



AGENDA
CITY COUNCIL/SUCCESSOR AGENCY/STANTON HOUSING AUTHORITY
JOINT REGULAR MEETING
STANTON CITY HALL, 7800 KATELLA AVENUE, STANTON, CA
TUESDAY, FEBRUARY 27, 2024 - 6:30 P.M.

PUBLIC ACCESS IN-PERSON AND VIA TELECONFERENCE
(Electronically / Telephonically)

Attendance by the members of the public may view the meeting live in one of the following ways:

- Attend in person - City Council Chambers: 7800 Katella Avenue, California 90680.
- Via Teleconference (electronically / telephonically) - Zoom:

In order to join the meeting via telephone please follow the steps below:

1. Dial the following phone number +1 (669) 444-9171 (US).
2. Dial in the following **Meeting ID: (830 5950 3930)** to be connected to the meeting.

In order to join the meeting via electronic device please utilize the Zoom URL link below:

- <https://us02web.zoom.us/j/83059503930?pwd=UXdNU2hySGxjK1BBeE9XNFRPWtZlQT09>

ANY MEMBER OF THE PUBLIC WISHING TO PROVIDE PUBLIC COMMENT FOR ANY ITEM ON THE AGENDA MAY DO SO AS FOLLOWS:

- Attend in person and complete and submit a request to speak card to the City Clerk.
- E-Mail your comments to Pvazquez@StantonCA.gov with the subject line "PUBLIC COMMENT ITEM #" *(insert the item number relevant to your comment)*. Comments received no later than 5:30 p.m. before the scheduled meeting will be compiled, provided to the City Council, and made available to the public before the start of the meeting. Staff will not read e-mailed comments at the meeting. However, the official record will include all e-mailed comments received until the close of the meeting.

Should you have any questions related to participation in the City Council Meeting, please contact the City Clerk's Office at (714) 890-4245 or via e-mail at Pvazquez@StantonCA.gov.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (714) 890-4245 or via e-mail at Pvazquez@StantonCA.gov. Notification prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

The City Council agenda and supporting documentation is made available for public review and inspection during normal business hours in the Office of the City Clerk, 7800 Katella Avenue, Stanton California 90680 immediately following distribution of the agenda packet to a majority of the City Council. Packet delivery typically takes place on Thursday afternoons prior to the regularly scheduled meeting on Tuesday. The agenda packet is also available for review and inspection on the city's website at www.StantonCA.gov.

1. **CLOSED SESSION** None.

2. **CALL TO ORDER STANTON CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY JOINT REGULAR MEETING (6:30 PM)**

3. **PLEDGE OF ALLEGIANCE**

4. **ROLL CALL** Council / Agency / Authority Member Taylor
 Council / Agency / Authority Member Torres
 Council / Agency / Authority Member Van
 Mayor Pro Tem / Vice Chairperson Warren
 Mayor / Chairman Shawver

5. **SPECIAL PRESENTATIONS AND AWARDS**
 - A. Presentation by the Community Engagement Advisory Committee (C.E.A.C), sharing their mission with the City Council and providing information on their current operations.

 - B. Presentation by Citizens Take Action, sharing their mission with the City Council and providing information on their current operations, campaign finance laws, and transparency in municipal government.

6. CONSENT CALENDAR

All items on the Consent Calendar may be acted on simultaneously, unless a Council/Board Member requests separate discussion and/or action.

CONSENT CALENDAR

- 6A. **MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED**

RECOMMENDED ACTION:

City Council/Agency Board/Authority Board waive reading of Ordinances and Resolutions.

6B. APPROVAL OF WARRANTS

City Council approve demand warrants dated January 27, 2024 – February 8, 2024, in the amount of \$1,537,850.85.

6C. APPROVAL OF MINUTES

City Council/Successor Agency/Housing Authority approve Minutes of Joint Special and Regular Meeting – February 13, 2024.

6D. AWARD OF CONSTRUCTION CONTRACT FOR THE FY 2022/23 CITYWIDE STREET RESURFACING PROJECT (TASK CODE 2023-101)

Six bids for the FY 2022/23 Citywide Street Resurfacing Project were opened on February 13, 2024. Based on the post-bid analysis of the bids received, staff has determined the bid submitted by Onyx Paving Company, Inc. to be the lowest responsible and responsive bid at \$1,151,000.

RECOMMENDED ACTION:

1. City Council declare that this project is exempt from the California Environmental Quality Act (“CEQA”), Class 1, Section 15301(c) as repair, maintenance, and minor alteration of existing public structures; and
2. Award a construction contract for the FY 2022/23 Citywide Street Resurfacing Project to Onyx Paving Company, Inc. for the bid amount of \$1,151,000.00 and reject all other bids; and
3. Authorize the City Manager to bind the City of Stanton and Onyx Paving Company, Inc. in a contract for the construction; and
4. Authorize the City Manager to approve contract changes, not to exceed 10-percent of the bid amount (\$115,100).

6E. AWARD OF CONSTRUCTION CONTRACT FOR THE STANTON PARK FITNESS EQUIPMENT (TASK CODE NO. 2022-820)

The City of Stanton’s Qualified Contractors List prepared in accordance with the California Uniform Public Construction Cost Accounting Act (CUPCCAA) guidelines and associated Public Contract Codes is being used for this public project. A proposal was received to construct the concrete infrastructure and site preparation for the Stanton Park Fitness Equipment Project. Staff recommends a construction contract to be awarded to Aguilar & Calderon, a corporation, in the amount of \$42,000.

RECOMMENDED ACTION:

1. City Council declare that this project is categorically exempt under the California Environmental Quality Act, Class 3 and Section 15303 which exempts the construction or new, small facilities or structures; and
2. Award a construction contract for the Stanton Park Fitness Equipment Project to Aguilar & Calderon, a corporation, for the bid amount of \$42,000 according to the City’s adopted Uniform Public Construction Cost Accounting Act Municipal Code Section 2.58.010 for this procurement; and
3. Authorize the City Manager to approve contract changes, not to exceed 10-percent of the bid amount (\$4,200); and
4. Authorize the City Manager to bind the City of Stanton and Aguilar & Calderon, a corporation, in a contract for the construction.

6F. ACCEPTANCE OF THE 2023 CATCH BASIN SCREEN INSTALLATION PROJECT BY THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA

The 2023 Catch Basin Screen Installation Project consisting of the installation of new connector pipe screen (CPS-MOD™) and Grated Inlet Trash Screens (GITS™) devices in catch basins is now complete. The final construction cost for the project was \$42,840, coming in under budget below the contract award amount. The City Engineer certifies that the work was satisfactorily completed as of February 5, 2024 and recommends that the City Council accept the completed work performed on this project.

RECOMMENDED ACTION:

1. City Council declare this project categorically exempt under the California Environmental Quality Act, Class 1, and Section 15301(b) as minor alteration of existing public utility; and
2. Accept the completion of improvements for the 2023 Catch Basin Screen Installation Project, as certified by the City Engineer, and affix the date of February 5, 2024 as the date of completion of all work on this project; and

3. Approve the final construction contract amount of \$42,840 with G2 Construction, Inc.; and
4. Direct the City Clerk within ten (10) days from the date of acceptance to file the Notice of Completion (Attachment) with the County Clerk-Recorder of the County of Orange; and
5. Direct City staff, after thirty-five (35) days has elapsed from the filing of the “Notice of Completion” with the County Clerk-Recorder, to make the retention payment to G2 Construction, Inc. in the amount of \$2,142.

6G. ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2022-23 AND RELATED AUDIT REPORTS

Each year the City issues an Annual Comprehensive Financial Report (ACFR), which summarizes the financial activity of a local government for a given fiscal year in accordance with financial statement presentation requirements prescribed by government accounting standards (Attachment A). The ACFR is accompanied by an opinion from the City’s audit firm. The audit firm’s opinion on the City’s 2022-23 ACFR is a clean opinion, with no exceptions, modifications, or qualifications. (The audit firm also issued a separate report for the Housing Authority’s 2022-23 audited financial statements. The single audit report on Attachment C was required for the Fiscal Year 2022-23 audit because the City spent more than \$750,000 in federal grant funds. No findings or questioned costs are identified in this report. In addition, the City’s auditors issue other reports in relation to the City’s audit. These reports are provided in Attachments D and E. (Attachment D, page 6 includes one recommendation from the City’s auditors.).

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Annual Comprehensive Financial Report (ACFR), and related audit reports.

6H. RESOLUTION INITIATING PROCEEDINGS AND ORDERING THE ENGINEER TO PREPARE AND TO FILE A REPORT FOR THE STANTON LIGHTING AND LANDSCAPING DISTRICT NO. 1

As part of the annual update to the Lighting and Landscaping District No. 1, certain procedural resolutions must be adopted by the City Council. The proposed resolution orders the Engineer’s report for the Fiscal Year 2024/25 update.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Section 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Adopt Resolution No. 2024-04 initiating proceedings and ordering the Engineer’s report for the Fiscal Year 2024/25 update, entitled:

“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, INITIATING PROCEEDINGS FOR THE ANNUAL ASSESSMENTS FOR THE STANTON LIGHTING AND LANDSCAPING DISTRICT NO. 1 FOR THE FISCAL YEAR BEGINNING JULY 1, 2024, AND ENDING JUNE 30, 2025; AND ORDERING THE ENGINEER TO PREPARE AND FILE A REPORT IN ACCORDANCE THEREWITH”.

6I. REQUEST FOR PROPOSALS FOR PARKING ENFORCEMENT SERVICES

The City of Stanton will issue a Request for Proposals (RFP) from qualified parking enforcement service providers for the provision of comprehensive parking enforcement services for an initial two year-term, with two two-year extensions to be exercised at the City’s discretion.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the report.

END OF CONSENT CALENDAR

7. PUBLIC HEARINGS

7A. AN EXTENSION OF AN INTERIM URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ESTABLISHING A TEMPORARY MORATORIUM ON THE ESTABLISHMENT OF ANY NEW TOBACCO RETAILER BUSINESS, AS DEFINED, AND TEMPORARY MORATORIUM ON ANY EXPANSION, ENLARGEMENT, AND/OR ALTERATION OF ANY EXISTING TOBACCO RETAILER BUSINESSES PENDING STUDY AND THE PREPARATION OF AN UPDATE TO THE CITY'S MUNICIPAL CODE AND ZONING CODE PURSUANT TO GOVERNMENT CODE SECTIONS 65858 AND 36937 AND DETERMINING THE ORDINANCE TO BE EXEMPT FROM CEQA

Due to the continuing need to protect the public safety, health, and welfare of the community from illegal sales of flavored tobacco products, and the comprehensive nature of the necessary review of the applicable Municipal Code regulations including operational standards, zoning regulations, and other pertinent revisions aimed at reducing the unlawful sale of flavored tobacco products, the City Council is asked to consider an extension of the interim urgency ordinance to temporarily prohibit the establishment of any new tobacco retailer business and/or the expansion, enlargement, or alteration of any existing tobacco retailer businesses within the City. The interim urgency ordinance would provide the City with sufficient time to develop new municipal and zoning code regulations. The length of the moratorium would be 10 months and 15 days.

RECOMMENDED ACTION:

1. City Council find that the proposed urgency ordinance is:
 - a) Not a "project" within the meaning of Section 15378 of the State of California Environmental Quality Act ("CEQA") Guidelines (Title 14 of the California Code of Regulations) because it has no potential for resulting in physical change in the environment, directly or indirectly; and
 - b) Exempt from the requirements of CEQA under Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
2. Receive and file the 10-day action report for the conclusion of the 45-day moratorium; and
3. Adopt Urgency Ordinance No. 1139, entitled:

"AN EXTENSION OF AN INTERIM URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA ESTABLISHING A TEMPORARY MORATORIUM ON THE ESTABLISHMENT OF ANY NEW TOBACCO RETAILER BUSINESS, AS DEFINED, AND A TEMPORARY MORATORIUM ON ANY

EXPANSION, ENLARGEMENT, AND/OR ALTERATION OF ANY EXISTING TOBACCO RETAILER BUSINESS FOR 10 MONTHS AND 15 DAYS PENDING STUDY AND THE PREPARATION OF AN UPDATE TO THE CITY'S MUNICIPAL CODE AND ZONING CODE PURSUANT TO GOVERNMENT CODE SECTIONS 65858 AND 36937 AND DETERMINING THE ORDINANCE TO BE EXEMPT FROM CEQA".

8. UNFINISHED BUSINESS None.

9. NEW BUSINESS

9A. INFORMATIONAL REPORT REGARDING RECENT STATE LAWS AND CAMPAIGN CONTRIBUTIONS

At its meeting on November 28, 2023, the City Council requested an informational report regarding new laws relating to campaign finance contribution limits and revisions to the "Levine Act," which are Assembly Bill 571 and Senate Bill 1439, respectively. This report provides a summary of each law.

RECOMMENDED ACTION:

1. City Council declare this action categorically exempt under the California Environmental Quality Act ("CEQA") under Section 15378(b)(5) – Organizational or administrative activities of governments that will not result in direct or indirect changes in the environment; and
2. Consider a presentation by the City Attorney's Office and receive and file the report or provide further direction.

9B. AUTHORIZATION FOR MAYOR AND COUNCIL MEMBERS TO ATTEND UPCOMING MEETINGS AND EVENTS

Pursuant to the City of Stanton Travel and Reimbursement policy, the Mayor and/or a Council Member must receive City Council approval prior to a trip if the trip will exceed \$500. Council will consider the following requests for travel:

- Mayor David J. Shawver
 - Event: League of California Cities 2024 City Leader Summit
 - Location: Sacramento, CA
 - Dates: April 17 – 19, 2024
- Mayor David J. Shawver
 - Event: Southern California Association of Governments (SCAG) 59th Annual Regional Conference and General Assembly
 - Location: Palm Desert, CA
 - Dates: May 2 – 3, 2024

- Council Member Donald Torres
 - Event: League of California Cities 2024 City Leader Summit
 - Location: Sacramento, CA
 - Dates: April 17 – 19, 2024.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Authorize the Mayor and/or Council Member attendance at the proposed meetings and events as desired and authorize staff to make a budget adjustment as needed to cover registration and travel costs.

9C. APPROVE THE BUDGET ADJUSTMENTS PROPOSED FOR THE MID-YEAR BUDGET UPDATE FOR FISCAL YEAR 2023/24

During the course of the fiscal year, it is often necessary to adjust estimated revenues and expenditure appropriations in various program areas, projects, and funds. Revenue for all City funds is increasing by \$4.2 million and expenditures for all City funds is increasing by \$4.6 million. Nearly half of the revenue increase, \$1.7 million, is to adjust investment income due to increased interest earned from the City’s investment portfolio. In Fiscal Year 2022/23, the City earned over \$1.7 million in interest income. This trend has continued through the first half of the current fiscal year. All of the proposed changes to the Fiscal Year 2023/24 Adopted Operating Budget, including detailed explanations, are presented in Attachment A.

General Fund revenue is increasing by \$2.1 million, and expenditures are decreasing by \$748,425 resulting in a net increase in fund balance of \$2.9 million, which will increase the General Fund’s available fund balance to a revised projected amount of \$35.8 million by June 30, 2024.

Housing Authority revenue is increasing by \$280,000, primarily due to interest income as previously discussed. Housing Authority expenditures are increasing by \$4.3 million, primarily for relocation services for residents of the Tina Pacific affordable housing project.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. City Council approve the budget adjustments summarized in Attachment A.

10. ORAL COMMUNICATIONS - PUBLIC

At this time members of the public may address the City Council/Successor Agency/Stanton Housing Authority regarding any items within the subject matter jurisdiction of the City Council/Successor Agency/Stanton Housing Authority, provided that NO action may be taken on non-agenda items.

- Members of the public wishing to address the Council/Agency/Authority during Oral Communications-Public or on a particular item are requested to fill out a REQUEST TO SPEAK form and submit it to the City Clerk. Request to speak forms must be turned in prior to Oral Communications-Public.
- When the Mayor/Chairman calls you to the microphone, please state your Name, slowly and clearly, for the record. A speaker's comments shall be limited to a three (3) minute aggregate time period on Oral Communications and Agenda Items. Speakers are then to return to their seats and no further comments will be permitted.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council/Agency/Authority and Staff need to be recognized by the Mayor/Chairman before speaking.

11. WRITTEN COMMUNICATIONS None.

12. MAYOR/CHAIRMAN COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS

12A. COMMITTEE REPORTS/ COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS

At this time Council/Agency/Authority Members may report on items not specifically described on the agenda which are of interest to the community provided no discussion or action may be taken except to provide staff direction to report back or to place the item on a future agenda.

12B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE MEETING

At this time Council/Agency/Authority Members may place an item on a future agenda.

12C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

At this time Council/Agency/Authority Members may place an item on a future study session agenda.

Currently Scheduled: None.

13. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

14. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

14A. ORANGE COUNTY SHERIFF'S DEPARTMENT

At this time the Orange County Sheriff's Department will provide the City Council with an update on their current operations.

15. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, the foregoing agenda was posted at the Post Office, Stanton Community Services Center and City Hall, not less than 72 hours prior to the meeting. Dated this 22nd day of February, 2024.

s/ Patricia A. Vazquez, City Clerk/Secretary

Item: 6B

Click here to return to the agenda.

