,647 | 6,845,647 |
| Other Taxes | 6,508,000 | - | - | 6,508,000 |
| Permits | 915,000 | - | 315,000 | 1,230,000 |
| Fines & Forfeitures | 444,000 | - | - | 444,000 |
| Intergovernmental | 231,000 | - | 134,000 | 365,000 |
| Charges for Services | 1,041,000 | - | - | 1,041,000 |
| Miscellaneous | 3,439,399 | - | (700,000) | 2,739,399 |
| Total Revenue | 35,187,199 | - | 456,647 | 35,643,846 |
| Transfers In | 1,623,103 | - | - | 1,623,103 |
| Measure U Transfers-In | | | | |
| Reserve Contribution | 1,019,000 | - | 332,400 | 1,351,400 |
| Employee Retention | 1,019,188 | - | 332,400 | 1,351,588 |
| OPEB | 735,000 | - | - | 735,000 |
| Total Transfers In | 4,396,291 | - | 664,800 | 5,061,091 |
| Total Sources | 39,583,490 | - | 1,121,447 | 40,704,937 |

**City of Placentia
2020-21 Mid-Year Budget Report
General Fund Expenditures by Department**

| General Fund | Budgeted Requirements | | | |
|------------------------------------|-----------------------|----------------------------|-------------------------|-------------------|
| | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed |
| Department | | | | |
| Legislative | 1,080,100 | - | - | 1,080,100 |
| Administration | 4,848,690 | - | 183,766 | 5,032,456 |
| Finance | 1,180,085 | - | - | 1,180,085 |
| Development Services | 1,223,421 | - | 27,864 | 1,251,285 |
| Public Safety - Police | 12,031,588 | - | 296,211 | 12,327,799 |
| Public Safety - Animal Control | 327,000 | - | - | 327,000 |
| Fire & Life Safety | 3,778,036 | - | 162,368 | 3,940,403 |
| Public Works | 4,401,974 | - | 185,108 | 4,587,083 |
| Community Services | 1,785,498 | - | 80,000 | 1,865,498 |
| General Government | 4,002,914 | - | 320,500 | 4,323,414 |
| Debt Service | 2,196,900 | - | 418,005 | 2,614,905 |
| Total Department | 36,856,205 | - | 1,673,822 | 38,530,028 |
| Capital Improvement Program | 752,188 | - | 64,757 | 816,945 |
| Transfers Out | 275,000 | - | - | 275,000 |
| Total Requirements | 37,883,393 | - | 1,738,580 | 39,621,973 |

**City of Placentia
2020-21 Mid-Year Budget Report
Summary**

| FUND TYPE Fund Name | Unaudited Fund Balance 7/1/2020 | Sources | | | | Requirements | | | | Estimated Fund Balance 6/30/2021 |
|---------------------------------|---------------------------------------|----------------------|----------------------------|-------------------------|-------------------|----------------------|----------------------------|-------------------------|-------------------|--|
| | | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed | |
| GENERAL FUND | | | | | | | | | | |
| General Fund (0010) | 11,453,334 | 39,583,490 | - | 1,121,447 | 40,704,937 | 37,883,393 | - | 1,738,580 | 39,621,973 | 12,536,299 |
| Total General Fund | 11,453,334 | 39,583,490 | - | 1,121,447 | 40,704,937 | 37,883,393 | - | 1,738,580 | 39,621,973 | 12,536,299 |
| SPECIAL REVENUE FUNDS | | | | | | | | | | |
| Afford Housing In-Lieu (0034) | 55,199 | - | - | - | - | 53,500 | - | - | 53,500 | 1,699 |
| Air Quality Management (0019) | 121,060 | 69,000 | - | - | 69,000 | 189,892 | - | - | 189,892 | 168 |
| Asset Seiz 15% Training (0073) | - | - | - | - | - | - | - | - | - | - |
| Asset Seizure (0021) | 515,082 | - | - | - | - | 227,701 | 12,500 | 7,200 | 247,401 | 267,682 |
| CDBG Fund (0030) | (209,525) | 352,000 | - | 1,619,555 | 1,971,555 | 575,181 | - | 1,186,848 | 1,762,029 | - |
| City Pub Sfty Impct Fee (0067) | 35,958 | 693,900 | - | - | 693,900 | 652,100 | - | - | 652,100 | 77,758 |
| City Quimby In Lieu Fee (0069) | 514,878 | 1,199,000 | - | - | 1,199,000 | 350,000 | - | - | 350,000 | 1,363,878 |
| City Traffic Impct Fees (0065) | 4,664 | 475,200 | - | - | 475,200 | 123,000 | - | - | 123,000 | 356,864 |
| Citywide Sewer ImpactFee(0064) | - | - | - | - | - | - | - | - | - | - |
| Comm Trans Hous Grant (0062) | 169,403 | - | - | - | - | 269,000 | - | - | 269,000 | (99,597) |
| Community Fac District (0047) | 48,677 | - | - | - | - | - | - | - | - | 48,677 |
| COVID-19 Relief Fund (0081) | - | 635,803 | - | - | 635,803 | 635,803 | - | - | 635,803 | - |
| CW Aford House ImpactFee(0068) | - | 2,114,000 | - | - | 2,114,000 | - | - | - | - | 2,114,000 |
| CW Stormdr Impact Fee (0066) | 326 | - | - | - | - | - | - | - | - | 326 |
| Explorer Grant NOC (0076) | 16,246 | 80,000 | - | - | 80,000 | 80,000 | - | - | 80,000 | 16,246 |
| Gen Plan Update Fees (0074) | 273,976 | 100,000 | - | - | 100,000 | 132,523 | - | 25,000 | 157,523 | 216,453 |
| Housing Successor Agency (0053) | 1,747,004 | 58,200 | - | - | 58,200 | - | - | - | - | 1,805,204 |
| Landscape Maintenance (0029) | (15,325) | 447,500 | - | - | 447,500 | 445,700 | - | - | 445,700 | (13,525) |
| Measure M (0018) | 684,804 | 744,200 | - | - | 744,200 | 1,252,859 | - | - | 1,252,859 | 176,145 |
| Measure U Fund (0079) | 2,738,314 | 5,095,000 | - | 1,662,000 | 6,757,000 | 7,362,266 | - | 1,283,842 | 8,646,108 | 849,206 |
| Misc Grants Fund (0050) | 87,767 | 1,121,637 | 65,000 | 150,000 | 1,336,637 | 1,306,637 | 32,000 | 150,000 | 1,488,637 | (64,233) |
| NOC-Public Safety Grant(0061) | 60,180 | 324,000 | - | - | 324,000 | 324,000 | - | - | 324,000 | 60,180 |
| OCATT Fund (0077) | (83) | 122,800 | - | - | 122,800 | 122,800 | - | - | 122,800 | (83) |
| Park Development (0023) | 20,072 | - | - | - | - | - | - | - | - | 20,072 |
| Parks & Rec Impact Fees (0063) | 547,683 | 1,784,100 | - | 360,000 | 2,144,100 | 2,035,000 | - | 360,000 | 2,395,000 | 296,783 |
| PEG Fund (0058) | (28,261) | 82,000 | - | - | 82,000 | 98,285 | - | - | 98,285 | (44,547) |
| Placentia Reg Nav Cent(0078) | (777,811) | 2,949,109 | - | - | 2,949,109 | 2,343,391 | - | - | 2,343,391 | (172,093) |
| Public Safety CFD (0055) | 26,198 | 22,000 | - | - | 22,000 | 34,700 | - | - | 34,700 | 13,498 |
| Public Safety Mitigat (0057) | (34,129) | 36,500 | - | - | 36,500 | - | - | - | - | 2,371 |
| Rehab Reimbursements Fd (0059) | 3,095 | - | - | - | - | - | - | - | - | 3,095 |
| Sccssr Agency Ret Oblg (0054) | (14,037,136) | 1,958,100 | - | - | 1,958,100 | 832,437 | - | - | 832,437 | (12,911,473) |
| Sewer Construction (0024) | 21,890 | - | - | - | - | - | - | - | - | 21,890 |
| State Gas Tax - RMRA (0060) | 744,320 | 880,149 | - | - | 880,149 | 1,566,576 | - | - | 1,566,576 | 57,893 |

ATTACHMENT 1

**City of Placentia
2020-21 Mid-Year Budget Report
Summary**

| FUND TYPE Fund Name | Unaudited Fund Balance 7/1/2020 | Sources | | | | Requirements | | | | Estimated Fund Balance 6/30/2021 |
|--------------------------------------|---------------------------------------|----------------------|----------------------------|-------------------------|-------------------|----------------------|----------------------------|-------------------------|-------------------|--|
| | | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed | |
| SPECIAL REVENUE FUNDS cont'd | | | | | | | | | | |
| State Gas Tax (0017) | (194,094) | 1,230,442 | - | - | 1,230,442 | 1,319,293 | - | - | 1,319,293 | (282,945) |
| Storm Drain Constrction (0025) | 24,423 | - | - | - | - | 20,000 | - | - | 20,000 | 4,423 |
| Street Lighting Distrct (0028) | (10,306) | 411,000 | - | - | 411,000 | 410,600 | - | - | 410,600 | (9,906) |
| Suppl Law Enfrcmnt (0022) | 95,029 | 100,000 | - | - | 100,000 | 100,000 | - | - | 100,000 | 95,029 |
| Technology Impact Fees (0075) | 174,012 | 50,000 | - | - | 50,000 | 85,000 | - | - | 85,000 | 139,012 |
| Thoroughfare Constction (0026) | 25,596 | - | - | - | - | 25,100 | - | - | 25,100 | 496 |
| TOD Sewer Impact Fees (0071) | 33,011 | 3,000,000 | - | - | 3,000,000 | 2,991,093 | - | - | 2,991,093 | 41,918 |
| TOD Strscape Impct Fee (0072) | 477,711 | 1,300,000 | - | - | 1,300,000 | - | - | - | - | 1,777,711 |
| TOD Traffic Impact Fees (0070) | 225,465 | 535,000 | - | - | 535,000 | 100,000 | - | - | 100,000 | 660,465 |
| Traffic Offender Fund (0051) | 5,669 | - | - | - | - | - | - | - | - | 5,669 |
| Utility User Tax (0016) | - | - | - | - | - | - | - | - | - | - |
| Total Special Revenue Funds | (5,808,957) | 27,970,640 | 65,000 | 3,791,555 | 31,827,195 | 26,064,438 | 44,500 | 3,012,890 | 29,121,828 | (3,103,590) |
| DEBT SERVICE | | | | | | | | | | |
| Gas Tax Bond Fund (0052) | 495,315 | 484,500 | - | - | 484,500 | 484,500 | - | - | 484,500 | 495,315 |
| Total Debt Service | 495,315 | 484,500 | - | - | 484,500 | 484,500 | - | - | 484,500 | 495,315 |
| CAPITAL PROJECTS FUND | | | | | | | | | | |
| City Capital Projects (0033) | (510,326) | 1,191,152 | - | 123,142 | 1,314,295 | 1,330,467 | - | - | 1,330,467 | (526,499) |
| Total Capital Project Fund | (510,326) | 1,191,152 | - | 123,142 | 1,314,295 | 1,330,467 | - | - | 1,330,467 | (526,499) |
| ENTERPRISE FUNDS | | | | | | | | | | |
| Sewer Maintenance (0048) | 6,587,817 | 734,000 | - | - | 734,000 | 1,369,756 | - | - | 1,369,756 | 5,952,061 |
| Refuse Administration (0037) | (478,698) | 3,727,200 | - | - | 3,727,200 | 3,696,600 | - | - | 3,696,600 | (448,098) |
| Total Enterprise Funds | 6,109,119 | 4,461,200 | - | - | 4,461,200 | 5,066,356 | - | - | 5,066,356 | 5,503,963 |
| INTERNAL SERVICES FUND | | | | | | | | | | |
| Employee Health & Wifre (0039) | 218,898 | 1,143,500 | - | - | 1,143,500 | 1,163,400 | - | - | 1,163,400 | 198,998 |
| Risk Management (0040) | 203,066 | 1,316,000 | - | 235,102 | 1,551,102 | 1,316,000 | - | 348,413 | 1,664,413 | 89,756 |
| Equipment Replacement (0041) | 87,997 | - | - | - | - | 163,387 | 35,904 | - | 199,291 | (111,294) |
| Total Internal Services Funds | 509,961 | 2,459,500 | - | 235,102 | 2,694,602 | 2,642,787 | 35,904 | 348,413 | 3,027,104 | 177,459 |
| OTHER AGENCIES | | | | | | | | | | |
| Placentia Financing Authority (0082) | - | - | - | 1,818,005 | 1,818,005 | - | - | 1,818,005 | 1,818,005 | - |
| Total Other Agencies | - | - | - | 1,818,005 | 1,818,005 | - | - | 1,818,005 | 1,818,005 | - |
| Total All Funds | 12,248,446 | 76,150,482 | 65,000 | 7,089,252 | 83,304,734 | 73,471,941 | 80,404 | 6,917,888 | 80,470,233 | 15,082,947 |

NOTE: Sources includes Transfers In and Requirements includes Transfers Out

ATTACHMENT 1

City of Placentia
2020-21 Mid-Year Budget Report
General Fund Budget Request Detail

| SOURCES | Amended 9/30/2020 | Budgeted Sources | | | Explanation |
|----------------------|----------------------|----------------------------|-------------------------|-------------------|---|
| | | Mid-Quarter Adjustments | Requested Adjustment | Proposed | |
| General Fund Sources | 39,583,490 | - | 1,121,447 | 40,704,937 | Increase in revenue of \$1,121,447 primarily due to: - General Sales & Use Taxes of \$679,938 due to a revised forecast provided by HdL based on actuals year-to-date. - Prop 172 Sales & Use Tax of \$27,709 due to a revised forecast provided by HdL based on actuals year-to-date. - Building Permits of \$315,000 due to fee revenue being higher than anticipated. - State Grants of \$134,000 due to the award of Prop 69 funding. - Transfers In of \$664,800 due to a revised Measure U forecast provided by HdL based on actuals year-to-date. These increases are offset by a decrease in Bond Proceeds of \$700,000 to accurately report the transaction in the Placentia Financing Authority budget. |
| Total Sources | 39,583,490 | - | 1,121,447 | 40,704,937 | |

| REQUIREMENTS | Amended 9/30/2020 | Budgeted Sources | | | Explanation |
|----------------------|----------------------|----------------------------|-------------------------|-----------|---|
| | | Mid-Quarter Adjustments | Requested Adjustment | Proposed | |
| Department | | | | | |
| Administration | 4,848,690 | - | 183,766 | 5,032,456 | Increase in expenditures of \$183,766 including the following: - Salaries and benefits of \$103,766 due to addition of one (1) Public Safety Communications Supervisor - Dispatch, anticipated overtime for Support Services (Dispatch) being higher than budgeted. - Management Consulting Services of \$60,000 for legal services regarding labor negotiations for expiring City MOU's. - Professional Services of \$5,000 due to required COVID-19 testing for personnel. - Software Maintenance of \$15,000 for Granicus, Priority Dispatch and Microsoft Office 365. |
| Community Services | 1,785,498 | - | 80,000 | 1,865,498 | Increase in expenditures of \$80,000 for Repair & Maintenance/Facilities due to the required park and landscaping repairs. |
| Development Services | 1,223,421 | - | 27,864 | 1,251,285 | Increase in expenditures of \$27,864 primarily due to an increase in Contract Services for fire plan check services and will be funded by an increase in associated fee revenue. |
| Finance | 1,180,085 | - | - | 1,180,085 | No changes. |
| Fire & Life Safety | 3,778,036 | - | 162,368 | 3,940,403 | Increase in expenditures of \$162,368 including the following: - Salaries and benefits of \$132,368 for the addition of one (1) Training Officer, one (1) Deputy Chief position and additional overtime. - Emergency Medical Supplies of \$30,000 for required equipment and supplies. |
| General Government | 4,002,914 | - | 320,500 | 4,323,414 | Increase in expenditures of \$320,500 mainly due to the following: - City Admin Services of \$252,000 to fund an increase in workers' comp expenses. - Electricity of \$43,500 due to an increase in electricity costs. - Water of \$25,000 due to an increase in water costs. |
| Legislative | 1,080,100 | - | - | 1,080,100 | No changes. |

ATTACHMENT 1

**City of Placentia
2020-21 Mid-Year Budget Report
General Fund Budget Request Detail**

| SOURCES | Amended 9/30/2020 | Budgeted Sources | | | Explanation |
|--------------------------------|----------------------|----------------------------|-------------------------|-------------------|---|
| | | Mid-Quarter Adjustments | Requested Adjustment | Proposed | |
| Public Safety - Animal Control | 327,000 | - | - | 327,000 | No changes. |
| Public Safety - Police | 12,031,588 | - | 296,211 | 12,327,799 | Increase in expenditures of \$292,211 including the following: <ul style="list-style-type: none"> - Salaries and Benefits of \$76,411 for the addition of one (1) IT Sergeant. - Professional Services of \$12,200 due to the City now being charged by Anaheim PD for air support and for restitution claim services. - Software Maintenance of \$20,100 for body worn camera networking services. - Professional Services of \$34,500 for background checks trending higher than budget and CLEAR software. - Special Department Supplies of \$5,000 for medical/trauma kits. - Machinery and Equipment of \$148,000 for Prop 69 related expenses. |
| Public Works | 4,401,974 | - | 185,108 | 4,587,083 | Increase in expenditures of \$185,108 including the following: <ul style="list-style-type: none"> - Professional Services of \$33,616 for a BNSF Quiet Zone audit and dead animal pickup services. - Repair and Maintenance/Facilities of \$42,500 for various projects including the replacement of cubicles and office furniture for both Finance and Community Services, additional funding of \$15,000 for new solar parking lot lights for the City's parking lot at the future Metrolink station, and new street lights in the alleys in Old Town Placentia, and \$8,500 for the installation of a garage door at the City yard for MCU. - Vehicle Repair and Maintenance of \$58,992 for the continued repair and maintenance of City vehicles due to anticipated expenses exceeding budget. - Contract Services of \$50,000 for third-party plan check services that was omitted from the adopted budget in error. |
| Debt Service | 2,196,900 | - | 418,005 | 2,614,905 | Increase in expenditures of \$418,005 due to an increase in Transfers Out of \$1,118,005 to the Placentia Financing Authority (PFA) for the June 2021 bond payment for the 2020 Pension Lease Revenue Bonds offset by a decrease in expenditures of \$700,000 for Issuance Costs to accurately report the transaction in the PFA budget. |
| Capital Improvement Program | 752,188 | - | 64,757 | 816,945 | Increase in expenditures of \$64,757 including the following: <ul style="list-style-type: none"> - Machinery & Equipment of \$37,757 for purchase of Fire equipment to be funded by available loan proceeds. - Vehicles of \$27,000 for the installation of communication equipment on fire apparatus to be funded by available loan proceeds. |
| Transfers Out | 275,000 | - | - | 275,000 | No changes. |
| Total Requirements | 37,883,393 | - | 1,738,580 | 39,621,973 | |