CITY OF STANTON ACCOUNTS PAYABLE REGISTER

January 27-February 8, 2024

Electronic Transaction Nos.	3036-3056	\$	1,244,907.87
Check Nos.	137497-137556		292,942.98

	TOTAL	\$	1,537,850.85
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Demands listed on the attached registers conform to the City of Stanton Annual Budget as approved by the City Council.

/s/ Hannah Shin-Heydorn

Demands listed on the attached registers are accurate and funds are available for payment thereof.

/s/ Michelle Bannigan

Finance Director

Accounts Payable

Checks by Date - Detail by Check Number

User: JRodriguez
Printed: 2/13/2024 11:58 AM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
3036	GOL1321	GOLDEN STATE WATER COMPANY	01/29/2024	
	January 05	Water Services Median 12/01/23 - 01/03/24		159.75
	January 05	Water Services Park 12/01/23 - 01/03/24		349.14
	January 05	Water Services Building 12/01/23 - 01/03/24		468.20
Total for Check Number 3036:				977.09
3037	CAS683	CA ST PERS-HEALTH BENEFIT	01/29/2024	
	Feb-24	Feb 24 Health Ins - City Share		38,521.23
	Feb-24	Feb 24 Adm Services - Health Ins		23.78
	Feb-24	Feb 24 Retiree Ins		3,010.00
	Feb-24	Feb 24 Health Ins - Employee		4,593.08
	Feb-24	Feb 24 Adm Services - Retiree		137.97
Total for Check Number 3037:				46,286.06
3038	REC16138	RECTRAC REFUNDS	01/29/2024	
	63955369	Deposit Refund for #63955369 for Sonia Pindea		200.00
	64025940	Deposit Refund for #64025940 for Shukry Cattai		200.00
	64045230	Deposit Refund for #64045230 for Naomi Rosal		100.00
	64045230	Deposit Refund for #64045230 for Naomi Rosal		75.00
	64179974	Deposit Refund for #64179974 for Vu Nguyen		100.00
	64444057	Deposit Refund for #64444057 for Crystle Baraj		150.00
	64689179	Deposit Refund for #64689179 for Jason Ta		100.00
	64746436	Deposit Refund for #64746436 for Sara Gomez		150.00
	64856090	Deposit Refund for #64856090 for Shawn McKe		150.00
Total for Check Number 3038:				1,225.00
3039	All11857	ALLIANT INSURANCE SERVICES INC	01/30/2024	
	July-Sept 2023	Special Event Insurance / July - Sept 2023		2,040.00
Total for Check Number 3039:				2,040.00
3040	GOL1321	GOLDEN STATE WATER COMPANY	01/30/2024	
	January 29	12/4/24-1/4/24 Water Service Median January 11		156.97
	January 29	12/1/23-1/3/24 Water Service Park January 08		577.56
	January 29	12/5/24-1/5/24 Water Service Median January 08		451.38
	January 29	Nov 30 -Jan 4 Water Service Housing Authority		4,296.70
	January 29	12/4/24-1/4/24 Water Service Park January 11		341.44
Total for Check Number 3040:				5,824.05
3041	REC16138	RECTRAC REFUNDS	01/30/2024	
	63384449	Deposit Refund for #6338449 for Amy Hercher		84.00
Total for Check Number 3041:				84.00
3042	INT1569	INTERNAL REVENUE SERVICE	02/02/2024	
	2/1/2024	(ME) Medicare - City Share		2,651.49
	2/1/2024	(FD) Federal Tax Withholding		19,268.98

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	2/1/2024	(MC) Medicare - Employee Share		2,651.49
			Total for Check Number 3042:	24,571.96
3043	EDD1067	EDD	02/02/2024	
	2/1/2024	State Tax Withholding		7,451.94
	2/1/2024	State Unemployment		1,156.07
			Total for Check Number 3043:	8,608.01
3044	GOL1321	GOLDEN STATE WATER COMPANY	02/02/2024	
	January 11	Water Services Park 12/8/23-1/10/24		3,193.56
	January 11	Water Services Building 12/8/23-1/10/24		439.51
	January 11	Water Services Median 12/8/23-1/10/24		1,724.20
			Total for Check Number 3044:	5,357.27
3045	GOL1321	GOLDEN STATE WATER COMPANY	02/05/2024	
	January 12	Water Services Park 12/8/23-1/12/24		1,099.48
			Total for Check Number 3045:	1,099.48
3046	CAS680	CA ST PERS 103	02/05/2024	
	PPE 01/27/2024	PERS - Survivor (Employee) T1		7.44
	PPE 01/27/2024	PERS - Employee's Share T1		1,839.47
	PPE 01/27/2024	PERS - Survivor New T3		25.11
	PPE 01/27/2024	PERS - Employee Classic T2		4,005.28
	PPE 01/27/2024	PERS - Employee New T3		5,768.25
	PPE 01/27/2024	PERS - City's Share - Classic T2		5,779.07
	PPE 01/27/2024	PERS - Employee Buy Back		49.69
	PPE 01/27/2024	PERS - City's Share - New T3		5,716.20
	PPE 01/27/2024	PERS - Survivor Classic T2		8.37
	PPE 01/27/2024	PERS - City's Share T1		3,276.88
			Total for Check Number 3046:	26,475.76
3047	BES12575	BEST BEST & KRIEGER LLP	02/06/2024	
	985334	Code Enforcement Fees thru 12/31/2023		7,380.68
	985334	Code Enforcement Fees thru 12/31/2023		8,670.42
	985335	OCSD/Police Fees thru 12/31/2023		10,856.59
			Total for Check Number 3047:	26,907.69
3048	BEN15755	BENEFIT COORDINATORS CORPORAT	02/06/2024	
	B0CHSN	February 2024 Delta Dental-Employee Share		247.60
	B0CHSN	February 2024 Delta Dental-City Share		1,775.10
			Total for Check Number 3048:	2,022.70
3049	VSP13387	VISION SERVICE PLAN - (CA)	02/06/2024	
	819685944	February 2024 Health Ins-Employee VSP		57.14
	819685944	February 2024 Health Ins-Employee VSP		445.54
			Total for Check Number 3049:	502.68
3050	MET12565	METLIFE SBC	02/06/2024	
	Feb-24	February 24 Metlife Dental - City Share		73.06
	Feb-24	February 24 Metlife Dental - Employee Share		32.00
			Total for Check Number 3050:	105.06
3051	JEN14424	ANA JENSEN	02/06/2024	

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	PPE 01/27/2024	Wage Garnishment PPE 01/27/2024		400.00
			Total for Check Number 3051:	400.00
3052	PUB15477 PPE 01/27/2024	PUBLIC AGENCY RISK SHARING AUT PARS - PPE 01/27/2024	02/06/2024	1,520.11
			Total for Check Number 3052:	1,520.11
3053	SOC2734 01/29/24 01/29/24 01/29/24	SO CAL EDISON Stanton District Light Electric Service-Medians Electric Service-Building	02/06/2024	83.34 60.41 8,024.89
			Total for Check Number 3053:	8,168.64
3054	OCA2137	COUNTY OF ORANGE TREASURER- T. .25% Early Payment Discount	02/07/2024	-2,711.43
	SH 67810	Sheriff Contract Services (Office Specialist Fron		8,926.67
	SH 67810	Sheriff Contract Services (Crime Prevention Spe		9,519.25
	SH 67810	Sheriff Contract Services February - 2024		695,502.82
	SH 67810	Sheriff Contract Services February - 2024		370,625.00
			Total for Check Number 3054:	1,081,862.31
3055	REC16138 63944274 63944274 64219470	RECTRAC REFUNDS Cancelled reservation. Refund for #63944274 fo Security Deposit Refund for #63944274 for Misl Deposit Refund for #64219470 for Alaina Penal	02/07/2024	180.00 300.00 150.00
			Total for Check Number 3055:	630.00
3056	REC16138 64948008 64948008	RECTRAC REFUNDS Cancelled Outdoor Reservation. Refund for #645 Deposit Refund for #64948008 for TIYYA	02/08/2024	90.00 150.00
			Total for Check Number 3056:	240.00
137497	CSG16451 4998 54536 54536A 54904 54904A B232161 B232347	CSG CONSULTANTS, INC. Engineering Plan Review Services 11/25/2023 - Engineering Plan Review Services 10/28/2023-1 Engineering Plan Review Services (Premier Park (Cameron H.) Bldg Inspections 11/25/2023 - 12/ (Cameron H.) Bldg Inspections 11/25/20023 - 12 Building Plan Review Services 11/1/2023 - 11/3/ Building Plan Review Services 12/1/2023 - 12/3	01/30/2024	4,117.00 2,835.00 162.00 15,246.00 792.00 8,753.92 5,374.32
			Total for Check Number 137497:	37,280.24
137498	Csm12151 12/5/2023	CSMFO Refund for Returned Deposit for CSMFO OC Lu	01/30/2024	500.00
			Total for Check Number 137498:	500.00
137499	HIN1468 SIN034944	HINDERLITER DELLAMAS & ASSOCI/ BL Tax Ordinance/ Fee Study	01/30/2024	5,000.00
			Total for Check Number 137499:	5,000.00
137500	REA16826 1/5/24	REALPAGE UTILITY MANAGEMENT Emergency utility assistance for FRC client	02/06/2024	164.56

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 137500:	164.56
137501	ARA16823 11003197	GUILLERMO ARAUJO Citation Refund for #11003197 for Guillermo Ar	02/08/2024	43.00
			Total for Check Number 137501:	43.00
137502	ATT377 1/23/2024 1/25/2024 1/29/2024 1/29/24	AT&T Cerritos/ Knott - Dec Cerritos Intercon - Jan Cerritos/ Magnolia - Jan DMV Access Line - Dec - Jan	02/08/2024	26.82 186.50 8.83 51.46
			Total for Check Number 137502:	273.61
137503	AUT12223 4072053208	AUTOZONE INC. Parts for vehicle repair	02/08/2024	109.79
			Total for Check Number 137503:	109.79
137504	BIR16824 10003901	ALEX BIRKELBACH Citation Refund for #10003901 for Alex Birkelb;	02/08/2024	57.00
			Total for Check Number 137504:	57.00
137505	BOY13501 2086C 2086E	BOYS & GIRLS CLUBS OF GARDEN GI Contractual Services (FaCT) Boys & Girls GG - Contractual Services (FaCT) Boys & Girls GG -	02/08/2024	3,606.85 4,013.64
			Total for Check Number 137505:	7,620.49
137506	BRI15368 2023-062	JUDITH BRITO C&D Deposit Refund for Permit #2023-062 for ;	02/08/2024	2,400.00
			Total for Check Number 137506:	2,400.00
137507	C3O13388 INV172313	C3 TECHNOLOGY SERVICES Sharp Copiers/All Facilities/ Managed Print Svc;	02/08/2024	707.15
			Total for Check Number 137507:	707.15
137508	CAA555 300019625 300019626 300019627 300019628 300019629	CA ASSOC OF CODE ENFORCEMENT C 2024 CACEO Membership/ K. Gifford 2024 CACEO Membership/J. De La Torre 2024 CACEO Membership/D. Urbina 2024 CACEO Membership/L. Ramos 2024 CACEO Membership/K. Haro	02/08/2024	100.00 100.00 100.00 100.00 100.00
			Total for Check Number 137508:	500.00
137509	CAA556 33984	CA AUTO & BRAKE INC Oil change 2021 Ram Lic #1608077	02/08/2024	84.38
			Total for Check Number 137509:	84.38
137510	CAR630 2023-338007 2023-367826	CARE AMBULANCE SERVICE INC Ambulance Service/ Mavis Ethans/ Svc Date: 11 Ambulance Service/ Mavis Ethans/ Svc Date: 12	02/08/2024	200.00 200.00
			Total for Check Number 137510:	400.00
137511	COU15550	COUNTY OF ORANGE	02/08/2024	

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	PW240039	To provide striping, concrete, & other street repa		527.28
			Total for Check Number 137511:	527.28
137512	CYP925 73121	CYPRESS ENGRAVING (4) Name Badges / OCS D	02/08/2024	76.13
			Total for Check Number 137512:	76.13
137513	CAC563 CY23 Q4 CY23 Q4 CY23 Q4	DEPARTMENT OF CONSERVATION Category 1 Category 2 SMIP Fee Q4	02/08/2024	-110.96 -5.89 2,336.95
			Total for Check Number 137513:	2,220.10
137514	DIV13216 Oct-Dec 2023	DIVISION OF THE STATE ARCHITECT Disability access & education// SB 1186 & AB1:	02/08/2024	473.20
			Total for Check Number 137514:	473.20
137515	ECO15351 29314	ECONO TIRE, INC Oil change on Rav4 Lic#1470472	02/08/2024	70.00
			Total for Check Number 137515:	70.00
137516	ENR16819 62937874	MARICEL ENRIQUEZ Deposit Refund for #62937874 for Maricel Enric	02/08/2024	300.00
			Total for Check Number 137516:	300.00
137517	FER16731 2023-435	FLORENTINO FERRER C&D Deposit Refund for Permit #2023-435 for 1	02/08/2024	900.00
			Total for Check Number 137517:	900.00
137518	FRI13695 FY2324-06FC	FRIENDLY CENTER, INC Contractual Services (FaCT) Friendly Center - D	02/08/2024	5,141.01
			Total for Check Number 137518:	5,141.01
137519	FUE13027 72431	FUEL PROS, INC Fuel Station AQMD Testing	02/08/2024	730.00
			Total for Check Number 137519:	730.00
137520	GOL16311 277446	GOLDENWEST LAWNMOWERS Parts for red curb paint sprayer	02/08/2024	87.24
			Total for Check Number 137520:	87.24
137521	GUT16828 54045845	LIZBETH GUTIERREZ MAGANA Deposit Refund for #64045845 for Lizbeth Gutic	02/08/2024	150.00
			Total for Check Number 137521:	150.00
137522	GUZ13902 1/31/2024	CYNTHIA GUZMAN Mileage reimbursement for CJPIA Risk Manage	02/08/2024	143.51
			Total for Check Number 137522:	143.51
137523	HAS16808 938989	HASA INC. Repairs to splash pad	02/08/2024	1,748.62

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 137523:	1,748.62
137524	HIL1466 85910	HILL'S BROS LOCK & SAFE INC Duplicate Keys	02/08/2024	22.84
			Total for Check Number 137524:	22.84
137525	HOL16829 2/1/24 2/2/24	VICTORIA HOLGUIN Parking Reimbursement for CSMFO Conference Mileage Reimbursement for CSMFO Conference	02/08/2024	25.00 8.84
			Total for Check Number 137525:	33.84
137526	INT1579 FY2324-06STN	INTERVAL HOUSE Contractual Services (FaCT) Interval House- De	02/08/2024	1,416.41
			Total for Check Number 137526:	1,416.41
137527	KDM16406 7803	KDM MERIDIAN Plan check 23-CSP-03// Beach Blvd. Stanford A	02/08/2024	355.00
			Total for Check Number 137527:	355.00
137528	KUS1699 1713	KUSUNOKI GARY I Admin Citation Hearings 11/01/23/ 1-IP / 3-W	02/08/2024	880.00
			Total for Check Number 137528:	880.00
137529	LEA1741 INV-11928-M5C1K INV-11928-M5C1K	LEAGUE OF CALIF CITIES 2024 Membership Dues/ Leagues of CA Cities (. 2024 Membership Dues/ Leagues of CA Cities (.	02/08/2024	7,183.50 7,183.50
			Total for Check Number 137529:	14,367.00
137530	LIF16289 61729031A	LIFE CHRISTIAN CHURCH OF ORANG Security refund 1 guard not showing up 12/3,12/	02/08/2024	520.96
			Total for Check Number 137530:	520.96
137531	LUO16830 2/2/24 2/2/24	AMY LUONG Parking Reimbursement for CSMFO Conference Mileage Reimbursement for CSMFO Conference	02/08/2024	25.00 11.66
			Total for Check Number 137531:	36.66
137532	MAR1873 247206	MARK'S OLD TOWNE SERVICE, INC. Repairs to the tractor	02/08/2024	2,611.95
			Total for Check Number 137532:	2,611.95
137533	NAT13166 019932	NATIONAL PLANT SVCS. INC Sewer cleaning services - emergency worl 1068C	02/08/2024	2,500.00
			Total for Check Number 137533:	2,500.00
137534	NGU16113 2023-458-A	JAMIE NGUYEN C&D Deposit Refund for Permit #2023-458 for .	02/08/2024	750.00
			Total for Check Number 137534:	750.00
137535	OCS2185 Dec-23	O C SANITATION DISTRICT OC San Dist - Dec 2023 Connection Fees	02/08/2024	1,997.62