NOTE: Requirements includes Transfers Out

**City of Placentia
2020-21 Mid-Year Budget Report
Other Funds Budget Request Detail**

| FUND TYPE Fund Name | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed | Explanation |
|--------------------------------|------------------------------|------------------------------------|---------------------------------|-----------------|--|
| SPECIAL REVENUE FUNDS | | | | | |
| CDBG Fund (0030) | | | | | |
| Beginning Fund Balance | (209,525) | - | - | (209,525) | Increase in revenue of \$1,619,555 including \$1,016,000 of CDBG -CV funding for small business grants, \$170,000 from the County of Orange District 4 Small Business Grant Relief Program, and anticipated reimbursements for prior year expenditures. Increase in expenditures of \$1,186,848 for the Placentia Small Business Emergency Relief Grant Program. |
| Sources | 352,000 | - | 1,619,555 | 1,971,555 | |
| Requirements | 575,181 | - | 1,186,848 | 1,762,029 | |
| Net Impact to Fund Balance | (223,181) | - | 432,707 | 209,526 | |
| Ending Fund Balance | (432,707) | - | 432,707 | - | |
| Measure U Fund (0079) | | | | | |
| Beginning Fund Balance | 2,738,314 | - | - | 2,738,314 | Increase in revenue of \$1,662,000 due to a revised forecast provided by HdL based on actuals year-to-date. Increase in expenditures of \$1,283,842 including the following: - Construction Services of \$443,900 for the renovation of Old City Hall for Fire offices. - Construction Services of \$38,000 for the Old City Hall ADA project. - Construction Services of \$50,000 for Parque Del Arroyo (\$30,000) that was not carried forward from the prior fiscal year (the total project cost for the Parque del Arroyo Verde project amounts to \$1,244,809) and for the City Clerk and Treasurer's offices at City Hall. - Machinery and Equipment of \$85,000 for the Fire CAD2CAD approved by Council in June. - Machinery and Equipment of \$2,142 for an additional Opticom unit for a patrol unit. - Transfers Out to the General Fund for a contribution to reserves and employee recruitment and retention of \$664,800. |
| Sources | 5,095,000 | - | 1,662,000 | 6,757,000 | |
| Requirements | 7,362,266 | - | 1,283,842 | 8,646,108 | |
| Net Impact to Fund Balance | (2,267,266) | - | 378,158 | (1,889,108) | |
| Ending Fund Balance | 471,048 | - | 378,158 | 849,206 | |
| Misc Grants Fund (0050) | | | | | |
| Beginning Fund Balance | 87,767 | - | - | 87,767 | Increase in revenues and expenditures of \$150,000 for special studies including ADU Development Tools, Citywide Zoning Changes, and the Adoption of CEQA and VMT Guidelines funded by LEAP Grant funds. |
| Sources | 1,121,637 | - | 150,000 | 1,271,637 | |
| Requirements | 1,306,637 | - | 150,000 | 1,456,637 | |
| Net Impact to Fund Balance | (185,000) | - | - | (185,000) | |
| Ending Fund Balance | (97,233) | - | - | (97,233) | |

**City of Placentia
2020-21 Mid-Year Budget Report
Other Funds Budget Request Detail**

| FUND TYPE Fund Name | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed | Explanation |
|---|------------------------------|------------------------------------|---------------------------------|-----------------|---|
| Gen Plan Update Fees (0074) | | | | | |
| Beginning Fund Balance | 273,976 | - | - | 273,976 | Increase in expenditures of \$25,000 for the housing element update. |
| Sources | 100,000 | - | - | 100,000 | |
| Requirements | 132,523 | - | 25,000 | 157,523 | |
| Net Impact to Fund Balance | (32,523) | - | (25,000) | (57,523) | |
| Ending Fund Balance | 241,453 | - | (25,000) | 216,453 | |
| Parks & Rec Impact Fees (0063) | | | | | |
| Beginning Fund Balance | 547,683 | - | - | 547,683 | Increase in revenue and expenditures of \$360,000 for Construction Services for anticipated park capital improvement projects as a result of available funding. |
| Sources | 1,784,100 | - | 360,000 | 2,144,100 | |
| Requirements | 2,035,000 | - | 360,000 | 2,395,000 | |
| Net Impact to Fund Balance | (250,900) | - | - | (250,900) | |
| Ending Fund Balance | 296,783 | - | - | 296,783 | |
| Asset Seizure (0021) | | | | | |
| Beginning Fund Balance | 515,082 | - | - | 515,082 | Increase in expenditures of \$7,200 for a kiosk for the PD lobby to track visitor statistics. |
| Sources | - | - | - | - | |
| Requirements | 227,701 | - | 7,200 | 234,901 | |
| Net Impact to Fund Balance | (227,701) | - | (7,200) | (234,901) | |
| Ending Fund Balance | 287,382 | - | (7,200) | 280,182 | |
| TOTAL SPECIAL REVENUE | | | | | |
| Beginning Fund Balance | 3,953,297 | - | - | 3,953,297 | |
| Sources | 8,452,737 | - | 3,791,555 | 12,244,292 | |
| Requirements | 11,639,309 | - | 3,012,890 | 16,470,204 | |
| Net Impact to Fund Balance | (3,186,572) | - | 778,665 | (4,225,912) | |
| Ending Fund Balance | 766,726 | - | 778,665 | (272,615) | |

**City of Placentia
2020-21 Mid-Year Budget Report
Other Funds Budget Request Detail**

| FUND TYPE Fund Name | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed | Explanation |
|---|------------------------------|------------------------------------|---------------------------------|------------------|--|
| CITY CAPITAL PROJECTS | | | | | |
| City Capital Projects (0033) | | | | | |
| Beginning Fund Balance | (510,326) | - | - | (510,326) | Increase in revenue of \$123,142 for reimbursement from CalTrans funds for the completion of the Systemic Safety Analysis Report Program (SSARP) project. |
| Sources | 1,191,152 | - | 123,142 | 1,314,295 | |
| Requirements | <u>1,330,467</u> | - | - | <u>1,330,467</u> | |
| Net Impact to Fund Balance | (139,315) | - | 123,142 | (16,173) | |
| Ending Fund Balance | (649,641) | - | 123,142 | (526,498) | |
| INTERNAL SERVICE FUNDS | | | | | |
| Risk Management (0040) | | | | | |
| Beginning Fund Balance | 203,066 | - | - | 203,066 | Increase in revenue of \$235,102 for Other Charges for Services due to an increase in workers' comp expenses. |
| Sources | 1,316,000 | - | 235,102 | 1,551,102 | |
| Requirements | <u>1,316,000</u> | - | <u>348,413</u> | <u>1,664,413</u> | Increase in expenditures of \$348,413 primarily due to the following: - Third Party Administration of \$252,000 due to an increase in workers' comp expenses. - Liability Insurance Premiums of \$89,700 due to the City's new Fire apparatus. |
| Net Impact to Fund Balance | - | - | (113,311) | (113,311) | |
| Ending Fund Balance | 203,066 | - | (113,311) | 89,756 | |
| OTHER AGENCIES | | | | | |
| Placentia Financing Authority (0082) | | | | | |
| Beginning Fund Balance | - | - | - | - | Increase in revenue and expenditures of \$1,818,005 includes the bond proceeds of \$700,000 to fund the cost of issuance and the June 2021 bond payment for the 2020 Pension Lease Revenue Bonds. |
| Sources | - | - | 1,818,005 | 1,818,005 | |
| Requirements | - | - | <u>1,818,005</u> | <u>1,818,005</u> | |
| Net Impact to Fund Balance | - | - | - | - | |
| Ending Fund Balance | - | - | - | - | |

NOTE: Requirements includes Transfers Out

**City of Placentia
2020-21 Mid-Year Budget Report
Classification Actions**

| Establish the classifications and salaries and add the positions as detailed below: | | | | | |
|--|--|----------------------------|----------------------------|----------------------------|---------------|
| Department | Classification Title | Number of Positions | Representation Unit | Annual Salary Range | |
| Administration - Support Services | Public Safety Communications Supervisor - Dispatch | 1 | PCEA | 65,775.99 | to 81,176.41 |
| Fire & Life Safety | Deputy Chief (new) | 1 | Exempt | 125,736.00 | to 152,832.89 |
| | Training Officer (new) | 1 | Exempt | 79,351.00 | to 96,451.64 |
| Public Safety - Police | IT Sergeant (new) | 1 | PPMA | 95,104.51 | to 117,371.76 |