ATTACHMENT A
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Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	Jul-23	OC San Dist - July 2023 Connection Fees		4,240.36
	Nov-23	OC San Dist - Nov 2023 Connection Fees		144,797.34
Total for Check Number 137535:				151,035.32
137536	ONW16569 7271	ONWARD ENGINEERING Design FY2023/24 Citywide Street and Alley Re	02/08/2024	23,390.50
Total for Check Number 137536:				23,390.50
137537	PER16822 ST322741	RICARDO PEREZ Citation Refund for #ST322741 for Ricardo Pere	02/08/2024	63.00
Total for Check Number 137537:				63.00
137538	PSI11874 43283	PSI Tagnators graffiti remover	02/08/2024	380.63
Total for Check Number 137538:				380.63
137539	PUR16827 60501672 60501672-A	PURE HANDS FOR MANKIND INC Deposit Refund for Cancelled Reservation #6050 Cancelled Reservation Fee for #60501672 for Pu	02/08/2024	400.00 -35.00
Total for Check Number 137539:				365.00
137540	QUA15782 2024-01 2024-01 PR	QUALITY MANAGEMENT GROUP, INC Property Management Svcs Tina Pacific Develop CM & Management Salarie for Tina Pacific Dev	02/08/2024	6,250.00 8,337.00
Total for Check Number 137540:				14,587.00
137541	ROD16521 2/2/2024 2/2/24	JOCELYN RODRIGUEZ Parking at CSMFO Conference 2024 on 2/2/202- Mileage Reimbursement for CSMFO Conferenc	02/08/2024	25.00 6.43
Total for Check Number 137541:				31.43
137542	STA12282 6003875892	SECURITAS TECHNOLOGY CORPORA Service Call to Family Resource Center	02/08/2024	546.77
Total for Check Number 137542:				546.77
137543	GAS1282 1/29/2024 1/30/24	SOCALGAS Gas Services - City Hall - Jan Gas Services - Corp Yard- Jan	02/08/2024	876.02 32.02
Total for Check Number 137543:				908.04
137544	SPA15432 4096775 012624 4096775 012624A	SPARKLETTS Breakroom water delivery svc 1/3/24 & 1/18/24 Senior svcs water cooler rental	02/08/2024	129.34 3.99
Total for Check Number 137544:				133.33
137545	TAI14271 159344 159932 160190	TAIT & ASSOCIATES INC Surveying services for Stanton Park Audit Fitnes Surveying services for Stanton Park Audit Fitnes Surveying services for Stanton Park Audit Fitnes	02/08/2024	1,575.00 610.00 122.50
Total for Check Number 137545:				2,307.50
137546	TAP16821	ANA CRISTINA TAPIA-RIOS	02/08/2024	

ATTACHMENT A
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Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	64189319	Deposit Refund for Permit #64189319 for Ana C		100.00
			Total for Check Number 137546:	100.00
137547	TOT13550 12735	TOTAL COMPENSATION SYSTEMS, IN GASB 75 Full Valuation - 2nd Installment	02/08/2024	1,620.00
			Total for Check Number 137547:	1,620.00
137548	TRU13167 650211752	TRULY NOLEN OF AMERICA INC Monthly pest spraying for Jan	02/08/2024	184.00
			Total for Check Number 137548:	184.00
137549	UND2984 112030712 112030712A	UNDERGROUND SERVICE ALERT DigAlert monthly services - Nov DigAlert monthly services - Nov	02/08/2024	44.38 44.37
			Total for Check Number 137549:	88.75
137550	VAN13002 9833 9833A	VAN RY MAINTENANCE Floor Services Civic Center - Jan. 14 & 28 Floor Services FRC - Jan. 13	02/08/2024	450.00 150.00
			Total for Check Number 137550:	600.00
137551	VER3059 9954367709 9954367710	VERIZON WIRELESS Mobile/ Data Plans/ Hotspots 12/17/23-1/16/24 Mobile/ Data Plans/ Hotspots 12/17/23-1/16/24	02/08/2024	989.38 672.97
			Total for Check Number 137551:	1,662.35
137552	VER12437 VS010893	VERMONT SYSTEMS INC. RecTrac/Move Database from hosting/setup & tr	02/08/2024	875.00
			Total for Check Number 137552:	875.00
137553	VIS3077 2023-325398-00	VISTA PAINT CORP Graffiti supplies	02/08/2024	46.45
			Total for Check Number 137553:	46.45
137554	WAG13143 INV6110924	WAGWORKS, INC Jan 2024/ Administration and Compliance Fees	02/08/2024	110.00
			Total for Check Number 137554:	110.00
137555	WEL16807 5028024241	WELLS FARGO FINANCIAL LEASING, MFD Equip Lease/6 copiers/1 wide-format scan	02/08/2024	1,638.94
			Total for Check Number 137555:	1,638.94
137556	WIL12778 010-57245	WILLDAN FINANCIAL SERVICES User Fee Study - Dec 2023	02/08/2024	1,067.00
			Total for Check Number 137556:	1,067.00
			Report Total (81 checks):	1,537,850.85

MINUTES OF THE CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY
OF THE CITY OF STANTON FEBRUARY 13, 2024

SPECIAL CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY MEETING
(5:30 PM)

JOINT REGULAR CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY MEETING
(6:30 PM)

1. CALL TO ORDER / CLOSED SESSION

The City Council / Successor Agency / Housing Authority meeting was called to order at 5:34 p.m. by Mayor / Chairman Shawver.

2. ROLL CALL

Present: Council/Agency/Authority Member Taylor, Council/Agency/Authority Member Torres, Council/Agency/Authority Member Van, Mayor Pro Tem/Vice Chairperson Warren, and Mayor/Chairman Shawver.

Absent: None.

Excused: None.

3. PUBLIC COMMENT ON CLOSED SESSION ITEMS None.

4. CLOSED SESSION

The members of the City Council / Successor Agency / Housing Authority of the City of Stanton proceeded to closed session at 5:35 p.m. for discussion regarding:

4A. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

Pursuant to Government Code section 54956.9(d)(1)
Number of cases: 1

Case Name: Tina Pacific Residents Association, et al. v. City of Stanton
Case Number: OCSC 39-2023-01316300-CU-WM-CXC

4B. CONFERENCE WITH REAL PROPERTY NEGOTIATOR

(Pursuant to Government Code Section 54956.8)

Property: 8830 Tina Way, Anaheim, CA (APN 126-481-01)
8840 Tina Way, Anaheim, CA (APN 126-481-02)
8850 Tina Way, Anaheim, CA (APN 126-481-03)
8860 Tina Way, Anaheim, CA (APN 126-481-04)
8870 Tina Way, Anaheim, CA (APN 126-481-05)

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8880 Tina Way, Anaheim, CA (APN 126-481-06)
8890 Tina Way, Anaheim, CA (APN 126-481-07)
8900 Tina Way, Anaheim, CA (APN 126-481-08)
8910 Tina Way, Anaheim, CA (APN 126-481-09)
8920 Tina Way, Anaheim, CA (APN 126-481-10)
8930 Tina Way, Anaheim, CA (APN 126-481-11)
8940 Tina Way, Anaheim, CA (APN 126-481-12)
8950 Tina Way, Anaheim, CA (APN 126-481-13)
8960 Tina Way, Anaheim, CA (APN 126-481-14)
8970 Tina Way, Anaheim, CA (APN 126-481-15)
8841 Pacific Avenue, Anaheim, CA (APN 126-481-29)
8851 Pacific Avenue, Anaheim, CA (APN 126-481-28)
8861 Pacific Avenue, Anaheim, CA (APN 126-481-27)
8870 Pacific Avenue, Anaheim, CA (APN 126-482-05)
8871 Pacific Avenue, Anaheim, CA (APN 126-481-26)
8880 Pacific Avenue, Anaheim, CA (APN 126-482-06)
8881 Pacific Avenue, Anaheim, CA (APN 126-481-25)
8890 Pacific Avenue, Anaheim, CA (APN 126-482-07)
8891 Pacific Avenue, Anaheim, CA (APN 126-481-24)
8900 Pacific Avenue, Anaheim, CA (APN 126-482-08)
8901 Pacific Avenue, Anaheim, CA (APN 126-481-23)
8910 Pacific Avenue, Anaheim, CA (APN 126-482-09)
8911 Pacific Avenue, Anaheim, CA (APN 126-481-22)
8920 Pacific Avenue, Anaheim, CA (APN 126-482-10)
8921 Pacific Avenue, Anaheim, CA (APN 126-481-21)
8930 Pacific Avenue, Anaheim, CA (APN 126-482-11)
8931 Pacific Avenue, Anaheim, CA (APN 126-481-20)
8940 Pacific Avenue, Anaheim, CA (APN 126-482-12)
8941 Pacific Avenue, Anaheim, CA (APN 126-481-19)
8950 Pacific Avenue, Anaheim, CA (APN 126-482-13)
8951 Pacific Avenue, Anaheim, CA (APN 126-481-18)
8960 Pacific Avenue, Anaheim, CA (APN 126-482-14)
8961 Pacific Avenue, Anaheim, CA (APN 126-481-17)
8970 Pacific Avenue, Anaheim, CA (APN 126-482-15)
8971 Pacific Avenue, Anaheim, CA (APN 126-481-16)

Negotiating Parties: Hannah Shin-Heydorn, City Manager, City of Stanton
Hannah Shin-Heydorn, Executive Director, Housing Authority
Hannah Shin-Heydorn, Executive Director, Successor Agency
David M. Cook and Chaicran Daphnie, Owner
Jennie Trust, Owner
Nga Summer Thien Trang (Trang Trust), Owner
Ngoc Trieu and Andy Pham, Owner
Sky Nguyen / Nguyen Sky SN Living Trust, Owner
Steven W. Reiss Trust (Steven W. Reiss), Owner
Tammy T. Doan and H. Le Harvey, Owner

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Trachy Family Trust (Phillip R. Trachy), Owner

Under Negotiation: Instruction to negotiator will concern price and terms of payment.

4C. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2)

Number of Potential Cases: 1

5. CALL TO ORDER / SUCCESSOR AGENCY / STANTON HOUSING AUTHORITY MEETING

The City Council / Successor Agency / Housing Authority reconvened in open session at 6:45 p.m.

6. ROLL CALL

Present: Council/Agency/Authority Member Taylor, Council/Agency/Authority Member Torres, Council/Agency/Authority Member Van, Mayor Pro Tem/Vice Chairperson Warren, and Mayor/Chairman Shawver.

Absent: None.

Excused: None.

The City Attorney / Agency Counsel reported that the Stanton City Council / Successor Agency / Housing Authority met in closed session from 5:34 to 6:45 p.m.

The City Attorney / Agency Counsel reported that there was no reportable action.

7. PLEDGE OF ALLEGIANCE

Led by Mr. John Warren, Stanton Parks, Recreation and Community Services Commissioner.

8. SPECIAL PRESENTATIONS AND AWARDS

Presentation by Mr. Eric O'Donnell, Deputy Director, Townsend Public Affairs, providing the City Council with an update on State and Federal Legislation.

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9. CONSENT CALENDAR

Motion/Second: Warren/Van

ROLL CALL VOTE:	Council/Agency/Authority Member Taylor	AYE
	Council/Agency/Authority Member Torres	AYE
	Council/Agency/Authority Member Van	AYE
	Mayor Pro Tem/Vice Chairperson Warren	AYE
	Mayor/Chairman Shawver	AYE

Motion unanimously carried:

CONSENT CALENDAR

9A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED

The City Council/Agency Board/Authority Board waived reading of Ordinances and Resolutions.

9B. APPROVAL OF WARRANTS

The City Council approved demand warrants dated January 12, 2024 – January 26, 2024, in the amount of \$7,985,225.03.

9C. APPROVAL OF MINUTES

The City Council/Successor Agency/Housing Authority approved Minutes of Joint Special and Regular Meeting – January 23, 2024.

9D. DECEMBER 2023 INVESTMENT REPORT

The Investment Report as of December 31, 2023, has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

1. The City Council finds that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Received and filed the Investment Report for the month of December 2023.

DRAFT

9E. DECEMBER 2023 INVESTMENT REPORT (SUCCESSOR AGENCY)

The Investment Report as of December 31, 2023, has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

1. The Successor Agency finds that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Received and filed the Investment Report for the month of December 2023.

9F. DECEMBER 2023 GENERAL FUND REVENUE AND EXPENDITURE REPORT; HOUSING AUTHORITY REVENUE AND EXPENDITURE REPORT; AND STATUS OF CAPITAL IMPROVEMENT PROGRAM

The Revenue and Expenditure Report for the month ended December 31, 2023, has been provided to the City Manager in accordance with Stanton Municipal Code Section 2.20.080 (D) and is being provided to City Council. This report includes information for both the City's General Fund and the Housing Authority Fund. In addition, this report includes a status of the City's Capital Improvement Projects (CIP) as of December 31, 2023.

1. The City Council finds that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Received and filed the General Fund and Housing Authority Fund December 2023 Revenue and Expenditure Reports and Status of Capital Improvement Projects for the month ended December 31, 2023.

9G. RESOLUTION IN SUPPORT OF FUNDING AND AFFIRMING COMMITMENT TO COMPLETE PROJECTS IN THE FEDERAL TRANSPORTATION IMPROVEMENT PROGRAM

The Federal Transportation Improvement Program (FTIP) is a short-range program that implements the long-range Regional Transportation Plan (RTP) to improve mobility and air quality. The Orange County Transportation Authority (OCTA) administers the FTIP program for Orange County cities. To help ensure compliance with the requirements of the FTIP program, mainly related to funding constraints, there is a requirement for agencies that have projects in the FTIP to adopt a Resolution certifying that projects requested for inclusion in the program (Fiscal Year (FY) 2024/25 – 2029/30) are financially constrained and that agencies are committed to delivering them.

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1. The City Council declared this action to be categorically exempt under the California Environmental Quality Act (“CEQA”) under Section 15378(b)(5) – Organizational or administrative activities of governments that will not result in direct or indirect changes in the environment; and
2. Adopted Resolution No. 2024-03 certifying that the City has the resources to fund the projects submitted for inclusion into the 2025-2030 Federal Transportation Improvement Program, and confirmed the City’s commitment to implement all projects submitted to the program, entitled:

“RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON WHICH CERTIFIES THAT THE CITY HAS THE RESOURCES TO FUND PROJECTS IN THE 2024/25 – 2029/30 TRANSPORTATION IMPROVEMENT PROGRAM AND AFFIRMING THE CITY’S COMMITMENT TO IMPLEMENT ALL PROJECTS IN THE PROGRAM”.

END OF CONSENT CALENDAR

- | | |
|---|-------|
| 10. PUBLIC HEARINGS | None. |
| 11. UNFINISHED BUSINESS | None. |
| 12. NEW BUSINESS | None. |
| 13. ORAL COMMUNICATIONS – PUBLIC | |

Mr. Resident, spoke regarding traffic safety concerns and the NFL Foundation Grassroots Program whom is in partnership with the National Football League Foundation (NFL Foundation) and the Local Initiatives Support Corporation (LISC) who are providing non-profit, neighborhood-based organizations with financial and technical assistance to improve the quality, safety, and accessibility of local football fields. Mr. Resident further stated that the NFL Foundation Grassroots Program provides grants of up to \$250,000 and he believes that this would be of great benefit to Stanton Park which is currently underutilized and slowly being destroyed.

- | | |
|-----------------------------------|-------|
| 14. WRITTEN COMMUNICATIONS | None. |
|-----------------------------------|-------|

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15. MAYOR/CHAIRMAN/COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS

15A. COMMITTEE REPORTS/COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS

- Council Member Taylor reported on the Orange County Mosquito and Vector Control District's upcoming open house, which is scheduled to be held on February 15, 2024.
- Council Member Van reported on her and Mayor Shawver's attendance at the Union of Vietnamese Student Associations of Southern California's (UVSA) 42nd Annual Tét Festival, which was held on February 9, 2024 – February 11, 2024 and hosted at the OC Fair & Event Center.
- Mayor Shawver congratulated Mr. John Warren on his appointment by the Orange County Board of Supervisors to serve on the Orange County Parks Commission.
- Ms. Zenia Bobadilla, Community Services Director, reported on the City's upcoming Women of Distinction Awards 2024 event, State of the City 2024 event, and the 2024 Citizen's Academy community and leadership development program.

15B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE COUNCIL MEETING

None.

15C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

None.

16. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

None.

17. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

None.

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17A. ORANGE COUNTY FIRE AUTHORITY

At this time the Orange County Fire Authority will provide the City Council with an update on their current operations.

Chief Steve Dohman provided the City Council with an update on their current operations.

Mayor Shawver reported on the promotion of outgoing Stanton Chief of Police, Charles L. Walters, Orange County Sheriff's Department and expressed his wishes for continued success to Chief Walters.

18. **ADJOURNMENT** Motion/Second: Shawver/
Motion carried at 7:33 p.m.

DAVID J. SHAWVER, MAYOR

ATTEST:

CITY CLERK/SECRETARY

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: February 27, 2024

SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE FY 2022/23 CITYWIDE STREET RESURFACING PROJECT (TASK CODE 2023-101)

REPORT IN BRIEF:

Six bids for the FY 2022/23 Citywide Street Resurfacing Project were opened on February 13, 2024. Based on the post-bid analysis of the bids received, staff has determined the bid submitted by Onyx Paving Company, Inc. to be the lowest responsible and responsive bid at \$1,151,000.

RECOMMENDED ACTION:

1. City Council declare that this project is exempt from the California Environmental Quality Act ("CEQA"), Class 1, Section 15301(c) as repair, maintenance, and minor alteration of existing public structures; and
2. Award a construction contract for the FY 2022/23 Citywide Street Resurfacing Project to Onyx Paving Company, Inc. for the bid amount of \$1,151,000.00 and reject all other bids; and
3. Authorize the City Manager to bind the City of Stanton and Onyx Paving Company, Inc. in a contract for the construction; and
4. Authorize the City Manager to approve contract changes, not to exceed 10-percent of the bid amount (\$115,100).

BACKGROUND:

On June 14, 2022, the City Council approved a purchase order with TAIT & Associates for design services of the FY 2022-2023 Citywide Pavement Rehabilitation Project in the amount of \$110,345.

On May 9, 2023, the City Council authorized staff to advertise this project for construction and approved the draft plans and specifications.

A portion of the intersection of Katella Avenue and Dale Avenue is within the City of Garden Grove's city limit. In order to fully rehabilitate the intersection, the City Engineer decided to include the City of Garden Grove's portion into the scope of work for the Project. On August 22, 2023, the City Council approved the Cooperative Agreement between the City of Stanton and the City of Garden Grove.

This Project consists of demolition and removals, clearing and grubbing, roadway modifications, concrete work (ramps and sidewalks), asphalt pavement, signing and striping on the following streets:

- Dale Avenue: Katella Avenue to the railroad tracks
- Katella Avenue: Beach Boulevard to Dale Avenue
- Fulton Way: Rutledge Avenue to End
- Devonwood Avenue: Santa Rosalia Street to Fieldgate Street
- Courtright Road: Cody Drive to End

The limits of work on Katella Avenue were reduced by approximately 750 feet (east of Beach Boulevard) fronting 8042 Katella Avenue due to potential redevelopment of that property, which would require trenching the street for utility connections.

ANALYSIS/JUSTIFICATION:

Bid opening for this project was on February 13, 2024. Six (6) bids were received and opened as follows:

Rank	Company	Bid
1	Onyx Paving Company, Inc.	\$ 1,151,000
2	Sequel Contractors, Inc.	\$ 1,171,316
3	R.J. Noble Company	\$ 1,182,420
4	Dash Construction Company, Inc.*	\$ 1,336,290
5	Hardy & Harper, Inc.	\$ 1,342,930
6	All American Asphalt	\$ 1,371,426

*Dash Construction Company, Inc.'s bid submittal had clerical errors regarding their Total Base Bid. The Bid amount listed above is calculated using the unit pricing they submitted.

Onyx Paving Company, Inc. submitted the lowest responsible bid in the amount of \$1,151,000, which is approximately 25 percent above the Engineer’s estimate of \$920,000. Onyx Paving Company, Inc.’s submitted bid shows that the cost for work for the City of Stanton is \$1,096,000 and the cost for work for the City of Garden Grove is \$55,000.

Staff has reviewed the submitted documents and found that Onyx Paving Company, Inc. has submitted the lowest bid and is compliant with the contract documents. Upon successful execution of the contract documents, the project is expected to begin construction in April 2024.

For every construction contract awarded by Council, staff is required to return to Council to accept the improvements, approve the final construction contract amount, and direct the Council to file a Notice of Completion.

FISCAL IMPACT:

The Fiscal Year 2023/2024 Amended Budget includes \$2,013,050 for this project (Task Code No. 2023-101). The estimated costs to complete the project are presented in the table below:

Description	Amount
Construction Contract	\$ 1,151,000
Contingency (10%)	\$ 151,000
Inspections/Materials Testing	\$ 40,000
Total	\$ 1,342,000

Per the Cooperative Agreement, the City of Garden Grove shall pay the City of Stanton for the cost of the work on the Garden Grove portion (\$55,000) within 60 days of providing official final approval of the work.

ENVIRONMENTAL IMPACT:

This project is exempt under the California Environmental Quality Act (“CEQA”), Class 1, Section 15301(c) as repair, maintenance, and minor alteration of existing streets, sidewalks, gutters, and similar facilities.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Notifications and advertisement were performed as prescribed by law.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Obj. No. 3: Provide a quality infrastructure.

Prepared by: Han Sol Yoo, Associate Engineer

Reviewed by: Cesar Rangel P.E., Director of Public Works/City Engineer

Fiscal Impact Reviewed by: Michelle Bannigan, Finance Director

Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

- A. FY 2022/23 Citywide Street Resurfacing Project Contract
- B. Onyx Paving Company, Inc. Proposal

**CITY OF STANTON
CONTRACT AGREEMENT**

FY 2022/23 CITYWIDE STREET RESURFACING PROJECT

THIS CONTRACT AGREEMENT (or “Contract”) is made and entered into for the above-stated project this _____ day of _____, 2024 BY AND BETWEEN THE CITY OF STANTON, as City and **ONYX PAVING COMPANY, INC.** as CONTRACTOR.

WITNESSETH that CITY and CONTRACTOR have mutually agreed as follows:

Article I

The contract documents for the aforesaid project shall consist of the Notice Inviting Bids, Instructions to Bidders, Proposal, General Specifications, Special Provisions in accordance with the Standard Specifications for Public Works Construction, Faithful Performance Bond, Labor and Material Bond, and all referenced specifications, details, Standard Plans and appendices, including all applicable State and Federal requirements; together with this Contract Agreement and all required bonds, insurance certificates, permits, notices and affidavits; and also including any and all addenda or supplemental agreements clarifying, amending or extending the work contemplated as may be required to insure its completion in an acceptable manner (collectively all the foregoing shall be referenced as the “Contract Documents”). All of the provisions of said contract documents are made a part hereof as though fully set forth herein.

Article II

For and in consideration of the payments and agreements to be made and performed by CITY, CONTRACTOR agrees to furnish all materials and perform all work required for the above stated project and to fulfill all other obligations as set forth in the aforesaid Contract Documents.

Article III

CONTRACTOR agrees to receive and accept the prices set forth in the proposal as full compensation for furnishing all materials, performing all work and fulfilling all obligations hereunder. Said compensation shall cover all expenses, losses, damages, and consequences arising out of the nature of work during its progress or prior to its acceptance, including those for well and faithfully completing the work and the whole hereof in the manner and time specified in the aforesaid Contract Documents; and also including those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risks of any description connected with the work.

Article IV

CITY hereby promises and agrees to employ, and does hereby employ, CONTRACTOR to provide the materials, do the work and fulfill the obligations according to the terms and conditions herein contained and referred to, for the prices aforesaid, and hereby contracts to pay the same at the time, in the manner and upon the conditions set forth in the Contract Documents.

The total amount of this contract shall not exceed **One Million One-Hundred Fifty-One Thousand Dollars (\$1,151,000.00)**. CONTRACTOR shall not be compensated for any services rendered in connection with its performance of this agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Council, or if pursuant to its authority, the City Manager, or his or her designee. CONTRACTOR shall be compensated for any additional services in the amounts and in the manner as agreed to by the City Manager or City representative and CONTRACTOR at the time City's written authorization is given to CONTRACTOR for the performance of said services. The City Manager may approve additional work not to exceed 15% of the contract amount approved by City Council or \$30,000 whichever is less. Any additional work in excess of this amount shall be approved by the City Council.

Article V

CONTRACTOR acknowledges the provisions of the State Labor Code requiring every employee to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that code, and certifies compliance with such provisions.

Article VI

CONTRACTOR agrees to indemnify and hold harmless CITY and all of its officers, officials, consultants, employees, agents, and volunteers from any claims, demands or causes of action, including related expenses, attorney's fees and costs, based on, arising out of, or in any way related to the work undertaken by CONTRACTOR hereunder.

Article VII

CONTRACTOR affirms that the signatures, titles, and seals set forth herein in execution of this Contract Agreement represent all individuals, firm members, partners, joint venturers, and/or corporate officers having a principal interest herein.

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

CONTRACTOR

CITY OF STANTON

Name _____ Date _____
 Title _____

Hannah Shin-Heydorn _____ Date _____
 City Manager

ATTEST:

Name _____ Date _____
 Title _____

Patricia Vazquez _____ Date _____
 City Clerk

APPROVED AS TO FORM:

Contractor's License Number and Classification

DIR Registration Number

Best Best & Krieger LLP _____ Date _____
 City Attorney

NOTE: SIGNATURES OF CORPORATE OFFICIALS MUST BE NOTARIZED

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document

and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

- _____ Title(s)
- Partner(s)
 - Limited
 - General
 - Attorney-In-Fact
 - Trustee(s)
 - Guardian/Conservator
 - Other:
- Signer is representing:
Name Of Person(s) Or Entity(ies)

_____ Title or Type of Document

_____ Number of Pages

_____ Date of Document

Signer(s) Other Than Named Above

**CITY OF STANTON
FAITHFUL PERFORMANCE BOND**

FY 2022/23 CITYWIDE STREET RESURFACING PROJECT

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the City of Stanton (hereinafter referred to as "City") has awarded to _____, (hereinafter referred to as the "Contractor") _____ an agreement for _____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, _____, the undersigned Contractor and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the City in the sum of _____ DOLLARS, (\$ _____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee of all materials and workmanship; and shall indemnify and save harmless the City, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by City, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the City from loss or damage resulting from or caused by defective materials or faulty workmanship, Surety shall undertake and faithfully fulfill all such obligations. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the City's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Contractor shall be, and is declared by the City to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or

shall promptly, at the City's option:

- (1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- (2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the City, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.
- (3) Permit the City to complete the Project in any manner consistent with local, California and federal law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the City may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the City, when declaring the Contractor in default, notifies Surety of the City's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__).

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

(Attach Attorney-in-Fact Certificate) Title _____

The rate of premium on this bond is _____ per thousand. The total amount of premium charges, \$ _____.

(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety) _____

(Name and Address of Agent or Representative for service of process in California, if different from above) _____

(Telephone number of Surety and Agent or Representative for service of process in California) _____

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document

and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title or Type of Document

- Partner(s) Limited
- General

Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

**CITY OF STANTON
PAYMENT BOND**

FY 2022/23 CITYWIDE STREET RESURFACING PROJECT

KNOW ALL MEN BY THESE PRESENTS That

THAT WHEREAS, the City of Stanton (hereinafter referred to as "City") has awarded to _____, (hereinafter referred to as the "Contractor") _____ an agreement for _____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the City in the penal sum of _____ Dollars (\$_____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by City in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or

released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or City and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

(Corporate Seal) _____

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____

Attorney-in-Fact

Title _____

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Attorney authorizing the person signing on behalf of the Surety to do so much be attached hereto.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document

and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title or Type of Document

- Partner(s) Limited
- General

Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

**CITY OF STANTON
COMPENSATION INSURANCE CERTIFICATE**

FY 2022/23 CITYWIDE STREET RESURFACING PROJECT

Pursuant to Section 1861 of the State Labor Code (amended by Stats. 1979, C.373, p. 1343), before beginning work, the Contractor shall furnish to the City Engineer a certificate of insurance for all persons whom he may employ directly or through subcontractors in carrying out the work specified herein, in accordance with the laws of the State of California. Such insurance shall be maintained in full force and effect during the period covered by this contract.

Before beginning work, the Contractor shall furnish to the City Engineer a certificate of insurance as proof that he has taken out full compensation insurance for all persons whom he may employ directly or through subcontractors in carrying out the work specified herein, in accordance with the laws of the State of California. Such insurance shall be maintained in full force and effect during the period covered by this contract.

Contractor, prior to commencing work, shall sign and file with the City of Stanton a certification as follows:

I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this contract.

CONTRACTOR

By: _____

Title: _____

Date: _____

Section 3700 of the State Labor Code reads as follows:

"Every employer except the State shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in the state.
- (b) By securing from the Director of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employee."

(Amended by Stats, 1978, c. 1379, p. 4571)

Compensation Insurance Certificate

To be submitted with Contract Agreement

Bidder's Name: ONYX PAVING COMPANY, INC.**BID FORMS****BID ACKNOWLEDGEMENT****NAME OF BIDDER:** ONYX PAVING COMPANY, INC.

The undersigned hereby declare that we have carefully examined the location of the proposed Work, and have read and examined the Contract, including all plans, specifications, and all addenda, if any, for the following Project:

FY 2022/23 CITYWIDE STREET RESURFACING PROJECT

To the City of Stanton, with its principal place of business at 7800 Katella Avenue, Stanton, CA 90680:

In response to the Notice Inviting Bids dated December 19, 2023 and in accordance with the accompanying Instructions to Bidders, the undersigned hereby proposes to the City to furnish all labor, technical and professional services, supervision, materials and equipment, other than materials and equipment specified as furnished by the City, and to perform all operations necessary and required to construct the Project in accordance with the provisions of the Contract Documents, including all plans, specifications, and all addenda, and at the prices stated opposite the respective items set forth in the Bid Schedule.

This Bid constitutes a firm offer to the City which cannot be withdrawn for 90 days after the date set for opening of Bids, or until a Contract is executed by the City and a third party, whichever is earlier.

The undersigned certifies that it has examined and is fully familiar with all of the provisions of the Contract Documents and any addenda thereto; that it has carefully checked all of figures shown in its Bid Schedule; that it has carefully reviewed the accuracy of all statements in this Bid and attachments hereto; and that it understands and agrees that the City will not be responsible for any errors or omissions on the part of the undersigned in preparing this Bid.

BIDDER certifies that in all previous contracts or subcontracts, all reports that may have been due under the requirements of any agency, State, or Federal equal employment opportunity orders have been satisfactorily filed, and that no such reports are currently outstanding.

BIDDER declares that the only persons or parties interested in this Proposal as principals are those named herein; that no officer, agent, or employee of the CITY is personally interested, directly or indirectly, in this Bid; that this Proposal is made without connection to any other individual, firm, or corporation making a bid for the same work; and that this Bid is in all respects fair and without collusion or fraud.

If awarded a Contract, the undersigned agrees to execute and deliver to the City within ten (10) calendar days after date of receipt of Notice of Award, a signed Contract and the necessary Performance Bond, Payment Bond, and Certificates of Insurance and Endorsements.

A complete bid consists of the following Bid Forms, which have been completed and executed by the undersigned Bidder, are incorporated by this reference and made a part of this Bid:

1. Completed Bid Schedule form.
2. Bid Guarantee in the amount of not less than 10% of the Total Bid Price.
3. Completed Designation of Subcontractors form.
4. Completed Bidder Information and Experience form.
5. Fully executed Non-Collusion Declaration form.
6. Completed Public Works Contractor DIR Registration Certification form.
7. IRAN Contracting Act Certification (for contracts of \$1,000,000 or more)
8. Sufficient Funds Declaration

Bidder certifies that it is now licensed in accordance with the provisions of the Contractor's License Law of the State of California:

License number 630360

Expiration date 10/31/2025

License classification A, C12

If the Bidder is a joint venture, each member of the joint venture must include the above information.

The undersigned acknowledges receipt, understanding, and full consideration of the following addenda to the Contract Documents:

<u>Addendum No.</u>	<u>Date Received</u>	<u>Bidder's Signature</u>
<u>1</u>	<u>1/11/2024</u>	<u></u>
<u>2</u>	<u>1/18/2024</u>	<u></u>
<u>3</u>	<u>1/31/2024</u>	<u></u>
		<u>COREY R. KIRSCHNER - CEO, PRES, VP, SEC, TREA.</u>

[SIGNATURES NEXT PAGE]

Bidder's Name: ONYX PAVING COMPANY, INC.

I hereby certify under penalty of perjury under the laws of the State of California that all of the information submitted in connection with this Bid and all of the representations made herein are true and correct.

BIDDER:

Bidder's Business Address:

ONYX PAVING COMPANY, INC.
(Company Name)

2890 E. LA CRESTA AVE.
ANAHEIM, CA 92806

By 
(Signature)

COREY R. KIRSCHNER
(Type or print name)

CEO, PRES, VP, SEC, TREA.
(Title)

ANAHEIM, CA
(Where signed) (City, State)

Dated: FEBRUARY 8TH, 2024
State of Incorporation: CALIFORNIA

(If the Contractor is a corporation, two signatures of corporate officers are required.)

Names and addresses of all partners or joint venturers:

ONYX PAVING COMPANY, INC. - CORPORATION
COREY R. KIRSCHNER - CEO, PRES, VP, SEC, TREA.
2890 E. LA CRESTA AVE. ANAHEIM, CA 92806

Statement of the authority of signatory to bind Bidder:

PLEASE SEE ATTACHED REFERENCES.