**City of Placentia
2020-21 Mid-Year Budget Report
General Fund Yearend Estimate**

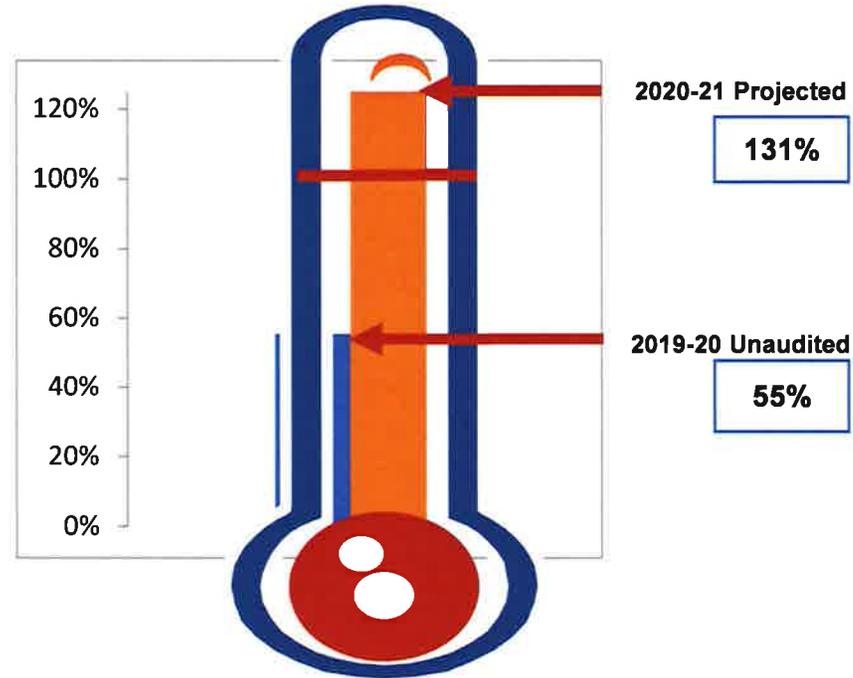
| | Amended 9/30/2020 | Mid-Quarter Adjustments | Requested Adjustment | Proposed | Actuals as of 12/31/20 | Yearend Estimate |
|------------------------------------|------------------------------|------------------------------------|---------------------------------|-------------------|-----------------------------------|-----------------------------|
| Beginning Fund Balance | 11,453,334 | | | | | 11,453,334 |
| REVENUE | | | | | | |
| Property Taxes | 16,470,800 | - | - | 16,470,800 | 5,871,032 | 16,742,215 |
| Sales & Use Taxes | 6,138,000 | - | 707,647 | 6,845,647 | 2,358,959 | 6,846,907 |
| Other Taxes | 6,508,000 | - | - | 6,508,000 | 2,446,044 | 5,892,923 |
| Permits | 915,000 | - | 315,000 | 1,230,000 | 477,795 | 1,263,263 |
| Fines & Forfeitures | 444,000 | - | - | 444,000 | 152,521 | 288,089 |
| Intergovernmental | 231,000 | - | 134,000 | 365,000 | 129,729 | 136,315 |
| Charges for Services | 1,041,000 | - | - | 1,041,000 | 322,357 | 674,174 |
| Miscellaneous | 3,439,399 | - | (700,000) | 2,739,399 | 1,497,773 | 2,715,795 |
| Total Revenues | 35,187,199 | - | 456,647 | 35,643,846 | 13,256,210 | 34,559,681 |
| Transfers In | 1,623,103 | - | - | 1,623,103 | - | 1,623,103 |
| Measure U Transfers-In | | | | | | |
| Reserve Contribution | 1,019,000 | - | 332,400 | 1,351,400 | - | 1,683,800 |
| Employee Retention | 1,019,188 | - | 332,400 | 1,351,588 | - | 1,683,988 |
| OPEB | 735,000 | - | - | 735,000 | - | 735,000 |
| Total Transfers-In | 4,396,291 | - | 664,800 | 5,061,091 | - | 5,725,891 |
| Total Sources | 39,583,490 | - | 1,121,447 | 40,704,937 | 13,256,210 | 40,285,572 |
| REQUIREMENTS | | | | | | |
| Department | | | | | | |
| Legislative | 1,080,100 | - | - | 1,080,100 | 262,721 | 1,063,636 |
| Administration | 4,848,690 | - | 183,766 | 5,032,456 | 2,464,214 | 5,069,654 |
| Finance | 1,180,085 | - | - | 1,180,085 | 500,076 | 1,151,861 |
| Development Services | 1,223,421 | - | 27,864 | 1,251,285 | 591,152 | 1,206,119 |
| Public Safety - Police | 12,031,588 | - | 296,211 | 12,327,799 | 5,971,747 | 11,278,432 |
| Public Safety - Animal Control | 327,000 | - | - | 327,000 | 77,297 | 327,000 |
| Fire & Life Safety | 3,778,036 | - | 162,368 | 3,940,404 | 1,614,162 | 3,445,818 |
| Public Works | 4,401,974 | - | 185,108 | 4,587,082 | 1,967,276 | 4,135,081 |
| Community Services | 1,785,498 | - | 80,000 | 1,865,498 | 693,220 | 1,467,046 |
| General Government | 4,002,914 | - | 320,500 | 4,323,414 | 780,641 | 4,244,908 |
| Debt Service | 2,196,900 | - | 418,005 | 2,614,905 | 579,773 | 1,496,900 |
| Total Department | 36,856,206 | - | 1,673,822 | 38,530,028 | 15,502,279 | 34,886,454 |
| Capital Improvement Program | 752,188 | - | 64,757 | 816,945 | 226,364 | 814,720 |
| Transfers Out | 275,000 | - | - | 275,000 | - | 275,000 |
| Total Requirements | 37,883,394 | - | 1,738,580 | 39,621,974 | 15,728,643 | 35,976,174 |
| Ending Fund Balance | 13,153,430 | | | 1,082,964 | (2,472,433) | 15,762,732 |

ATTACHMENT 1

**City of Placentia
2020-21 Mid-Year Budget Report
Yearend Estimated Fund Balance (17%)**

| | |
|--|-------------------|
| Beginning Fund Balance 7/1/2020 | 11,453,334 |
| 2020-21 Forecast | |
| Revenue | 34,559,681 |
| Transfers In | 1,623,103 |
| Transfers In Measure U | 4,102,788 |
| Expenditures | 34,886,454 |
| Capital Improvement Program | 814,720 |
| Transfers Out | 275,000 |
| Change in Fund Balance | 4,309,398 |
| Ending Fund Balance 6/30/2021 | 15,762,732 |

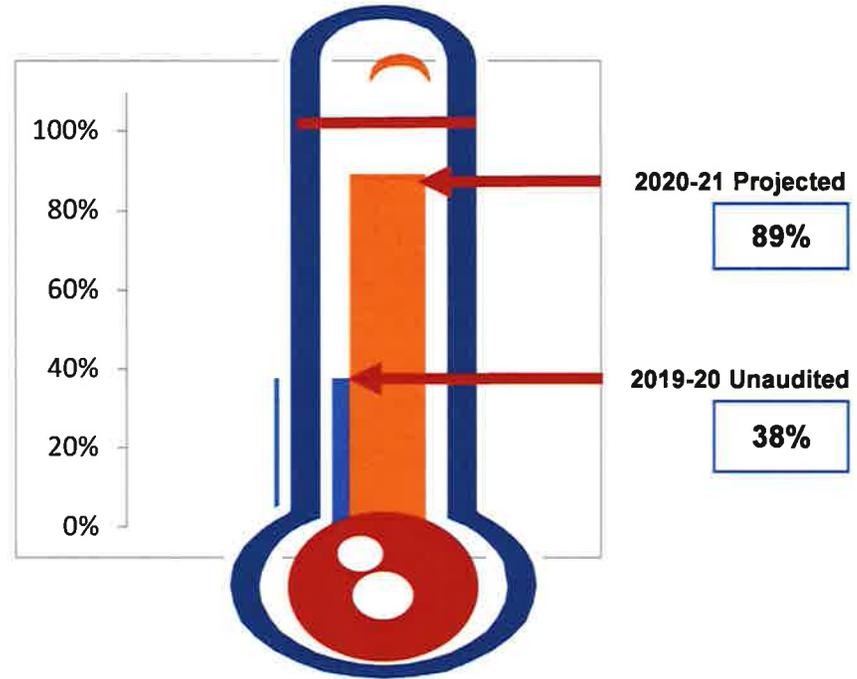
| | |
|----------------------------------|-----------|
| Fund Balance Designations | |
| Nonspendable | 4,027,195 |
| Restricted | 555,258 |
| Committed - Metrolink Station | 3,400,000 |
| Unassigned (Contingency Reserve) | 7,780,279 |



**City of Placentia
2020-21 Mid-Year Budget Report
Yearend Estimated Fund Balance (25%)**

| | |
|--|-------------------|
| Beginning Fund Balance 7/1/2020 | 11,453,334 |
| 2020-21 Forecast | |
| Revenue | 34,559,681 |
| Transfers In | 1,623,103 |
| Transfers In Measure U | 4,102,788 |
| Expenditures | 34,886,454 |
| Capital Improvement Program | 814,720 |
| Transfers Out | 275,000 |
| Change in Fund Balance | 4,309,398 |
| Ending Fund Balance 6/30/2021 | 15,762,732 |

| Fund Balance Designations | |
|----------------------------------|-----------|
| Nonspendable | 4,027,195 |
| Restricted | 555,258 |
| Committed - Metrolink Station | 3,400,000 |
| Unassigned (Contingency Reserve) | 7,780,279 |



RESOLUTION NO. R-2021-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACENTIA, CALIFORNIA AUTHORIZING A BUDGET AMENDMENT IN FISCAL YEAR 2020-21 IN COMPLIANCE WITH CITY CHARTER OF THE CITY OF PLACENTIA SECTION 1206 PERTAINING TO APPROPRIATIONS FOR ACTUAL EXPENDITURES

A. Recitals.

(i). The adopted budget for the 2020-21 Fiscal Year sets out estimated appropriations for City expenses throughout the year.

(ii). From time to time the adopted budget must be adjusted when precise expenditures are finally determined or when estimated expenditures exceed projected costs allocated.

(iii). City Charter of the City of Placentia § 1206 authorizes the City Council to amend or supplement the budget by motion adopted by the affirmative votes of at least three members so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenues not included in the budget. All other legal prerequisites to the adoption of this Resolution have occurred.

B. Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLACENTIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. The adopted budget for Fiscal Year 2020-21, Resolution No. R-2020-38, is hereby amended to reflect the following available balances from FY2020-21 from the to the Account specified:

| Fund | Description | Department | GL Account | Amount | Type |
|---------------|--------------------|-------------------|-------------------|---------------|-------------|
| See Exhibit A | | | | | |

3. The Mayor shall sign this resolution, and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, ADOPTED AND APPROVED THIS 16th DAY OF FEBRUARY 2021.