BID SCHEDULE A*					
FY 2022/23 CITYWIDE STREET RESURFACING PROJECT					
ITEM NO.	DESCRIPTION	QTY	UNIT QTY	UNIT PRICE (Numbers)	ITEM COST (Numbers)
A-1	Project Mobilization, Demobilization, & Cleanup (Not to Exceed 5% of Construction Costs)	1	LS	\$49,395	\$49,395
A-2	Surveying & Monument Preservation	1	LS	\$21,000	\$21,000
A-3	Traffic Control & Noticing	1	LS	\$123,000	\$123,000
A-4	1.5" Uniform Depth AC Cold Mill	350,000	SF	\$0.33	\$115,500
A-5	Crack Seal	350,000	SF	\$0.05	\$17,500
A-6	Construct 1.5" ARHM Overlay**	2,700	TON	\$148	\$399,600
A-7	Local Pavement Removal & Replacement – Mill & Remove 7.5" of Ex. AC Pavement/Base, Construct 7.5" Thick AC to Surface	4,700	SF	\$14	\$65,800
A-8	Remove Existing & Construct New ADA Compliant Curb Ramp	3	EA	\$9,600	\$28,800
A-9	Remove & Reconstruct 4" PCC Sidewalk to ADA Standards, Prune & Remove Conflicting Roots, Coordinate with City Arborist	500	SF	\$22	\$11,000
A-10	Remove Existing & Construct V-Gutter. Gutter Width to Match Existing.	100	SF	\$55	\$5,500
A-11	Remove & Replace PCC Driveway. Driveway Thickness, Curb Height & Gutter Width to Match Existing.	95	SF	\$44	\$4,180
A-12	Construct 1.5" FRAC Overlay	800	TON	\$148	\$118,400
A-13	Adjust Sewer/Storm Drain Manhole Frame & Cover to Grade	35	EA	\$700	\$24,500
A-14	Adjust Water Valve Can & Lid to Grade (By Coordination)	48	EA	\$700	\$33,600
A-15	Adjust Ex. Electric Manhole or Vault Frame & Cover to Grade (By SCE, Coordination Only)	1	EA	\$700	\$700
A-16	Adjust Water Manhole Frame & Cover to Grade (By Coordination)	5	EA	\$100	\$500
A-17	Install Advanced Detection Traffic Loop Detector, Type E, or Type E (Modified)	24	EA	\$500	\$12,000
A-18	Traffic Signing, Striping, Markings & Legends	1	LS	\$37,000	\$37,000
A-19	Encroachment Permits (Caltrans + City)	1	LS	\$6,000	\$6,000
A-20	Union Pacific Railroad Maintenance Consent / Contractor Endorsement Requirements***	1	LS	\$9,000	\$9,000
A-21	Union Pacific Railroad Maintenance Consent Administrative Fee***	1	LS	\$1,025.00	\$1,025.00

BID SCHEDULE A*					
FY 2022/23 CITYWIDE STREET RESURFACING PROJECT					
ITEM NO.	DESCRIPTION	QTY	UNIT QTY	UNIT PRICE (Numbers)	ITEM COST (Numbers)
A-22	Electronic Changeable Message Board Rental & Programming****	120	DAYS	\$100	\$12,000

Total Bid Schedule A in NUMBERS:	\$1,096,000.00
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Total Bid Schedule A in WORDS:	One million and ninety six thousand	Dollars
	and zero	Cents

BID SCHEDULE B**					
GARDEN GROVE PAVEMENT					
ITEM NO.	DESCRIPTION	QTY	UNIT QTY	UNIT PRICE (Numbers)	ITEM COST (Numbers)
B-1	Project Mobilization, Demobilization, & Cleanup (Not to Exceed 5% of Construction Costs)	1	LS	\$2,376	\$2,376
B-2	Surveying & Monument Preservation	1	LS	\$6,000	\$6,000
B-3	Traffic Control & Noticing	1	LS	\$22,000	\$22,000
B-4	1.5" Uniform Depth AC Cold Mill	9,800	SF	\$0.33	\$3,234
B-5	Crack Seal	9,800	SF	\$0.05	\$490
B-6	Construct 1.5" ARHM Overlay	100	TON	\$148	\$14,800
B-7	Adjust Ex. Sewer/Storm Drain Manhole Frame & Cover to Grade	4	EA	\$700	\$2,800
B-8	Adjust Ex. City of Garden Grove Water Valve Can & Lid to Grade	4	EA	\$700	\$2,800
B-9	Adjust Ex. Gas Valve Can & Lid to Grade (By Coordination)	3	EA	\$100	\$300
B-10	Adjust MWD Manhole or Vault Frame and Cover to Grade (By Coordination)	2	EA	\$100	\$200

Total Bid Schedule B in NUMBERS:	\$55,000.00
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Total Bid Schedule B in WORDS:	Fifty five thousand and zero	Dollars Cents
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* Additional details about items of work included in each bid item can be found in Section 7-3.1 of the Special Provisions.

**Paving shall occur within the week of grinding.

***Details regarding requirements for work on Union Pacific property and the Maintenance Consent Letter / Contractor Endorsement can be found in Section 6 – General Provisions and also Section 7-3.1 of the Special Provisions.

****CONTRACTOR shall make up to 4 electronic programmable message boards available for use on this job and shall program messages on the boards at the direction of the ENGINEER. Each message board rental shall be paid on a per day basis up to 30 days (i.e. 4 message boards x 30 days = 120 days). CONTRACTOR shall honor unit prices regardless of the number of boards and days used. See Section 601-3.7 of the Special Provisions for more information. **Utility Adjustments will be performed per SPPWC standards or coordinating with the respective utility company. If the quantity of utility manhole/valve adjustments differ onsite from the bid schedule, then the unit pricing shall be used.**

Total Bid Schedule A+B in NUMBERS:	\$1,151,000.00
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Total Bid Schedule A+B in WORDS:	One million one hundred and ^{Fifty (50)} thirty one thousand and zero	Dollars Cents
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THE BASIS FOR AWARD OF CONTRACT SHALL BE THE CONTRACTOR'S BID SCHEDULE A + B, ONLY.

The costs for any work shown or required in the Contract Documents, but not specifically identified as a bid line item are to be included in the related bid line items and no additional compensation shall be due to Contractor for the performance of the work.

All blank spaces appearing above must be filled in. Failure to fill in any blank spaces may render the Bid non-responsive. In case of discrepancy between the Unit Price and Item Cost set forth for a unit basis item, the Unit Price shall prevail and be utilized as the basis for determining the lowest responsive, responsible Bidder. However, if the amount set forth as a Unit Price is ambiguous, unintelligible or uncertain for any cause, or is omitted, or is the same amount as the entry in the Item Cost column, then the amount set forth in the Item Cost column for the item shall prevail and shall be divided by the estimated quantity for the item we

For purposes of evaluating Bids, the City will correct any apparent errors in the extension of unit prices and any apparent errors in the addition of lump sum and extended prices.

The estimated quantities for Unit Price items are for purposes of comparing Bids only and the City makes no representation that the actual quantities of work performed will not vary from the estimates. Final payment shall be determined by the City from measured quantities of work performed based upon the Unit Price.

Bidder's Name: ONYX PAVING COMPANY, INC.

The undersigned agrees that this Bid Schedule constitutes a firm offer to the City which cannot be withdrawn for the number of calendar days indicated in the Notice Inviting Bids from and after the bid opening, or until a Contract for the work is fully executed by the City and a third party, whichever is earlier.

If the Contract Documents specify alternate bid items, the City can choose to include any, all, or none of the alternate bid items in the Work. If the City selects any of the alternate bid items, the corresponding alternate bid prices shall be added to or deducted from Base Bid Price for the work. The City can award/select alternate bid items at any time(s).

Name of Bidder ONYX PAVING COMPANY, INC.

Signature  _____

Name and Title COREY R. KIRSCHNER - CEO, PRES, VP, SEC, TREA.

Dated 2/8/2024

BID GUARANTEE

BID BOND

[Note: Not required when other form of Bidder's Security, e.g. cash, certified check or cashier's check, accompanies Bid.]

The makers of this bond are, Onyx Paving Company, Inc., as Principal, and SiriusPoint America Insurance Company, as Surety and are held and firmly bound unto the City of Stanton, hereinafter called the City, in the penal sum of TEN PERCENT (10%) OF THE TOTAL BID PRICE of the Principal submitted to City for the work described below, for the payment of which sum in lawful money of the United States, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that whereas the Principal has submitted the accompanying bid dated February 13th, 2024, for **FY 2022/23 CITYWIDE STREET RESURFACING PROJECT**.

If the Principal does not withdraw its Bid within the time specified in the Contract; and if the Principal is awarded the Contract and provides all documents to the City as required by the Contract; then this obligation shall be null and void. Otherwise, this bond will remain in full force and effect.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract shall affect its obligation under this bond, and Surety does hereby waive notice of any such changes.

In the event a lawsuit is brought upon this bond by the City and judgment is recovered, the Surety shall pay all litigation expenses incurred by the City in such suit, including reasonable attorneys' fees, court costs, expert witness fees and expenses.

IN WITNESS WHEREOF, the above-bound parties have executed this instrument under their several seals this 7th day of February, 2024, the name and corporate seal of each corporation.

(Corporate Seal)

Onyx Paving Company, Inc.
Contractor/ Principal

By [Signature]

Title Cory E. Kirschner - CEO, Pres.

(Corporate Seal)

SiriusPoint America Insurance Company
Surety

By [Signature]
Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title Christina Rogers, Attorney-in-Fact



Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

Name(s) of Signer(s)

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public _____

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title or Type of Document

- Partner(s)
 - Limited
 - General

Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for Contractor/Principal.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

See Attached Required California All-Purpose Acknowledgment

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title or Type of Document

- Partner(s)
 - Limited
 - General

Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for the Attorney-in-Fact. The Power-of-Attorney to local representatives of the bonding company must also be attached.

END OF BID BOND

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

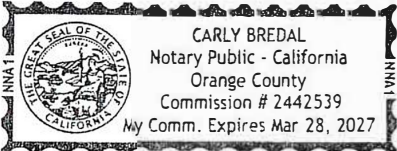
On February 7, 2024 before me, Carly Bredal, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Corey R. Kirschner
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Carly Bredal
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

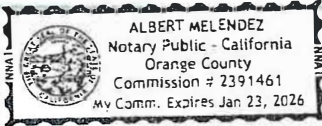
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Orange }

On FEB 07 2024, before me, Albert Melendez, Notary Public,
personally appeared Christina Rogers

who proved to me on the basis of satisfactory evidence to be the person(x) whose name(x) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(x), or the entity upon behalf of which the person(x) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

SIGNATURE *[Handwritten Signature]*

PLACE NOTARY SEAL ABOVE

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of attached document

Title or type of document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____

POWER OF ATTORNEY
SIRIUSPOINT AMERICA INSURANCE COMPANY
NEW YORK

KNOW ALL MEN BY THESE PRESENTS: That SiriusPoint America Insurance Company, a New York corporation, having its principal office in the City of New York, pursuant to the following Resolution, which was adopted by the Board of Directors of the Company, to wit:

RESOLVED, that the President, Senior Vice President, Chief Financial Officer, Secretary or Assistant Secretary is hereby authorized to execute Powers of Attorney appointing as attorneys-in-fact selected employees of certain surety companies who shall have the power for and on behalf of the Company to execute and affix the seal of the Company to surety contracts as co-surety.

Does hereby nominate, constitute and appoint:

Albert Melendez, Christina Rogers, Erik Johansson, Jennifer Anaya, Joaquin Perez, Melissa Lopez

Its true and lawful attorney-in-fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed; any and all bonds, contracts, agreements of indemnity, and other undertakings in suretyship (NOT INCLUDING bonds without a fixed penalty or financial guarantee bonds) and to bind the Company thereby as fully and to the same extent as if same were signed by the duly authorized officers of the Company, provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

\$50,000,000 single bond limit

All acts of said attorneys-in-fact pursuant to the authorities herein given are hereby ratified and confirmed. The executive officers listed above in the Resolution may from time to time and at any time remove any such appointee and revoke the power given to him or her.

The execution of such bonds or undertakings in pursuance of these presents, within one year of the date of issue of these presents, shall be binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in New York, New York, in their own proper persons.

IN WITNESS WHEREOF, SiriusPoint America Insurance Company has caused its corporate seal to be hereunto affixed, and these presents to be signed by its Secretary this 17th day of August in the year 2023.

SiriusPoint America Insurance Company

By: 
Melissa J. Ralph
Secretary

State of New Jersey)
County of Monmouth) ss.

On this 17th day of August 2023, before me, a Notary Public of the State of New Jersey in and for the County of Monmouth duly commissioned and qualified, came Melissa J. Ralph, Secretary, of SiriusPoint America Insurance Company, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and acknowledged the execution of the same, and, being by me duly sworn, deposeth and saith, that she is the officer of the Company aforesaid, and that the seal affixed to the preceding instrument as the corporate seal of said Company, and the said corporate seal and her signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal.



State of New Jersey
County of Monmouth


Notary Public
My Commission expires
March 31, 2028

I, Melissa J. Ralph, Secretary, of SiriusPoint America Insurance Company, a New York corporation, do hereby certify that the above and foregoing is a full, true correct copy of Power of Attorney, is still in force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 7th day of February, 2024




Melissa J. Ralph
Secretary



10805 Old Mill Road
Omaha, NE 68154

September 6, 2023

Bond Obligees
Project Owners
General Contractors

RE: Digital Seal Authority and Enforceability Notice

To whom it may concern:

The use of an electronic image of the corporate seal of Siriuspoint America Insurance Company (the "Digital Seal"), and the attachment of the Digital Seal to any surety bond issued by Siriuspoint America Insurance Company is authorized by the company. Siriuspoint America Insurance Company acknowledge and agree that the Digital Seal may be affixed to any authorized Surety bond approved by Applied Surety Underwriters, and relied upon to the same extent as if a raised corporate seal was attached to the bond.

Delivery of a digital copy of this Digital Seal Authority and Enforceability Notice, executed electronically, to an Obligee or Obligee's representative, shall constitute effective execution and delivery of this notice and shall have the same legal effect as a delivery of a tangible original of the notice with my original "wet" signature.

If you require further verification you may email our Home Office Underwriting Center at info@surety.auw.com

In Witness Whereof, this has been executed by the President, Applied Surety Underwriters for Siriuspoint America Insurance Company.



Thank you for your continued business.

Sincerely,

Joshua C. Betz
President, Applied Surety Underwriters

DESIGNATION OF SUBCONTRACTORS

The subcontractor listed below will perform work or labor or render service to the successful Bidder in or about the construction of the work or improvement, or are subcontractors licensed by the State of California who will, under subcontract to the successful Bidder, specially fabricate and install a portion of the work or improvement according to detailed drawings contained in the Contract Documents, in an amount in excess of one-half of one percent (1/2 of 1%) of the Bidder's total bid. Notwithstanding the foregoing, if the work involves the construction of streets and highways, then the Bidder shall list each subcontractor who will perform work or labor or render service to the Bidder in or about the work in an amount in excess of one-half of one percent (0.5%) of the Bidder's Total Bid Price or \$10,000, whichever is greater. No additional time shall be granted to provide the below requested information.

In compliance with the Subletting and Subcontracting Fair Practices Act Chapter 4 (commencing at Section 4100), Part 1, Division 2 of the California Public Contract Code, the Bidder shall set forth below:

- (a) The portion of the work to be done by the subcontractor;
- (b) The name and the location of the place of business;
- (c) The California contractor license number; and
- (d) The DIR public works contractor registration number.

If a Bidder fails to specify a subcontractor or if a Bidder specifies more than one subcontractor for the same portion of work, then the Bidder shall be deemed to have agreed that it is fully qualified to perform that portion of work and that it shall perform that portion itself.

Portion of Work to be done by Subcontractor	Name of Subcontractor	Location of Business	CSLB Contractor License No.	DIR Registration Number
Survey	Case Land Surveying	Orange, CA	L5411-Surveyor	1000001533
Striping	J&S Striping	Ontario, CA	538211	1000006912

Bidder's Name: ONYX PAVING COMPANY, INC.

Portion of Work to be done by Subcontractor	Name of Subcontractor	Location of Business	CSLB Contractor License No.	DIR Registration Number
Utilities Adjusting	EBS Utilities Adjusting	Corona, CA	932798	1000004286
Crack Seal	Pavement Rehab Company	Anaheim, CA	1051374	1000064823
Traffic Loops	CPE, Inc.	La Puente, CA	793907	1000377609

BIDDER INFORMATION AND EXPERIENCE FORM

INFORMATION ABOUT BIDDER

(Indicate not applicable ("N/A") where appropriate.)

NOTE: Where Bidder is a joint venture, pages shall be duplicated and information provided for all parties to the joint venture.

1.0 Name of Bidder: ONYX PAVING COMPANY, INC.

2.0 Type, if Entity: CORPORATION

3.0 Bidder Address: 2890 E. LA CRESTA AVE. ANAHEIM, CA 92806

N/A

714-632-6699

Facsimile Number

Telephone Number

BIDS@ONYXPAVING.NET

Email Address

4.0 ~~How many years has Bidder's organization been in business as a Contractor?~~
33 YEARS

5.0 How many years has Bidder's organization been in business under its present name? 33 YEARS

5.1 Under what other or former names has Bidder's organization operated? N/A

6.0 If Bidder's organization is a corporation, answer the following:

6.1 Date of Incorporation: 02/15/1990

6.2 State of Incorporation: CALIFORNIA

6.3 President's Name: COREY R. KIRSCHNER

6.4 Vice-President's Name(s): COREY R. KIRSCHNER

6.5 Secretary's Name: COREY R. KIRSCHNER

6.6 Treasurer's Name: COREY R. KIRSCHNER

7.0 If an individual or a partnership, answer the following:

7.1 Date of Organization: N/A

7.2 Name and address of all partners (state whether general or limited partnership):

N/A

8.0 If other than a corporation or partnership, describe organization and name principals:

N/A

9.0 List other states in which Bidder's organization is legally qualified to do business.

N/A

10.0 What type of work does the Bidder normally perform with its own forces?

ASPHALT PAVING

11.0 Has Bidder ever failed to complete any work awarded to it? If so, note when, where, and why:

N/A

12.0 Within the last five years, has any officer or partner of Bidder's organization ever been an officer or partner of another organization when it failed to complete a contract? If so, attach a separate sheet of explanation:

N/A

13.0 List Trade References:

ALL AMERICAN ASPHALT

RJ NOBLE

VULCAN MATERIALS COMPANY

14.0 List Bank References (Bank and Branch Address):

BMO

4501 E. LA PALMA AVENUE ANAHEIM, CA 92807

15.0 Name of Bonding Company and Name and Address of Agent:

SiriusPoint America Insurance Company

1 World Trade Center 285 Fulton Street, 47th Floor Suite 47J New York, New York 10007

Performance Bonding Surety & Insurance Brokerage
15901 Red Hill Avenue, Suite 202 Tustin, California 92780

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LIST OF CURRENT PROJECTS (BACKLOG)

[**Duplicate Page if needed for listing additional current projects.**]

Project	Client Reference (agency name/contact info)	Description of Bidder's Work	Completion Date	Cost of Bidder's Work
PLEASE SEE ATTACHED REFERENCES.				

Bidder's Name: ONYX PAVING COMPANY, INC.

LIST OF COMPLETED PROJECTS – LAST THREE YEARS

[**Duplicate Page if needed for listing additional completed projects.**]

Please include only those projects which are similar enough to demonstrate Bidder's ability to perform the required Work.

Project	Client Reference (agency name/contact info)	Description of Bidder's Work	Completion Date	Cost of Bidder's Work
PLEASE SEE ATTACHED REFERENCES.				

EXPERIENCE AND TECHNICAL QUALIFICATIONS QUESTIONNAIRE

Personnel:

The Bidder shall identify the key personnel to be assigned to this project in a management, construction supervision or engineering capacity.

1. List each person's job title, name and percent of time to be allocated to this project:

PLEASE SEE ATTACHED REFERENCES.

2. Summarize each person's specialized education:

PLEASE SEE ATTACHED REFERENCES.

3. List each person's years of construction experience relevant to the project:

PLEASE SEE ATTACHED REFERENCES.

4. Summarize such experience:

PLEASE SEE ATTACHED REFERENCES.

Bidder agrees that personnel named in this Bid will remain on this Project until completion of all relevant Work, unless substituted by personnel of equivalent experience and qualifications approved in advance by the City.

Additional Bidder's Statements:

If the Bidder feels that there is additional information which has not been included in the questionnaire above, and which would contribute to the qualification review, it may add that information in a statement here or on an attached sheet, appropriately marked:

PLEASE SEE ATTACHED REFERENCES.

Bidder's Name: ONYX PAVING COMPANY, INC.

NON-COLLUSION DECLARATION

The undersigned declares:

I am the CEO, PRES, VP, SEC, TREA. of ONYX PAVING COMPANY, IN C, the party making the foregoing Bid.

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

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

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 2/8/2024 [date], at ANAHEIM [city], CALIFORNIA [state].

Name of Bidder ONYX PAVING COMPANY, INC.

Signature  _____

Name COREY R. KIRSCHNER

Title CEO, PRES, VP, SEC, TREA.

Bidder's Name: ONYX PAVING COMPANY, INC.

PUBLIC WORKS CONTRACTOR DIR REGISTRATION CERTIFICATION

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No Bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

Bidder hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.¹

Name of Bidder: ONYX PAVING COMPANY, INC.

DIR Registration Number: 1000004798


DIR Registration Expiration: 06/30/2024

Small Project Exemption: Yes or No

Unless Bidder is exempt pursuant to the small project exemption, Bidder further acknowledges:

1. Bidder shall maintain a current DIR registration for the duration of the Project.
2. Bidder shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the Project.
3. Failure to submit this form or comply with any of the above requirements may result in a finding that the Bid is non-responsive.

Name of Bidder ONYX PAVING COMPANY, INC.

Signature  _____

Name and Title COREY R. KIRSCHNER - CEO, PRES, VP, SEC, TREA.

Dated 2/8/2024

¹ If the Project is exempt from the contractor registration requirements pursuant to the small project exemption under Labor Code Sections 1725.5 and 1771.1, please mark "Yes" in response to "Small Project Exemption."

Bidder's Name: ONYX PAVING COMPANY, INC.

CITY OF STANTON

**IRAN CONTRACTING ACT CERTIFICATION
(Public Contract Code Sections 2202-2208)**


FY 2022/23 CITYWIDE STREET RESURFACING PROJECT

(To be executed by bidder and submitted with its bid)

As required by Public Contract Code ("PCC") Section 2204 for contracts of \$1,000,000 or more, please insert Bidder's or financial institution's name and Federal ID Number (if available) and complete one of the options below. Please note that California law establishes penalties for providing false certifications, including civil penalties equal to the greater of \$250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts. (PCC Section 2205.)

OPTION #1 - CERTIFICATION

I, the official named below, certify I am duly authorized to execute this certification on behalf of the bidder/financial institution identified below, and the bidder/financial institution identified below is **not** on the current list of persons engaged in investment activities in Iran created by California Department of General Services ("DGS") and is not a financial institution extending Twenty Million Dollars (\$20,000,000) or more in credit to another person/bidder, for 45 days or more, if that other person/bidder will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS. [PCC Section 2204(a).]

<i>Bidder Name/Financial Institution (Printed)</i>		<i>Federal ID Number (or N/A)</i>	
ONYX PAVING COMPANY, INC.		33-0394344	
<i>By (Authorized Signature)</i>			
			
<i>Printed Name and Title of Person Signing</i>			
COREY R. KIRSCHNER - CEO, PRES, VP, SEC, TREA.			
<i>Date Executed</i>		<i>Executed in</i>	
2/8/2024		ANAHEIM, CA	

OPTION #2 - EXEMPTION

Pursuant to Public Contract Code Sections 2203(c) and (d), a public entity may permit a bidder/financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enters into or renews, a contract for goods and services. If you have obtained an exemption from the certification requirement under the Iran Contracting Act, please fill out the information below, and attach documentation demonstrating the exemption approval.

<i>Bidder Name/Financial Institution (Printed)</i>		<i>Federal ID Number (or N/A)</i>	
<i>By (Authorized Signature)</i>			
<i>Printed Name and Title of Person Signing</i>		<i>Date Executed</i>	

Bidder's Name: ONYX PAVING COMPANY, INC.

CITY OF STANTON

**SUFFICIENT FUNDS DECLARATION
(Labor Code Section 2810)**

FY 2022/23 CITYWIDE STREET RESURFACING PROJECT

(To be executed by bidder and submitted with its bid)

Owner: **City of Stanton**
Contract: FY 2022/23 CITYWIDE STREET RESURFACING Project

I, COREY R. KIRSCHNER, declare that I am the CEO, PRES, VP, SEC, TREA.
[insert title] of ONYX PAVING COMPANY, INC. [the entity], the entity making and submitting the bid for the
above Contract that accompanies this Declaration, and that such bid includes sufficient funds to permit
ONYX PAVING COMPANY, INC. [the entity] to comply with all local, State or Federal labor laws or regulations
during performance of the Contract, including payment of prevailing wage, and that ONYX PAVING COMPANY, INC.
[the entity] will comply with the provisions of Labor Code Section 2810(d) if awarded the Contract.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct
and executed on FEBRUARY 8TH 2024, at ANAHEIM [City], CA [State].

Date: 2/8/2024



Signature

Print Name: COREY R. KIRSCHNER

Print Title: CEO, PRES, VP, SEC, TREA.



REFERENCES

PROJECT NAME: CITYWIDE ASPHALT REPAIRS PROJECT FY 21/22

PROJECT DESCRIPTION: CITYWIDE STREET IMPROVEMENTS

APPROXIMATE CONSTRUCTION DATES: FEB 2022 - NOV 2022

CONSULTING COMPANY: CITY OF DANA POINT - 33282 GOLDEN LANTERN, DANA POINT, CA 92629

CONTACT PERSON: SCOTT FISHER 760-814-7226

ORIGINAL CONTRACT AMOUNT: \$1,595,000.00

FINAL CONTRACT AMOUNT: \$1,314,878.59

IF FINAL AMOUNT IS DIFFERENT FROM ORIGINAL AMOUNT, PLEASE EXPLAIN: FIELD QUANTITIES DIFFERED FROM BID

SCHEDULE QUANTITIES

DID THE AGENCY FILE ANY CLAIMS AGAINST YOU? NO

PROJECT NAME: PALISADES PAVEMENT REPAIR, CC-07

PROJECT DESCRIPTION: PAVEMENT REPAIR

APPROXIMATE CONSTRUCTION DATES: SEP 2022

AGENCY: CITY OF LAGUNA NIGUEL - 30111 CROWN VALLEY PARKWAY, LAGUNA NIGUEL, CA 92677

CONTACT PERSON: JEFF METZ 949-362-4344

ORIGINAL CONTRACT AMOUNT: \$292,000.00

FINAL CONTRACT AMOUNT: \$199,999.65

IF FINAL AMOUNT IS DIFFERENT FROM ORIGINAL AMOUNT, PLEASE EXPLAIN: FIELD QUANTITIES DIFFERED FROM BID
SCHEDULE QUANTITIES.

DID THE AGENCY FILE ANY CLAIMS AGAINST YOU? NO

PROJECT NAME: 2021-2022 PAVEMENT REHABILITATION PROJECT

PROJECT DESCRIPTION: VARIOUS PAVEMENT REHABILITATION & CONCRETE IMPROVEMENTS

APPROXIMATE CONSTRUCTION DATES: NOV 2022 - MARCH 2023

AGENCY: CITY OF ARCADIA - 240 W. HUNTINGTON DR, ARCADIA, CA 91007

CONTACT PERSON: JAN BALANAY 626-254-2726

ORIGINAL CONTRACT AMOUNT: \$1,727,000.00

FINAL CONTRACT AMOUNT: \$1,899,698.72

IF FINAL AMOUNT IS DIFFERENT FROM ORIGINAL AMOUNT, PLEASE EXPLAIN: AGENCY HAD ADDITIONAL SCOPES OF WORK.

DID THE AGENCY FILE ANY CLAIMS AGAINST YOU? NO

ONYX PAVING COMPANY, INC.

2890 EAST LA CRESTA AVE, ANAHEIM, CA 92806 - TEL (714) 632-6699 - FAX (714) 632-1883



PROJECT NAME: 2020 RESIDENTIAL STREET REHABILITATION PROJECT

PROJECT DESCRIPTION: CITYWIDE STREET IMPROVEMENTS

APPROXIMATE CONSTRUCTION DATES: JULY 2021 - NOV 2021

AGENCY: CITY OF SOUTH EL MONTE - 1415 SANTA ANITA AVE, SOUTH EL MONTE, CA 91733

CONTACT PERSON: OKAN DEMIRCI - 714-319-6137

ORIGINAL CONTRACT AMOUNT: \$614,000.00

FINAL CONTRACT AMOUNT: \$706,010.03

IF FINAL AMOUNT IS DIFFERENT FROM ORIGINAL AMOUNT, PLEASE EXPLAIN: SCOPES OF WORK ADDED BY

AGENCY

DID THE AGENCY FILE ANY CLAIMS AGAINST YOU? NO

PROJECT NAME: RESIDENTIAL STREET PAVEMENT REHABILITATION PROJECT, AREA 8

PROJECT DESCRIPTION: STREET IMPROVEMENTS

APPROXIMATE CONSTRUCTION DATES: JULY 2022 - OCT 2022

AGENCY: CITY OF DOWNEY - 11111 BROOKSHIRE AVE, DOWNEY, CA 90241

CONTACT PERSON: DESI GUTIERREZ 562-622-3468

ORIGINAL CONTRACT AMOUNT: \$3,227,00.00

FINAL CONTRACT AMOUNT: \$3,553,442.43

IF FINAL AMOUNT IS DIFFERENT FROM ORIGINAL AMOUNT, PLEASE EXPLAIN: FIELD QUANTITIES DIFFERED FROM

BID SCHEDULE QUANTITIES

DID THE AGENCY FILE ANY CLAIMS AGAINST YOU? NO

PROJECT NAME: SOBOBA STREET RESURFACING PROJECT

PROJECT DESCRIPTION: STREET REHABILITATION AND RECONSTRUCTION

APPROXIMATE CONSTRUCTION DATES: AUG 2022 - OCT 2022

AGENCY: RIVERSIDE COUNTY TRANSPORTATION DEPARTMENT - 3525 14TH STREET, RIVERSIDE, CA 92507 CONTACT

PERSON: TRAI NGUYEN 951-961-5363

ORIGINAL CONTRACT AMOUNT: \$ 1,272,000.00

FINAL CONTRACT AMOUNT: \$1,160,284.10

IF FINAL AMOUNT IS DIFFERENT FROM ORIGINAL AMOUNT, PLEASE EXPLAIN: FIELD QUANTITIES DIFFERED FROM

BID SCHEDULE QUANTITIES

DID THE AGENCY FILE ANY CLAIMS AGAINST YOU? NO

ONYX PAVING COMPANY, INC.
2890 EAST LA CRESTA AVE, ANAHEIM, CA 92806 - TEL (714) 632-6699 - FAX (714) 632-1883



PROJECT NAME: 2019/20 ARTERIAL AND MINOR STREETS MAINTENANCE PHASE 2

PROJECT DESCRIPTION: CITYWIDE STREET IMPROVEMENTS

APPROXIMATE CONSTRUCTION DATES: DEC 2021 - NOV 2022

AGENCY: CITY OF RIVERSIDE - 3900 MAIN ST, RIVERSIDE, CA 92501

CONTACT PERSON: STEVEN HOWARD 951-826-5311

ORIGINAL CONTRACT AMOUNT: \$4,585,000.00

FINAL CONTRACT AMOUNT: \$4,558,151.40

IF FINAL AMOUNT IS DIFFERENT FROM ORIGINAL AMOUNT, PLEASE EXPLAIN: FIELD QUANTITIES DIFFERED FROM BID

SCHEDULE QUANTITIES

DID THE AGENCY FILE ANY CLAIMS AGAINST YOU? NO

PROJECT NAME: FY 2021-22 ANNUAL ROADWAY REHABILITATION AND SIDEWALK REPAIR

PROJECT DESCRIPTION: VARIOUS STREET IMPROVEMENTS

APPROXIMATE CONSTRUCTION DATES: JUNE 2022 - SEP 2022

AGENCY: CITY OF TUSTIN - 300 CENTENNIAL WAY, TUSTIN, CA 92780

CONTACT PERSON: JOANN WU 714-573-3157

ORIGINAL CONTRACT AMOUNT: \$2,442,000.00

FINAL CONTRACT AMOUNT: \$2,413,734.93

IF FINAL AMOUNT IS DIFFERENT FROM ORIGINAL AMOUNT, PLEASE EXPLAIN: FIELD QUANTITIES DIFFERED FROM

BID SCHEDULE QUANTITIES.