Craig S. Green, Mayor

ATTEST:

Robert S. McKinnell, City Clerk

STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Robert S. McKinnell, City Clerk of the City of Placentia, do hereby certify that the foregoing resolution was adopted at a regular meeting of the City Council of the City of Placentia held on the 16th day of February 2021 by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

Robert S. McKinnell, City Clerk

APPROVED AS TO FORM:

Christian Bettenhausen, City Attorney

| Key | Budget Division | Fund Fund Description | Object Obj Description | Midyear Request/Adjustment |
|--------|-----------------------------|-------------------------|-------------------------------------|----------------------------|
| 100000 | General Fund Administration | 101 General Fund (0010) | 4060 General Sales & Use Taxes | 679,938.00 |
| 100000 | General Fund Administration | 101 General Fund (0010) | 4065 Prop 172 Sales & Use Tax | 27,709.00 |
| 100000 | General Fund Administration | 101 General Fund (0010) | 4160 Building Permits | 315,000.00 |
| 100000 | General Fund Administration | 101 General Fund (0010) | 4205 State Grants | 134,000.26 |
| 105525 | General Fund/Debt Service | 101 General Fund (0010) | 4985 Bond Proceeds | (700,000.00) |
| 100000 | General Fund Administration | 101 General Fund (0010) | 7052 Transfer In From Measure U | 664,800.00 |
| | | | General Fund Revenues | 1,121,447.26 |
| 101515 | Adimn - Support Services | 101 General Fund (0010) | 5001 Salaries/Full-Time Regular | 17,500.00 |
| 103040 | Police Administration | 101 General Fund (0010) | 5001 Salaries/Full-Time Regular | 53,096.75 |
| 103065 | Fire Administration | 101 General Fund (0010) | 5001 Salaries/Full-Time Regular | 66,370.18 |
| 101515 | Adimn - Support Services | 101 General Fund (0010) | 5015 Overtime | 80,000.00 |
| 103066 | Fire Operations | 101 General Fund (0010) | 5015 Overtime | 50,000.00 |
| 101515 | Adimn - Support Services | 101 General Fund (0010) | 5105 Health Insurance Allocation | 4,000.00 |
| 103040 | Police Administration | 101 General Fund (0010) | 5105 Health Insurance Allocation | 9,800.00 |
| 103065 | Fire Administration | 101 General Fund (0010) | 5105 Health Insurance Allocation | 14,532.00 |
| 101515 | Adimn - Support Services | 101 General Fund (0010) | 5115 Dental Ins Allocation | 50.00 |
| 103040 | Police Administration | 101 General Fund (0010) | 5115 Dental Ins Allocation | 57.22 |
| 103065 | Fire Administration | 101 General Fund (0010) | 5115 Dental Ins Allocation | 337.40 |
| 101515 | Adimn - Support Services | 101 General Fund (0010) | 5120 Optical Ins Allocation | 50.00 |
| 103040 | Police Administration | 101 General Fund (0010) | 5120 Optical Ins Allocation | 117.36 |
| 103065 | Fire Administration | 101 General Fund (0010) | 5120 Optical Ins Allocation | 165.98 |
| 101515 | Adimn - Support Services | 101 General Fund (0010) | 5135 Medicare | 216.00 |
| 103040 | Police Administration | 101 General Fund (0010) | 5135 Medicare | 769.90 |
| 103065 | Fire Administration | 101 General Fund (0010) | 5135 Medicare | 962.37 |
| 101515 | Adimn - Support Services | 101 General Fund (0010) | 5145 Employer CalPERS Retire NC | 1,950.00 |
| 103040 | Police Administration | 101 General Fund (0010) | 5145 Employer CalPERS Retire NC | 12,570.13 |
| 101512 | Human Resources | 101 General Fund (0010) | 6001 Management Consulting Services | 60,000.00 |
| 102532 | Building & Safety | 101 General Fund (0010) | 6050 Fire Plan Check Services | 1,950.00 |
| 101512 | Human Resources | 101 General Fund (0010) | 6099 Professional Services | 5,000.00 |
| 103040 | Police Administration | 101 General Fund (0010) | 6099 Professional Services | 2,200.00 |
| 103041 | Police Field Services | 101 General Fund (0010) | 6099 Professional Services | 10,000.00 |
| 103551 | Public Works Engineering | 101 General Fund (0010) | 6099 Professional Services | 30,416.10 |
| 103652 | Maint Svcs Street Maint | 101 General Fund (0010) | 6099 Professional Services | 3,200.00 |
| 103654 | Maint Svcs Facilities Maint | 101 General Fund (0010) | 6130 Repair & Maint/Facilities | 42,500.00 |

| Key | Budget Division | Fund Fund Description | Object Obj Description | Midyear Request/Adjustment |
|--------|-----------------------------|------------------------------------|------------------------------------|----------------------------|
| 104071 | Comm Svc/Recreation Svc | 101 General Fund (0010) | 6130 Repair & Maint/Facilities | 80,000.00 |
| 103658 | Maint Svcs Fleet Operations | 101 General Fund (0010) | 6134 Vehicle Repair & Maintenance | 58,992.00 |
| 101523 | Information Technology | 101 General Fund (0010) | 6136 Software Maintenance | 15,000.00 |
| 103041 | Police Field Services | 101 General Fund (0010) | 6136 Software Maintenance | 20,100.00 |
| 102532 | Building & Safety | 101 General Fund (0010) | 6290 Dept. Contract Services | 25,914.00 |
| 103040 | Police Administration | 101 General Fund (0010) | 6290 Dept. Contract Services | 30,000.00 |
| 103042 | Police Investigation | 101 General Fund (0010) | 6290 Dept. Contract Services | 4,500.00 |
| 103551 | Public Works Engineering | 101 General Fund (0010) | 6290 Dept. Contract Services | 50,000.00 |
| 109595 | General Government | 101 General Fund (0010) | 6295 City Admin Services | 252,000.00 |
| 103041 | Police Field Services | 101 General Fund (0010) | 6301 Special Department Supplies | 5,000.00 |
| 109595 | General Government | 101 General Fund (0010) | 6330 Electricity | 43,500.00 |
| 109595 | General Government | 101 General Fund (0010) | 6335 Water | 25,000.00 |
| 103066 | Fire Operations | 101 General Fund (0010) | 6362 Emergency Medical Supplies | 30,000.00 |
| 103043 | Police Support Services | 101 General Fund (0010) | 6840 Machinery & Equipment | 148,000.00 |
| 106126 | Loan #2 Available Proceeds | 101 General Fund (0010) | 6840 Machinery & Equipment | 37,757.28 |
| 108008 | Long Quint Fore Fire Truck | 101 General Fund (0010) | 6842 Vehicles | 27,000.00 |
| 105525 | General Fund/Debt Service | 101 General Fund (0010) | 6925 Issuance Cost | (700,000.00) |
| 105525 | General Fund/Debt Service | 101 General Fund (0010) | 8033 Transfer Out to PFA | 1,118,005.00 |
| | | | General Fund Appropriations | 1,738,579.67 |
| 790000 | Measure U Sales Tax | 117 Measure U Fund (0079) | 4062 Measure U Sales Taxes | 1,662,000.00 |
| 630000 | CW Park Rec Impact Fee | 236 Parks & Rec Impact Fees (0063) | 4306 Development Impact Fees | 360,000.00 |
| 300000 | CDBG Fund | 270 CDBG Fund (0030) | 4201 Federal Grants | 1,619,555.00 |
| 500000 | Misc Grants | 280 Misc Grants Fund (0050) | 4205 State Grants | 150,000.00 |
| | | | Special Fund Revenues | 3,791,555.00 |

| Key | Budget Division | Fund Fund Description | Object Obj Description | Midyear Request/Adjustment |
|--------|--|------------------------------------|--|----------------------------|
| 795002 | Old City Hall ADA | 117 Measure U Fund (0079) | 6185 Construction Services | 38,000.00 |
| 795106 | Old City Hall Renovation (Fire Offices) | 117 Measure U Fund (0079) | 6185 Construction Services | 443,900.00 |
| 795107 | City Clerk & Treasurer Office Space | 117 Measure U Fund (0079) | 6185 Construction Services | 20,000.00 |
| 797001 | Parque Del Arroyo Verde | 117 Measure U Fund (0079) | 6185 Construction Services | 30,000.00 |
| 796118 | PD - Opticom for Patrol Units | 117 Measure U Fund (0079) | 6840 Machinery & Equipment | 2,142.00 |
| 796121 | Fire CAD2CAD | 117 Measure U Fund (0079) | 6840 Machinery & Equipment | 85,000.00 |
| 790000 | Meas U Fund Revenue | 117 Measure U Fund (0079) | 8010 Transfer Out to GF | 664,800.00 |
| 213041 | Asset Seizure/Field Services | 225 Asset Seizure (0021) | 6840 Machinery & Equipment | 7,200.00 |
| 749102 | Housing Element Update | 233 Gen Plan Update Fees (0074) | 6017 Special Studies | 25,000.00 |
| 637902 | Parque Del Arroyo Verde | 236 Parks & Rec Impact Fees (0063) | 6185 Construction Services | 360,000.00 |
| 302535 | CD/HCD Grants | 270 CDBG Fund (0030) | 6401 Community Programs | 1,186,848.00 |
| 509103 | ADU Development Tools | 280 Misc Grants Fund (0050) | 6017 Special Studies | 30,000.00 |
| 509104 | Citywide Zoning Changes | 280 Misc Grants Fund (0050) | 6017 Special Studies | 60,000.00 |
| 509105 | Adoption of CEQA Guidelines w/VMT Guidelines | 280 Misc Grants Fund (0050) | 6017 Special Studies | 60,000.00 |
| | | | Special Fund Appropriations | 3,012,890.00 |
| 330000 | City Capital Projects | 401 City Capital Projects (0033) | 4205 State Grants | 123,142.26 |
| | | | Capital Projects Revenue | 123,142.26 |
| 400000 | Risk Management | 605 Risk Management (0040) | 4399 Other Charges for Service | 235,102.19 |
| | | | Internal Service Revenue | 235,102.19 |
| 404580 | Risk Mgt/Workers' Comp | 605 Risk Management (0040) | 6025 Third Party Administration | 252,000.00 |
| 404582 | Risk Mgt/Liability | 605 Risk Management (0040) | 6201 Liability Insurance Premiums | 89,700.00 |
| 404580 | Risk Mgt/Workers' Comp | 605 Risk Management (0040) | 6301 Special Department Supplies | 6,713.00 |
| | | | Internal Service Appropriations | 348,413.00 |

RESOLUTION NO. PPFA-2021-01

**A RESOLUTION OF THE PLACENTIA PUBLIC FINANCING
AUTHORITY BOARD OF DIRECTORS OF THE CITY OF
PLACENTIA, CALIFORNIA TAKING ACTIONS NECESSARY
TO ADOPT THE FISCAL YEAR 2020-21 ANNUAL BUDGET**

WHEREAS, the Placentia Public Financing Authority governing board shall be the members of the City Council of the City;

WHEREAS, the Placentia Public Financing Authority has prepared the Placentia Public Financing Authority budget in the amount of \$1,818,005 Revenues and \$1,818,005 of appropriations for Fiscal Year 2020-21;

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Placentia Public Financing Authority, as follows:

Section 1. The proposed budget of the Placentia Public Financing Authority, as amended and modified for Fiscal Year beginning July 1, 2020, through June 30, 2021, is hereby adopted.