DID THE AGENCY FILE ANY CLAIMS AGAINST YOU? NO



LARGE PROJECT REFERENCES

PROJECT NAME: CULVER DRIVE IMPROVEMENTS FROM WALNUT AVENUE TO I-5 FREEWAY

PROJECT DESCRIPTION: STREET IMPROVEMENTS

APPROXIMATE CONSTRUCTION DATES: SEPT 2022 – JAN 2023

CONSULTING COMPANY: CITY OF IRVINE - 6427 OAK CANYON, IRVINE, CA 92618

CONTACT PERSON: FARHAD BOLOURCHI 949-724-6689

ORIGINAL CONTRACT AMOUNT: \$1,677,000.00

FINAL CONTRACT AMOUNT: \$1,704,308.59

IF FINAL AMOUNT IS DIFFERENT FROM ORIGINAL AMOUNT, PLEASE EXPLAIN: FIELD QUANTITIES DIFFERED FROM BID SCHEDULE QUANTITIES

DID THE AGENCY FILE ANY CLAIMS AGAINST YOU? NO

PROJECT NAME: PHASING 6A - RESIDENTIAL STREET REHABILITATION

PROJECT DESCRIPTION: STREET IMPROVEMENTS

APPROXIMATE CONSTRUCTION DATES:

CONSULTING COMPANY: CITY OF LA MIRADA - 15515 PHOEBE AVE, LA MIRADA, CA 90638

CONTACT PERSON: ERIC VILLAGRACIA 562-902-2373

ORIGINAL CONTRACT AMOUNT: \$4,242,000.00

FINAL CONTRACT AMOUNT: \$4,524,646.67

IF FINAL AMOUNT IS DIFFERENT FROM ORIGINAL AMOUNT, PLEASE EXPLAIN: SCOPES OF WORK CHANGED BY AGENCY

DID THE AGENCY FILE ANY CLAIMS AGAINST YOU? NO

PROJECT NAME: ROCHESTER AVENUE PAVEMENT REHABILITATION

PROJECT DESCRIPTION: STREET IMPROVEMENTS

APPROXIMATE CONSTRUCTION DATES: MARCH 2022 - AUG 2022

AGENCY: CITY OF RANCHO CUCAMONGA - 10500 CIVIC CENTER DRIVE, RANCHO CUCAMONGA, CA 91730

CONTACT PERSON: ROMEO DAVID 909-774-4070

ORIGINAL CONTRACT AMOUNT: \$1,727,000.00

FINAL CONTRACT AMOUNT: \$1,714,733.75

IF FINAL AMOUNT IS DIFFERENT FROM ORIGINAL AMOUNT, PLEASE EXPLAIN: FIELD QUANTITIES DIFFERED FROM BID SCHEDULE QUANTITIES

DID THE AGENCY FILE ANY CLAIMS AGAINST YOU? NO

ONYX PAVING COMPANY, INC.
2890 EAST LA CRESTA AVE, ANAHEIM, CA 92806 ~ TEL (714) 632-6699 ~ FAX (714) 632-1883



REFERENCES

<u>GENERAL CONTRACTORS:</u>	<u>JOBS PERFORMED:</u>	<u>LOCATION:</u>	<u>AMOUNT:</u>
Fullmer Construction 1725 S. Grove Ave. Ontario, CA 91761 Ph: 909-947-9467 Fax: 909-947-2970 Contact: Casey Jones	Centarpointe Sycamore Bus Park Hillwood Hofer Ranch Interchange A-E San Michelle Logistics Terra Francesco	Moreno Valley Riverside Ontario San Bernardino Moreno Valley Ontario	\$3,187,914.00 \$999,708.00 \$603,600.00 \$1,288,615.00 \$670,674.00 \$524,216.00
KCS West, Inc. 901 Corporate Ctr, Dr, 3 rd flr Monterey Park, CA 91774 Ph: 323-269-0020 Fx: 323-263-4576 Contact: Matthew Vawter	BP Refinery Maintenance Shop Carson		\$896,357.00
GMC Engineering, Inc. 1401 Warner Ave Tustin, CA 92780 Ph: 760-744-1333 Fx: 714-247-1041 Contact: Gennady	Edison	Romoland	\$1,623,480.00
Lusardi Construction 1570 Linda Vista Dr. San Marcos, CA 92064 Ph: 760-744-3133 Fax: 760-744-9064 Contact Scott Staley	FEDEX - Otay Mesa Team Nissan Edge at Campus Carmax Seabridge	San Diego Oxnard El Segundo Oxnard Oxnard	\$1,335,530.00 \$669,075.00 \$541,385.00 \$606,443.00 \$329,460.00

ONYX PAVING COMPANY, INC.

2890 EAST LA CRESTA AVE, ANAHEIM, CA 92806 - TEL (714) 632-6699 - FAX (714) 632-1883



Maagen Company, LLC **Empire Polo Club** **Indio** **\$1,036,745.00**
12302 Exposition Blvd
Los Angeles, CA 90064
Ph: 310-820-1200
Fx: 310-820-1225
Contact: Chris Fahey

ARCO National Construction Co. **Scannell FEDEX** **Burbank** **\$1,125,958.00**
900 N. Rock Hill Rd
St. Louis, MO 63119
Ph: 314-963-0715
Fx: 314-963-7114
Contact: Chris Willson

Grant General Contractors **Whittier Area Community** **Whittier** **\$625,920.00**
5051 Avenida Encinas **Church**
Carlsbad, CA 92008 **Crevier BMW** **Santa Ana** **\$30,600.00**
Ph: 760-438-7500
Fax: 760-438-3056
Contact: Pete Burrows



ASPHALT RUBBER HOT MIX REFERENCES:

GENERAL CONTRACTORS: JOBS PERFORMED: LOCATION: AMOUNT:

GMC ENGINEERING, INC. **Katella Ave. St. Improv** **Los Alamitos** **\$120,000.00**
1401 Warner Ave, Ste B. **Various Projects**
Tustin, CA 92780
Ph: 714-247-1040
Ex: 714-247-1041
Contact: Gennady Chizik

B.D. OLSON CONSTRUCTION, INC. **Lido House Hotel** **Newport Beach** **\$193,105.00**
2955 Main Street, 3rd Floor
Irvine, CA 92614
Ph: 949-474-2001
Ex: 949-474-1534
Contact: Jeremy Dunn

**IF YOU HAVE ANY QUESTIONS, PLEASE FEEL FREE TO CONTACT COREY KIRSCHNER AT 714-632-6699 OR VIA EMAIL AT
COREY@ONYXPAVING.NET**



CREDIT REFERENCES

ONYX PAVING COMPANY, INC

2890 E. LA CRESTA AVE

ANAHEIM, CA 92806

PHONE: (714) 632-6699

DATE ESTABLISHED 1/4/90

CORP. TAX ID. # 33-0394344

FAX: (714) 632-1883

TYPE OF WORK - ASPHALT PAVING

CONTRACTORS LIC. # 630380-A

PRESIDENT: COREY R. KIRSCHNER

14029 SPRINGWATER LN. EASTVALE, CA 92880

BANK: BANK OF THE WEST

4501 E. LA PALMA AVENUE, ANAHEIM, CA 92807

PHONE: (714) 727-9620 BRYAN PLOESSEL

INSURANCE AGENT: WOOD GUTMANN & BOGART

15901 RED HILL AVE., STE. 100, TUSTIN, CA 92780

PHONE: (714) 824-8384 MICHAEL TRAN

SURETY AGENT:

TURNER SURETY AND INSURANCE BROKERAGE, INC.

5 HUTTON CENTRE, STE. 730, SANTA ANA, CA 92707

PHONE: (714) 915-4032 JEREMY PENDERGAST

CREDIT REFERENCES:

MATCH CORP.

P.O. BOX 10, HIGHLAND, CA 92346

(909) 362-7400 Steve Match

ALL AMERICAN

P.O. BOX 2229, CORONA, CA 92878

(951) 736-7600 Carl

KELTERITE CORP.

12231 PANGBORN AVE. DOWNEY, CA

(562) 401-0011 Gladys

VULCAN MATERIALS CO.

16013 E. FOOTHILL BLVD, IRVINDALE, CA 91702

(858) 590-9414 Debbie

GENERAL CONTRACTOR REFERENCES:

FULLMER CONSTRUCTION

1725 S. GROVE AVE., ONTARIO, CA 91761

(909) 947-9467 Casey Jones

BYROM-DAVEY, INC.

13220 EVENING CREEK DR. SOUTH #103, SAN DIEGO

(858) 513-7199 Steve Davey

PACIFIC CONST. GROUP

17895 SKY PARK CIR., IRVINE, CA 92614

(949) 748-1500 Mark Bundy

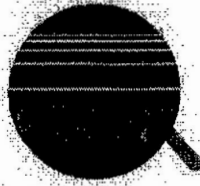
ERICKSON-HALL CONST. CO.

500 CORPORATE DR., ESCONDIDO, CA 92029

(760) 796-7700 Justin Sinnott

ONYX PAVING COMPANY, INC.

2890 EAST LA CRESTA AVE, ANAHEIM, CA 92806 - TEL (714) 632-6699 - FAX (714) 632-1883



ERICKSON-HALL CONST. CO.

500 CORPORATE DR., ESCONDIDO, CA 92069

(760) 796-7700 Justin Sinnott

RESUME

Corey Kirschner has over 20 years of experience both as an estimator and CEO. Corey is an experienced estimator and lead a majority of those years being the Chief Estimator before becoming CEO and President of Onyx Paving Company, Inc. Over the short period of time here at Onyx Paving, Corey has completed over 3,000 paving projects, allowing the company to gross over \$50 million dollars in the previous year.

Jay Kirschner, Senior Project Manager, holds a Bachelor's Degree from Chapman University and has 7 years of experience upholding the maintenance supervisor and lead estimator position for Onyx Paving. He leads our team, with the project managers under his direct supervision, in managing our productions and coordinating our field mobilizations for all projects.

Tyler Henry, Field Superintendent, serves as the core of all field related matters. He has over 20 years of paving experience performing jobs that stretches from San Diego County to Ventura County. Tyler has been with Onyx in completing all of our Public Works projects. Overseeing the on-site laborers, cement masons, and operating engineers is one of his many responsibilities.

BACKLOG ALLOCATION:

Corey Kirschner, Jay Kirschner, and Tyler Henry oversee 100% of all current project in attached backlog.

ONYX PAVING COMPANY, INC.

2890 EAST LA CRESTA AVE, ANAHEIM, CA 92806 - TEL (714) 632-6699 - FAX (714) 632-1883



**Corey
Kirschner**

CEO/President

**Jackson
Hulse**

Senior Project Manager

Tyler Henry

Field Superintendent

Key Individual Responsibilities:

Corey Kirschner

- Manage overall operations and resources of company
- Decision maker of corporation

Jackson Hulse

- Lead project management team with organization
- Overseeing overall project scheduling, budgeting, and dispatching on all projects
- Main point of communications between company and agencies

Tyler Henry

- Lead and manage on-site labors and operators
- Coordinate daily operations and project production
- Ensuring project quality expectations are met

ONYX PAVING COMPANY, INC.

2890 EAST LA CRESTA AVE, ANAHEIM, CA 92806 -- TEL (714) 632-6699 -- FAX (714) 632-1883

STATE OF CALIFORNIA



CONTRACTORS STATE LICENSE BOARD

Pursuant to Chapter 9 of Division 3 of the Business and Professions Code
and the Rules and Regulations of the Contractors State License Board,
the Registrar of Contractors does hereby issue this license to:

ONYX PAVING COMPANY INC

License Number 630360

to engage in the business or act in the capacity of a contractor in the following classifications:

- A- GENERAL ENGINEERING CONTRACTOR
- C12 - EARTHWORK AND PAVING

Witness my hand and seal this day,

January 4, 2019

Issued October 9, 1991

Mario Richardson, Board Chair

This license is the property of the Registrar of Contractors
is not transferable, and shall be returned to the Registrar
upon demand when suspended, revoked, or invalidated
for any reason. It becomes void if not removed.

David R. Fogt, Registrar of Contractors



CONTRACTORS
STATE LICENSE BOARD
ACTIVE LICENSE



License Number **630360**

Entity **CORP**

Business Name **ONYX PAVING COMPANY INC**

Classification **A CT2**



Expiration Date **10/31/2025**

www.cslb.ca.gov



APPLICATION FOR PUBLIC WORKS CONTRACTOR REGISTRATION

Registration Information

Type: Public Works

Period: 07/01/2023 06/30/2024

Contractor Information

Contractor Name: ONYX PAVING COMPANY, INC.

Trade Name:

License Type Number: 1000004798

Contractor Physical Address

Physical Business Country: United States of America

Physical Business City/ ANAHEIM
Province:

Physical Business Address: 2890 E. LA CRESTA AVENUE

Physical Business State: CA

Physical Business Postal 92806
Code:

Contractor Mailing Address

Mailing Country: United States of America

Mailing City /Province: ANAHEIM

Mailing Address: 2890 E. LA CRESTA AVENUE

Mailing State: CA

Mailing Postal Code: 92806

Contact Info

Daytime Phone:

Daytime Phone Ext.:

Mobile Phone:

Business Email: davidw@onyxpaving.com

Applicant's Email: davidw@onyxpaving.net

Workers' Compensation

Professional Employer Organization (PEO)

Do you lease employees through Professional Employer Organization? No

Workers' Compensation Overview

Carrier: ZURICH AMERICAN INSURANCE
COMPANY

Inception Date: 10/01/2022

Policyholder Name: Onyx Paving Company Inc

Expiration Date: October 12, 2023

Policy Number: WC106300504

Certification

Yes I certify that I do not have any delinquent liability to an employee or the state for any assessment of back wages or related damages, interest, fines, or penalties pursuant to any final judgment, order, or determination by a court or any federal, state, or local administrative agency, including a confirmed arbitration award

~~Yes~~ I certify that the contractor is not currently debarred under Section 1777.1 or under any other federal or state law providing for the debarment of contractors from public works.

Yes I certify that one of the following is true: (1) I am licensed by the Contractors State License Board (CSLB) in accordance with Chapter 9 (commencing with Section 7000) of the Business and Professions Code; or (2) my business or trade is not subject to licensing by the CSLB.

I understand refunds are not authorized

I, David Wiltfong, the undersigned, am , ONYX PAVING COMPANY, INC. with the authority to act for and on behalf of the above named contractor. I certify under penalty of perjury that all of the above information provided is true and correct. I further acknowledge that any untruthful information provided in this application could result in the certification being canceled.

I certify this on: 10:00 AM

Legal Entity Information

Legal Entity Type: Corporation

Name: ONYX PAVING COMPANY, INC.



ONYX PAVING COMPANY, INC.
License # 630360 -- DIR # 1000004798

**UNANIMOUS WRITTEN CONSENT OF
THE BOARD OF DIRECTORS OF
ONYX PAVING COMPANY, INC.
(a California corporation)**

October 28, 2020

The undersigned director, constituting the entire board of directors (the "Board") of Onyx Paving Company, Inc., a California corporation (the "Corporation"), hereby takes the following actions, adopts the following resolutions, and transacts the following business, by written consent without a meeting, as of the date above written, pursuant to Section 307(b) of the General Corporation Law of the State of California and the Corporation's Bylaws:

Approval of Loan Transaction

WHEREAS, Corey Kirschner is currently the Corporation's Chief Executive Officer, and Chief Financial Officer (the "Officer") with authority to enter into contracts on behalf of the Corporation.

WHEREAS, the Corporation opportunities from time to time to bid on various governmental and non-governmental projects;

WHEREAS, after careful consideration, the Board has determined that the terms and conditions of the proposed project in the form of the bid attached hereto as Exhibit A (the "Project") are just and equitable and fair as to the Corporation and that it is in the best interests of the Corporation and its stockholder to submit the bid and complete the Project subject to the terms agreed upon by the parties.

NOW, THEREFORE, BE IT RESOLVED, the Board on behalf of the Corporation hereby approves and ratifies the Project in all respects, and hereby authorize and direct the Corporation to negotiate, execute, deliver and perform the terms of all documents, required in connection with the Project, together with such changes thereto as may be approved by the Officer executing the same on behalf of the Corporation (pursuant to the authorization provided herein), such approval of the Officer to be conclusively evidenced by his execution and delivery of same.

RESOLVED FURTHER, that the Officer may execute and deliver any and all agreements and any and all other documents and instruments, and take such further actions as may be necessary or appropriate, for the financing of the Corporation.

RESOLVED FURTHER, that the Officer is hereby authorized, directed, and empowered to execute and deliver any and all agreements and any and all other documents and instruments, and take such further actions as may be necessary or appropriate, for the consummation of the Project.

RESOLVED FURTHER, that the Officer, in the name of the Corporation, is hereby authorized, directed, and empowered to negotiate, execute and deliver to the applicable counterparty, any and all documents with respect to the Project and other instruments as may be reasonably requested, and the Officer on behalf of the Corporation is authorized from time to time to execute renewals or extensions or other instruments as may be necessary.

RESOLVED FURTHER, that the authority given hereunder shall be deemed retroactive and any and all acts authorized hereunder performed prior to the passage of this resolution are hereby ratified and affirmed.

The Secretary of the Corporation is directed to file the original executed copy of this Consent with the minutes of proceedings of the Corporation.

[Signature page follows]



ONYX PAVING COMPANY, INC.
License # 630360 - DIR. # 1000004798

**IN WITNESS WHEREOF, the undersigned has executed this Unanimous Written
Consent of the Board of Directors as of the date first above written.**



Corey Kirschner

**Request for Taxpayer
 Identification Number and Certification**

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

Go to www.irs.gov/FormW9 for instructions and the latest information.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

ONYXPAVING COMPANY INC

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

- Individual sole proprietor or single-member LLC
- Corporation S Corporation Partnership Trust/estate
- Limited liability company. Enter the tax classification (S= S corporation, P= Partnership)
Notes: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.
- Other (see instructions)

4 Exemptions (codes apply only to certain entities; not individuals; see instructions on page 3):

Exempt payee code (if any)

Exemption from FATCA reporting code (if any)

Apply to accounts established after 6/18/14

5 Address (number, street, and apt. or suite no.) See instructions.

Requester's name and address (optional)

2888 EAST LA CRESTA AVE

ANAHEIM, CA 92806

7 List account number(s) (optional)

Part III Taxpayer Identification Number (TIN)

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

Social security number

--	--	--	--	--	--	--	--	--	--	--	--

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

or
 Employer identification number

3	3	0	0	4	3	5	5
---	---	---	---	---	---	---	---

Part IV Certification

Under penalties of perjury, I certify that:

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

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

Sign Here Signature of U.S. person ANN RAYSON Date 8/22/2021

General Instructions

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

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

Purpose of Form

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

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)
 Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.
 If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/12/2021

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 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
Wood Gutmann & Bogert
15901 Red Hill Ave., Suite 100
Tustin CA 92780

Agent: Michael Tren
Phone: 714-824-8384
Fax: 714-4573-1720
Email: mtren@wgb.com

INSURER
Onyx Paving Company, Inc.
2880 E. La Cresta Avenue
Anaheim CA 92806-1818

License #: 087888
ONTYP#

INSURER AFFORDING COVERAGE	NAIC#
INSURER A: West American Ins Co	44393
INSURER B: Zurich American Insurance Co	18036
INSURER C: AMERICAN ZURICH INS CO	40142
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES **CERTIFICATE NUMBER: 1612732009** **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.