Section 2. Effective Date. This resolution shall take effect upon adoption.

PASSED, ADOPTED AND APPROVED this 16th day of February 2021.

Craig S. Green, Chair

ATTEST:

Robert S. McKinnell, Secretary

STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Robert S. McKinnell, Secretary of the Placentia Public Financing Authority of The City of Placentia, California, do hereby certify that the foregoing Resolution, was duly passed, approved and adopted by the Placentia Public Financing Authority, approved and signed by the Chair and attested by the Secretary, all at the regular meeting of the said Placentia Public Financing Authority held on the 16th day of February 2021, and the same was passed and adopted by the following vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:
ABSTAIN: Councilmembers:

Robert S. McKinnell, Secretary

APPROVED AS TO FORM:

Christian L. Bettenhausen, Agency Attorney



PLACENTIA
Rich Heritage, Bright Future

**Fiscal Year 2020-21 Mid-Year
Budget Report
February 16, 2021**



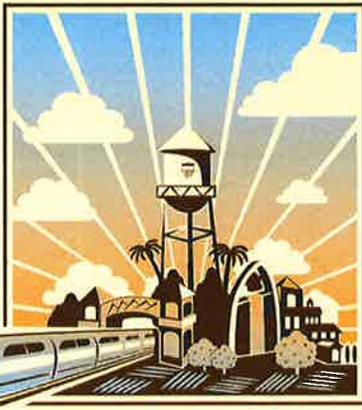


Mid-Year Budget Report

Overview:

- 2020-21 Requested Budget Adjustments
- 2020-21 General Fund Forecasted Yearend





PLACENTIA
Rich Heritage, Bright Future

2020-21 Requested Budget Adjustments





2020-21 General Fund Requested Budget Adjustments

\$39.6M

Amended Budgeted Revenues

**\$1.1M
or 2.8%**

Requested Increase

\$40.7M

Revised Budgeted Revenues





2020-21 General Fund Requested Budget Adjustments

\$37.9M

Amended Budgeted
Expenditures

**\$1.7M
or 4.6%**

Requested Increase

\$39.6M

Revised Budgeted Expenditures





2020-21 General Fund Requested Adjustments

Notable Revenue Adjustment Requests:

| Revenue Category | Amount |
|------------------------|-------------|
| Sales & Use Taxes | \$707,647 |
| Permits | \$315,000 |
| Miscellaneous | (\$700,000) |
| Measure U Transfers-In | \$664,800 |





2020-21 General Fund Requested Adjustments

Notable Expenditure Adjustment Requests:

| Expenditure Department | Amount |
|------------------------|-----------|
| Administration | \$183,766 |
| Public Safety - Police | \$296,211 |
| Fire & Life Safety | \$162,368 |
| Public Works | \$185,108 |
| General Government | \$320,500 |
| Debt Service | \$418,005 |





2020-21 Special Revenue Funds Requested Budget Adjustments

\$28.0M

Amended Budgeted Revenues

**\$3.8M
or 13.6%**

Requested Increase

\$31.8M

Revised Budgeted Revenues





2020-21 Special Revenue Funds Requested Budget Adjustments

\$26.1M

Amended Budgeted
Expenditures

**\$3.0M
or 11.6%**

Requested Increase

\$29.1M

Revised Budgeted Expenditures





2020-21 Special Revenue Funds Requested Adjustments

Notable Revenue Adjustment Requests:

| Revenue Category | Amount |
|--------------------------------|-------------|
| CDBG Fund (0030) | \$1,619,555 |
| Measure U Fund (0079) | \$1,662,000 |
| Parks & Rec Impact Fees (0063) | \$360,000 |





2020-21 Special Revenue Funds Requested Adjustments

Notable Expenditure Adjustment Requests:

| Expenditure Department | Amount |
|--------------------------------|-------------|
| CDBG Fund (0030) | \$1,186,848 |
| Measure U Fund (0079) | \$1,283,842 |
| Parks & Rec Impact Fees (0063) | \$360,000 |





2020-21 Other Agencies Requested Budget Adjustments

\$0

Amended Budgeted Revenues

\$1.8M

Requested Increase

\$1.8M

Revised Budgeted Revenues





2020-21 Other Agencies Requested Budget Adjustments

\$0

Amended Budgeted
Expenditures

\$1.8M

Requested Increase

\$1.8M

Revised Budgeted Expenditures





2020-21 Other Agencies Requested Adjustments

Placentia Financing Authority (PFA)

- The proposed revenue and expenditure adjustments of \$1.8 million establishes the 2020-21 budget for the PFA
- Revenues include bond proceeds and a transfer in from the General Fund
- Expenditures include the cost of issuance and the required June 2021 bond payment

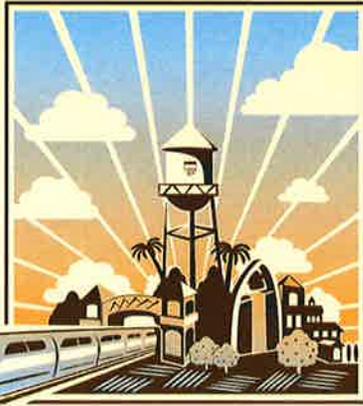




2020-21 Other Funds Requested Adjustments

- **City Capital Projects** – increase in revenue of \$123,142
- **Internal Service Funds** – increase in revenue of \$235,102 and increase in expenditures of \$348,413





PLACENTIA
Rich Heritage, Bright Future

2020-21 General Fund Yearend Estimate





2020-21 General Fund Yearend Estimate

\$40.7M

Proposed Budgeted Revenues

\$40.3M

Yearend Estimate

**-\$419,366
or -1%**

Variance to Proposed Budget





2020-21 General Fund Yearend Estimate

\$39.6M

Proposed Budgeted
Expenditures

\$36.0M

Yearend Estimate

**-\$3.6M
or -9.2%**

Variance to Proposed Budget





2020-21 General Fund Yearend Estimate

\$40.3M

Revenues

\$36.0M

Expenditures

\$4.3M

Net Increase to Fund Balance





General Fund Reserve vs. CAFR General Fund

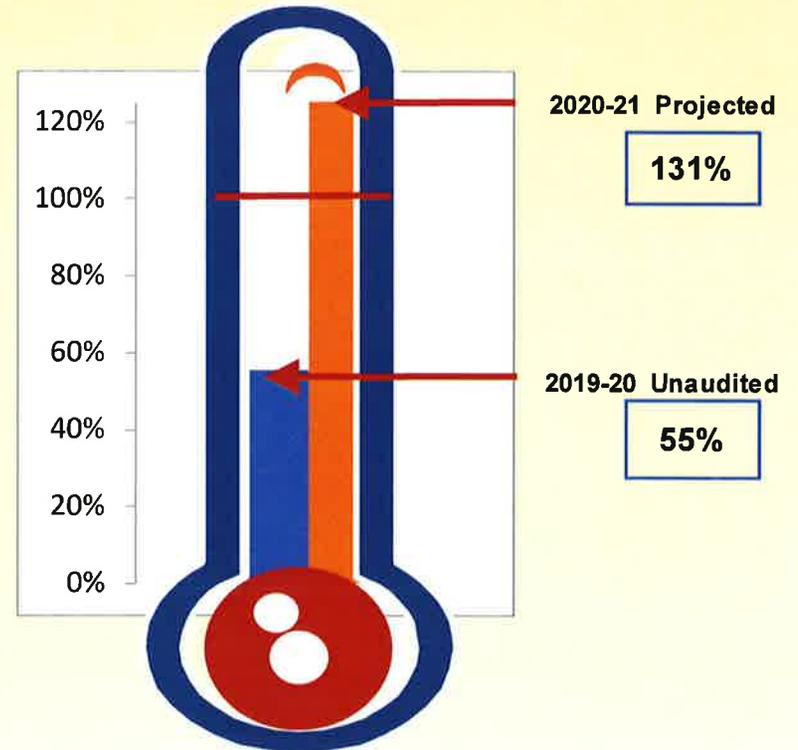
- **General Fund Reserve = General Fund Unassigned Fund Balance**
- **General Fund Reserve only represents the unassigned fund balance for the City's General Fund operating budget (Fund 101)**
- **CAFR General Fund grouping includes:**
 - **General Fund (Fund 101)**
 - **Rehab Reimbursements (Fund 116)**
 - **Measure U (Fund 117)**
 - **Public Safety Mitigation (Fund 241)**





2020-21 General Fund Reserve Yearend Estimate (17%)

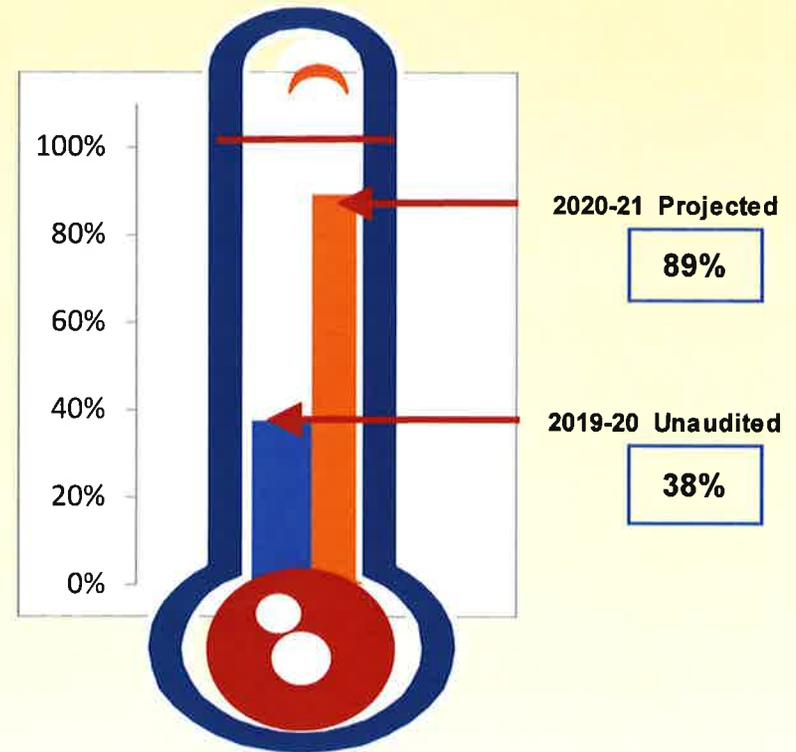
| | |
|--|-------------------|
| Beginning Fund Balance 7/1/2020 | 11,453,334 |
| Change in Fund Balance | 4,309,398 |
| Ending Fund Balance 6/30/2021 | 15,762,732 |
| Fund Balance Designations | |
| Nonspendable | 4,027,195 |
| Restricted | 555,258 |
| Committed - Metrolink Station | 3,400,000 |
| Unassigned (Contingency Reserve) | 7,780,279 |
| Fund Balance Target | |
| Estimated Operating Expenditures* | 34,886,454 |
| 17% FB Target | 5,930,697 |
| Estimated Percent of Target Met | 131% |
| *Does not include CIP | |





2020-21 General Fund Reserve Yearend Estimate (25%)

| | |
|--|-------------------|
| Beginning Fund Balance 7/1/2020 | 11,453,334 |
| Change in Fund Balance | 4,309,398 |
| Ending Fund Balance 6/30/2021 | 15,762,732 |
| Fund Balance Designations | |
| Nonspendable | 4,027,195 |
| Restricted | 555,258 |
| Committed - Metrolink Station | 3,400,000 |
| Unassigned (Contingency Reserve) | 7,780,279 |
| Fund Balance Target | |
| Estimated Operating Expenditures* | 34,886,454 |
| 25% FB Target | 8,721,613 |
| Percent of Target Met | 89% |
| *Does not include CIP | |



Questions?



PLACENTIA
Rich Heritage, Bright Future





Placentia City Council

AGENDA REPORT

TO: CITY COUNCIL

FROM: CITY ATTORNEY

DATE: FEBRUARY 16, 2021

SUBJECT: **AMENDMENT NO. 5 TO CITY ADMINISTRATOR EMPLOYMENT AGREEMENT**

FISCAL
IMPACT: \$12,532

SUMMARY:

As required under the terms of the City Administrator's Employment Agreement ("Agreement"), the City Council conducted an annual evaluation of the City Administrator. The attached Amendment No. 5 to the City Administrator Employment Agreement was prepared at the direction of the City Council.

RECOMMENDATION:

It is recommended that the City Council take the following action:

Approve Amendment No. 5 to the City Administrator's Employment Agreement, to be executed by the Mayor, in a form approved by the City Attorney.

DISCUSSION:

Currently the City Administrator receives a base salary of \$250,638.38. Following the conclusion of this year's evaluation of the City Administrator, the City Council requested the preparation of the attached Amendment No. 5 to the Agreement.

If approved, Amendment No. 5 would implement two changes to the City Administrator's Agreement:

1. Provide a 5% merit increase. This would constitute a \$12,531.92 increase, and would bring the annual base salary to \$263,170.30 per year; and
2. Provide a one-time grant of 234.29 hours of paid time off (PTO), valued at \$20,000. Half of these hours would be provided immediately and the other half on 7/1/2021.

No other adjustments or modifications are proposed or recommended at this time.

3. d.
February 16, 2021

Prepared and submitted by:



Christian L. Bettenhausen
City Attorney

Attachment:

Amendment No. 5 to City Administrator Employment Agreement

**AMENDMENT NO. 5 TO
CITY ADMINISTRATOR EMPLOYMENT AGREEMENT**

This Amendment No. 5 ("Amendment") to City Administrator Employment Agreement is made and entered into effective the 16th day of February, 2021, by and between the CITY OF PLACENTIA, a Charter City and Municipal Corporation ("City"), and DAMIEN R. ARRULA, an individual (hereinafter "Administrator"). City and Administrator are sometimes individually referred to as "Party" and collectively as the "Parties."

Recitals:

WHEREAS, the City and Administrator entered into a City Administrator Employment Agreement ("Agreement") effective March 1, 2016, through which Administrator has been providing City Administrator Services as more fully explained in the Agreement; and

WHEREAS, section 23 in the original Agreement contains a provision that requires any modifications to the Agreement to be in writing; and

WHEREAS, the Agreement was amended on March 21, 2017, Amendment One, on March 6, 2018, Amendment Two, on February 19, 2019, Amendment Three; and on February 4, 2020, Amendment Four; and

WHEREAS, pursuant to the terms of the Employment Agreement the City Council conducted an annual evaluation of the City Administrator, and the Parties now desire to amend the Agreement as provided herein.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Section 6(A) of the Agreement is hereby amended to provide as follows:
 - A. Administrator's annual Base Salary shall be adjusted to reflect a five percent (5%) merit increase. The new annual base salary shall be \$263,170.30. This amount shall be payable in bi-weekly installments at the same time and in the same manner as other City employees. Any increases shall be subject to City Council Approval, unless otherwise provided herein.
2. Pursuant to Section 15A of the Agreement, Administrator shall receive a one-time grant of 234.29 hours of PTO leave time, one half to be received immediately and the other half to be received on July 1, 2021.
3. Except as specifically modified herein, all the terms, conditions and provisions of the Agreement shall remain in full force and effect.
4. The Agreement, together with all amendments and this Amendment No. 5 and all Exhibits attached thereto, if any, constitutes the entire Agreement between the Parties and supersedes all prior negotiations, arrangements, representations,

and understandings, if any, made by or between the Parties with respect to the subject matter hereof. No amendment or other modification of the Agreement, as modified by this Amendment No. 5 shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

5. Each of the undersigned represents and warrants that he or she is duly authorized to execute and deliver this Amendment No. 5 and that such execution is binding upon the entity for which he or she is executing this document.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 5 to the City Administrator Employment Agreement to be executed as of the date and year first above written.

ADMINISTRATOR

CITY OF PLACENTIA

By: _____
Damien R. Arrula

By: _____
Craig S. Green, Mayor

ATTEST:

By: _____
Robert S. McKinnell, City Clerk

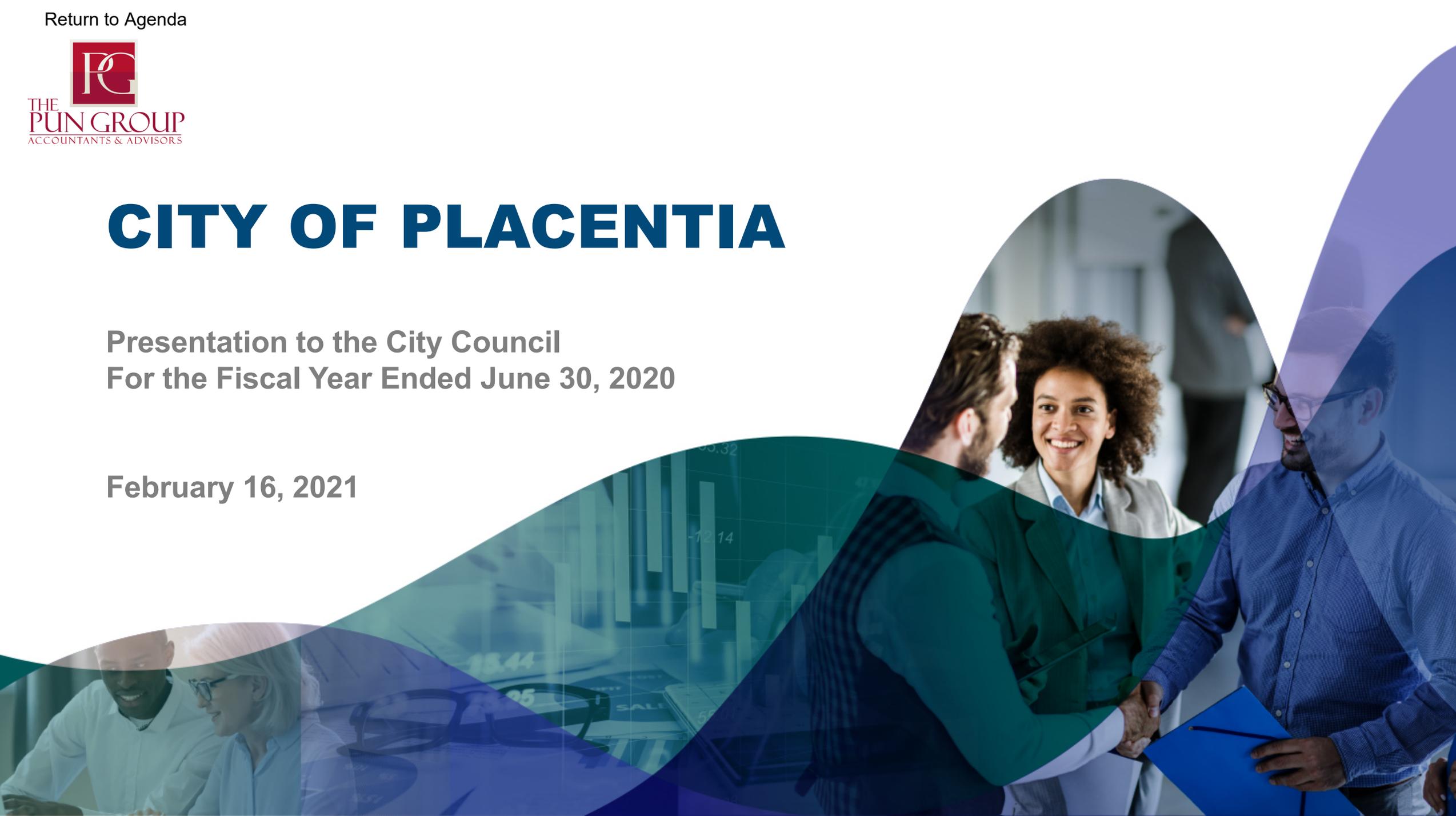
APPROVED AS TO FORM:

By: _____
Christian L. Bettenhausen, City Attorney

CITY OF PLACENTIA

Presentation to the City Council
For the Fiscal Year Ended June 30, 2020

February 16, 2021



CONTENTS

- Required Communications (AU-C 260)
- Audit Responsibilities
- Overview of Financial Statements
- Financial Indicators and Key Pension/OPEB Information
- Audit Results

REQUIRED COMMUNICATIONS (AU-C 260)

Required Communications (AU-C 260)

- **Independence**
 - We complied with ALL relevant requirements regarding independence
- **Significant Accounting Policies**
 - The City disclosed all significant accounting policies in Note 1 to the financial statements.
 - The City implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*
- **Significant Estimates**
 - Fair value on investments
 - Depreciation on capital assets
 - Net other postemployment benefit liability
 - Net pension liability

Required Communications (AU-C 260)

- **Sensitive Disclosures**
 - Note 1 – Summary of Significant Accounting Policies
 - Note 9 – Pension Plans
 - Note 10 – Other Postemployment Benefits
 - Note 12 – Classification of Fund Balance
 - Note 16 – Subsequent Events
- **Misstatements**
 - There were no corrected or uncorrected misstatements reported.
- **Consultation with Other Accountants**
 - Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and other matters.

Required Communications (AU-C 260)

- **Significant Difficulties**
 - We encountered no significant difficulties in dealing with management.
- **Disagreements with Management**
 - We did not have any disagreements with management in terms of accounting treatments or audit procedures performed.

AUDIT RESPONSIBILITIES

Management's Responsibilities

- Responsible for the financial statements
- Present the financial statements in accordance with accounting principles generally accepted in the United States of America
- Adopt sound accounting policies
- Establish and maintain internal controls over financial reporting and compliance
- Provide evidence supporting the amounts and disclosures in the financial statements
- Prevent and detect fraud

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

- Form and express an opinion about whether the financial statements that have been prepared by management with Board oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America
- Plan and perform the audit to obtain “reasonable” assurance (not “absolute” assurance) about whether the financial statements are free of material misstatements.
- Consider internal control over financial reporting. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

OVERVIEW OF THE FINANCIAL STATEMENTS

**City of Placentia
Government-Wide
Condensed Statement of Net Position
June 30, 2020**

| | Governmental Activities | Business-Type Activities | Total |
|---------------------------------------|------------------------------------|-------------------------------------|-----------------------------|
| Assets | <u>\$ 121,809,343</u> | <u>\$ 10,004,124</u> | <u>\$ 131,813,467</u> |
| Deferred Outflows of Resources | <u>9,432,269</u> | <u>573,205</u> | <u>10,005,474</u> |
| Liabilities | <u>88,460,419</u> | <u>4,105,054</u> | <u>92,565,473</u> |
| Deferred Inflows of Resources | <u>7,295,166</u> | <u>406,032</u> | <u>7,701,198</u> |
| Net Position: | | | |
| Net investment in capital assets | 81,105,806 | 8,748,171 | 89,853,977 |
| Restricted | 7,731,960 | - | 7,731,960 |
| Unrestricted (deficit) | <u>(53,351,739)</u> | <u>(2,681,928)</u> | <u>(56,033,667)</u> |
| Total Net Position | <u><u>\$ 35,486,027</u></u> | <u><u>\$ 6,066,243</u></u> | <u><u>\$ 41,552,270</u></u> |

**City of Placentia
Government-Wide Summary
Statement of Activities
For the Year Ended June 30, 2020**

| | Governmental Activities | Business-Type Activities | Total |
|------------------------------------|------------------------------------|-------------------------------------|------------------------|
| Expenses | <u>\$ (46,591,254)</u> | <u>\$ (4,963,525)</u> | <u>\$ (51,554,779)</u> |
| Program Revenues | | | |
| Charges for services | 6,013,193 | 3,975,300 | 9,988,493 |
| Operating grants and contributions | 9,587,519 | - | 9,587,519 |
| Capital grants and contributions | 2,994,419 | - | 2,994,419 |
| Total program revenues | <u>18,595,131</u> | <u>3,975,300</u> | <u>22,570,431</u> |
| Net Cost of Services | (27,996,123) | (988,225) | (28,984,348) |
| General Revenues - Taxes | 34,888,960 | - | 34,888,960 |
| General Revenues - Others | 992,456 | 26,670 | 1,019,126 |
| Transfers | 192,000 | (192,000) | - |
| Change in Net Position | <u>\$ 8,077,293</u> | <u>\$ (1,153,555)</u> | <u>\$ 6,923,738</u> |

**City of Placentia
General Fund
Condensed Balance Sheet
June 30, 2020**

| | | |
|---|----|-------------|
| Assets | \$ | 18,869,550 |
| | | <hr/> |
| Liabilities | \$ | 3,222,594 |
| | | <hr/> |
| Deferred Inflows of Resources | | 1,680,505 |
| | | <hr/> |
| Fund Balance | | |
| Nonspendable | | 3,734,003 |
| Restricted | | 555,258 |
| Committed | | 5,810,898 |
| Unassigned | | 3,866,292 |
| | | <hr/> |
| Total Fund Balance | | 13,966,451 |
| | | <hr/> |
| Total Liabilities and Fund Balance | \$ | 18,869,550 |
| | | <hr/> <hr/> |

**City of Placentia
General Fund
Condensed Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2020**

| | |
|---|---------------------|
| Revenues | \$ 41,557,041 |
| Expenditures | <u>(44,474,766)</u> |
| Revenues over Expenditures | (2,917,725) |
| Other Financing Sources and Uses | |
| Transfers (Net) | 769,400 |
| Proceeds from sale of property | 1,547,438 |
| Proceeds from issuance of debt | <u>4,218,101</u> |
| Total other financing sources/uses | <u>6,534,939</u> |
| Change in Fund Balance | <u>\$ 3,617,214</u> |

FINANCIAL INDICATORS AND KEY PENSION AND OPEB INFORMATION

**City of Placentia
Governmental Activities
Net Cost of Services to Tax Revenues**

| | 2020 | 2019 |
|-----------------------------|-----------------|-----------------|
| Net Cost of Services | \$ (27,996,123) | \$ (24,597,929) |
| Tax Revenues | 34,888,960 | 29,730,751 |
| Ratio | <u>80.24%</u> | <u>82.74%</u> |

**City of Placentia
General Fund
Unassigned Fund Balance to Annual Expenditures**

| | 2020 | 2019 |
|--|--------------|----------------|
| Unassigned Fund Balance | \$ 3,866,292 | \$ 543,287 |
| Annual Expenditures * | 44,474,766 | 34,019,846 |
| Ratio | 8.69% | 1.60% |
| Unassigned Fund Balance - PY | \$ 543,287 | \$ (1,345,889) |
| Net Change in Unassigned Fund Balance | \$ 3,323,005 | \$ 1,889,176 |

* includes capital outlay of \$7.2M for 2020 and \$719K for 2019

GASB 68 – The Pension Standard As of June 30, 2019 (Measurement Date)

| | Miscellaneous Plan | Safety Plan | Total |
|---|-------------------------------|------------------------|----------------------|
| Net Pension Liabilities @ 6.15% | \$ 22,788,906 | \$ 40,211,422 | \$ 63,000,328 |
| Net Pension Liabilities @ 7.15% | \$ 15,209,436 | \$ 27,002,144 | \$ 42,211,580 |
| Net Pension Liabilities @ 8.15% | \$ 8,953,119 | \$ 16,172,605 | \$ 25,125,724 |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability | <u>73.01%</u> | <u>71.99%</u> | |
| Prior year | <u>74.46%</u> | <u>71.53%</u> | |

GASB 75 – The OPEB Standard As of June 30, 2019 (Measurement Date)

| | OPEB |
|---|----------------------|
| Net OPEB Liabilities @ 2.50% | \$ 30,453,458 |
| Net OPEB Liabilities @ 3.50% | \$ 26,489,834 |
| Net OPEB Liabilities @ 4.50% | \$ 23,305,160 |
| Fiduciary Net Position as a Percentage of the Total OPEB Liability | 0.00% |

AUDIT RESULTS

Audit Results

- Opinions
 - *Unmodified Opinions issued to all Opinion Units*
 - Financial statements are fairly presented in all material respects
 - Accounting policies have been consistently applied
 - Estimates used are reasonable
 - Disclosures are properly reflected in the financial statements

Other Results

- No disagreements with management
- No material weaknesses/significant deficiencies were identified in internal control over financial reporting or compliance
- No accounting issues
- No inappropriate activities were noted



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