TYPE OF INSURANCE	POLICY NUMBER	START DATE	END DATE	LIMITS
A COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> COMB-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PER <input type="checkbox"/> LOC OTHER:	ENNS627644	8/1/2021	8/12/2021	EACH OCCURRENCE \$2,000,000 DAMAGES TO RENTALS \$100,000 AUTO EXP (Any one person) \$10,000 PERSONAL & ADW INJURY \$2,000,000 GENERAL AGGREGATE \$4,000,000 PRODUCTS - COMB/CP AGG \$4,000,000
C AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-SCHEDULED AUTOS UMBRELLA LIAB EXCESS LIAB RETENTION \$	HAP10430802	10/1/2020	10/1/2021	BODILY INJURY (Per person) \$2,000,000 BODILY INJURY (Per accident) \$2,000,000 PROPERTY DAMAGE \$2,000,000 EACH OCCURRENCE \$ AGGREGATE \$ RETENTION \$
B WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY OCCURRENCE? <input type="checkbox"/> Y/N ANY EXCLUSIONS? <input type="checkbox"/> Y/N MANDATORY INJURY (See schedule under DESCRIPTION OF OPERATIONS below)	WG106300402	10/1/2020	12/31/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> C/P EL EACH OCCURRENCE \$1,000,000 EL DISEASE - EA EMPLOYEE \$1,000,000 EL CHANGE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES (ACORD 101, Additional Remarks Below(s), may be attached if more space is required)
Certificate holder(s) is/are named as additional insured per the attached endorsements as required by written contract subject to the terms & conditions of the policy;

- GL Additional Insured Form #CG 20 10 04 13 and CG 20 37 04 13
- GL Additional Insured State-Permits Form #CG 20 13 04 13
- GL Primary and Non-Contributory Form #CG 20 01 04 13
- GL Waiver of Subrogation Form #CG 88 10 04 13
- GL Per Project Form #CG 88 70 12 08
- See Attached...

CERTIFICATE HOLDER	CANCELLATION
Onyx Paving Company, Inc. 2880 E. La Cresta Ave. Anaheim CA 92806	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



**State of California
Secretary of State**

8

Statement of Information
(Domestic Stock and Agricultural Cooperative Corporations)
FEES (Filing and Disclosure): \$25.00.
If this is an amendment, see instructions.

**G076477
FILED**

In the office of the Secretary of State
of the State of California

IMPORTANT - READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.

OCT-01 2018

1. CORPORATE NAME

ONYX PAVING COMPANY, INC.

2. CALIFORNIA CORPORATE NUMBER

C1059076

This Space for Filing Use Only

No Change Statement (Not applicable if agent address of record is a P.O. Box address. See instructions.)

- If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.
 If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to item 17.

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 4 and 6 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY	STATE	ZIP CODE
2890 E. LA CRESTA AVE., ANAHEIM, CA 92808			
5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY	CITY	STATE	ZIP CODE
2890 E. LA CRESTA AVE., ANAHEIM, CA 92808			
6. MAILING ADDRESS OF CORPORATION, IF DIFFERENT THAN ITEM 4	CITY	STATE	ZIP CODE

Names and Complete Addresses of the Following Officers (The corporation must list these officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

7. CHIEF EXECUTIVE OFFICER/ ADDRESS	CITY	STATE	ZIP CODE
COREY KIRSCHNER 2890 E. LA CRESTA AVE., ANAHEIM, CA 92808			
8. SECRETARY ADDRESS	CITY	STATE	ZIP CODE
COREY KIRSCHNER 2890 E. LA CRESTA AVE., ANAHEIM, CA 92808			
9. CHIEF FINANCIAL OFFICER/ ADDRESS	CITY	STATE	ZIP CODE
COREY KIRSCHNER 2890 E. LA CRESTA AVE., ANAHEIM, CA 92808			

Names and Complete Addresses of All Directors, Including Directors Who are Also Officers (The corporation must have at least one director. Attach additional pages, if necessary.)

10. NAME ADDRESS CITY STATE ZIP CODE
COREY KIRSCHNER 2890 E. LA CRESTA AVE., ANAHEIM, CA 92808
11. NAME ADDRESS CITY STATE ZIP CODE
12. NAME ADDRESS CITY STATE ZIP CODE

13. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

Agent for Service of Process If the agent is an individual, the agent must reside in California and item 15 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have an office with the California Secretary of State a certificate pursuant to California Corporations Code section 1805 and item 15 must be left blank.

14. NAME OF AGENT FOR SERVICE OF PROCESS
COREY KIRSCHNER

15. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY STATE ZIP CODE
2890 E. LA CRESTA AVE., ANAHEIM, CA 92808

Type of Business

16. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
ASPHALT PAVING SERVICES

17. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

10/01/2018 AFSHIN HAKIM ATTORNEY
DATE TYPE/PRINT NAME OF PERSON COMPLETING FORM TITLE SIGNATURE



**State of California
Secretary of State**

8

Statement of Information

(Domestic Stock and Agricultural Cooperative Corporations)

FEES (Filing and Disclosure): \$25.00.

If this is an amendment, see instructions.

IMPORTANT - READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

GB88157

FILED

In the office of the Secretary of State
of the State of California

JAN-03 2020

1. CORPORATE NAME
ONYX PAVING COMPANY, INC.

2. CALIFORNIA CORPORATE NUMBER
C1639076

This Space for Filing Use Only

No Change Statement (Not applicable if agent address of record is a P.O. Box address. See instructions.)

3. If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.

If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to item 17.

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE	CITY	STATE	ZIP CODE
6. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY	CITY	STATE	ZIP CODE
8. MAILING ADDRESS OF CORPORATION, IF DIFFERENT THAN ITEM 4	CITY	STATE	ZIP CODE

Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

7. CHIEF EXECUTIVE OFFICER	ADDRESS	CITY	STATE	ZIP CODE
9. SECRETARY	ADDRESS	CITY	STATE	ZIP CODE
8. CHIEF FINANCIAL OFFICER	ADDRESS	CITY	STATE	ZIP CODE

Names and Complete Addresses of All Directors, Including Directors Who are Also Officers (The corporation must have at least one director. Attach additional pages, if necessary.)

10. NAME	ADDRESS	CITY	STATE	ZIP CODE
11. NAME	ADDRESS	CITY	STATE	ZIP CODE
12. NAME	ADDRESS	CITY	STATE	ZIP CODE

13. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

Agent for Service of Process If the agent is an individual, the agent must reside in California and item 15 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have an office with the California Secretary of State a certificate pursuant to California Corporations Code section 1506 and item 15 must be left blank.

14. NAME OF AGENT FOR SERVICE OF PROCESS

16. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY STATE ZIP CODE

Type of Business

19. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION

17. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

01/03/2020 ANA BARBRA RAYON OFFICE MANAGER/CONTROLLER

DATE TYPE/PRINT NAME OF PERSON COMPLETING FORM TITLE

81-200 (REV 04/2018)

APPROVED BY SECRETARY OF STATE

California Environmental Protection Agency
Air Resources Board

March 1, 2023

**CERTIFICATE OF REPORTED COMPLIANCE
IN-USE OFF-ROAD DIESEL-FUELED FLEETS
REGULATION is issued to
ONYX PAVING COMPANY, INC.**

This certificate indicates that the fleet listed above has reported off-road diesel vehicles to the California Air Resources Board and has certified they are in compliance with title 13 CCR, section 2449. All applicable vehicles owned by the individual, company, or agency must be reported and labeled, as specified in Section 2449, with all possible completeness; else this certificate is null and void. **Certificate expires 2/29/2024**



Sydney Vargo
Chief, Mobile Source Control Division
California Air Resources Board

Off-road Diesel Fleet Identification

2694

To verify the authenticity of this certificate, enter this number at
http://www.arb.ca.gov/doing/compliance_cert.html



TO: All Contractors
FROM: Han Sol Yoo, Associate Engineer
DATE: January 31, 2024
SUBJECT: **ADDENDUM NO. 3** to the FY 2022/23 Citywide Street Resurfacing Project

This Addendum No. 3 is being issued for the FY 2022/23 Citywide Street Resurfacing Project.

The intent of this Addendum No. 3 is to include the following revisions, additions, and/or deletions shall hereby be made a part of the RFP documents.

Proposal Documents:

Replace Pages P-4 through P-7 with the revised pages attached. (Attachment A)

The revised Proposal Documents must be submitted by the Contractor. Failure to submit the revised Proposal Documents will result in the bid being rejected.

For any further information or clarification needed, please contact Han Sol Yoo via email at HYoo@stantonca.gov.

Confirmation of receipt of all addenda is part of the Bid Documents. Failure to acknowledge receipt of all addenda may cause a bid to be deemed non-responsive.

By:

A handwritten signature in black ink, appearing to read "Han Sol Yoo".

Han Sol Yoo, E.I.T.
Associate Engineer

Attachments:
(A) Proposal Documents



TO: All Contractors
FROM: Han Sol Yoo, Associate Engineer
DATE: January 18, 2024
SUBJECT: **ADDENDUM NO. 2** to the FY 2022/23 Citywide Street Resurfacing Project

This Addendum No. 2 is being issued for the FY 2022/23 Citywide Street Resurfacing Project.

The intent of this Addendum No. 2 is to include the following revisions, additions, and/or deletions shall hereby be made a part of the RFP documents.

The Bid Opening Date and Time for the FY 2022/23 Citywide Street Resurfacing Project has been postponed. The new Bid Opening Date and Time are:

**Tuesday, February 13, 2024 at 10 A.M. at
Stanton City Hall**

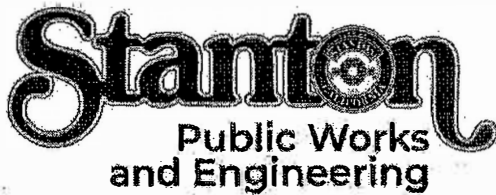
For any further information or clarification needed, please contact Han Sol Yoo via email at HYoo@StantonCA.gov.

Confirmation of receipt of all addenda is part of the Bid Documents. Failure to acknowledge receipt of all addenda may cause a bid to be deemed non-responsive.

By:

A handwritten signature in black ink, appearing to read "Han Sol Yoo". The signature is written in a cursive style and is positioned above a horizontal line.

Han Sol Yoo, E.I.T.
Associate Engineer



TO: All Contractors
FROM: Han Sol Yoo, Associate Engineer
DATE: January 11, 2024
SUBJECT: **ADDENDUM NO. 1** to the FY 2022/23 Citywide Street Resurfacing Project

This Addendum No. 1 is being issued for the FY 2022/23 Citywide Street Resurfacing Project.

The intent of this Addendum No. 1 is to include the following revisions, additions, and/or deletions shall hereby be made a part of the RFP documents.

The scope of work and construction limits for Katella Avenue has been revised.

Proposal Documents:

Replace Pages P-4 through P-7 with the revised pages attached. (Attachment A)

The revised Proposal Documents must be submitted by the Contractor. Failure to submit the revised Proposal Documents will result in the bid being rejected.

Construction Plans:

Replace Sheets No. 4 and No. 9 with the revised Sheets attached, respectively (Attachment B)

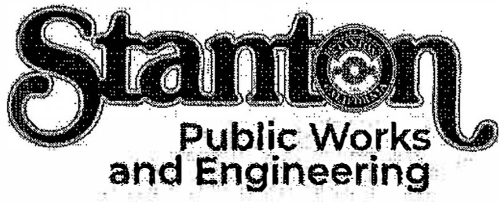
For any further information or clarification needed, please contact Han Sol Yoo via email at HYoo@stantonca.gov.

Confirmation of receipt of all addenda is part of the Bid Documents. Failure to acknowledge receipt of all addenda may cause a bid to be deemed non-responsive.

By:

A handwritten signature in black ink, appearing to read "Han Sol Yoo". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Han Sol Yoo, E.I.T.
Associate Engineer



Attachments:

- (A) Proposal Documents
- (B) Revised Construction Plan Sheets No. 4 and No. 9



**PLANS, SPECIFICATIONS, AND CONTRACT
DOCUMENTS FOR
FY 2022/23 CITYWIDE STREET RESURFACING
PROJECT**

City of Stanton

Public Works and Engineering Department

7800 Katella Avenue

Stanton, CA 90680

(714) 379-9222 | StantonCA.gov

Approved by:

Cesar Rangel, P.E.

Director of Public Works/City Engineer

CRangel@stantonca.gov

(714) 890-4203

KEY BID DATES (SUBJECT TO CHANGE):

December 19, 2023

January 9, 2024

January 23, 2024

Advertise in trade journals and on the City's website

Deadline for Questions at 5:00 p.m.

Bid opening at 10:00 a.m., City Hall Lobby

**CITY OF STANTON
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CITY OF STANTON

**NOTICE INVITING BIDS
FY 2022/23 CITYWIDE STREET RESURFACING PROJECT**

NOTICE IS HEREBY GIVEN that the City of Stanton ("City"), invites and will receive sealed Bids up to but not later than **10:00 a.m. on January 23, 2024** at the office of the City Clerk, located at 7800 Katella Avenue, Stanton, CA 90680, for the furnishing to City of all labor, equipment, materials, tools, services, transportation, and all other items necessary for the **FY 2022/23 CITYWIDE STREET RESURFACING PROJECT** (the "Project"). After said time, Bids will be publicly opened and read aloud. Bids received after said time shall be returned unopened. Bids shall be valid for a period of 90 calendar days after the Bid opening date.

This Project consists of demolition and removals, clearing and grubbing, roadway rehabilitation by grind and overlay, curb and gutter, ADA curb ramps, sidewalk, concrete bus pad, ARHM and FRAC Overlays, asphalt pavement, signing and striping, and all appurtenant work.

The Project is being advertised in the trade journals and uploaded onto www.CIPList.com. Bid documents, plans, and specifications are available for download on the aforementioned platforms. **Bids must be submitted on the City's Bid Forms as hardcopies.** Contractors need not purchase a hard copy set of plans from the City. To the extent required by section 20103.7 of the Public Contract Code, upon request from a contractor plan room service, the City shall provide an electronic copy of the Contract at no charge to the contractor plan room. Bidders who do not have access to the platforms listed above, can request a hard copy of Bid Forms and Contract Documents by notifying the City via email at publicworks@stantonca.gov two (2) days in advance. Bidders who notified the City may pick-up a copy of the Bid Forms and Contract Documents from the Public Works Counter at the City of Stanton City Hall, 7800 Katella Avenue, Stanton, California 90680, (714) 890-4205, for Twenty Dollars (\$20.00). A non-refundable charge of Ten Dollars (\$10.00) will be required of any bidder who requests that the Contract Documents be mailed within California (costs for out-of-state mailings will be higher).

Each Bid shall be accompanied by cash, a certified or cashier's check, or Bid Bond secured from a surety company satisfactory to the City, the amount of which shall not be less than ten percent (10%) of the submitted Total Bid Price, made payable to City of Stanton as Bid Guarantee.

The successful Bidder will be required to furnish a Faithful Performance Bond and a Labor and Material Payment Bond each in an amount equal to one hundred percent (100%) of the Contract Price. Each bond shall be in the forms set forth herein, shall be secured from a surety company that meets all State of California bonding requirements, as defined in California Code of Civil Procedure Section 995.120, and that is a California admitted surety insurer.

Pursuant to Section 22300 of the Public Contract Code of the State of California, the successful Bidder may substitute certain securities for funds withheld by City to ensure its performance under the Contract.

Pursuant to Labor Code Section 1773, City has obtained the prevailing rate of per diem wages and the prevailing wage rate for holiday and overtime work applicable in Orange County from the Director of the Department of Industrial Relations for each craft, classification, or type of worker needed to execute this contract. A copy of these prevailing wage rates may be obtained via the internet at: www.dir.ca.gov/dlsr/

In addition, a copy of the prevailing rate of per diem wages is available at City Clerk and shall be made available to interested parties upon request. The successful Bidder shall post a copy of the prevailing wage rates at each job site. It shall be mandatory upon the Bidder to whom the Contract is awarded, and upon any subcontractors, to comply with all Labor Code provisions, which include but are not limited to the payment of not less than the said specified prevailing wage rates to all workers employed by them in the execution of the Contract, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No Bid will be accepted nor any Contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work. If awarded a contract, the Bidder and its subcontractors, of any tier, shall maintain active registration with the Department of Industrial Relations for the duration of the Project. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. In bidding on this Project, it shall be the Bidder's sole responsibility to evaluate and include the cost of complying with all labor compliance requirements under this contract and applicable law in its Bid.

Unless otherwise provided in the Instructions for Bidders, each Bidder shall be a licensed contractor pursuant to sections 7000 et seq. of the Business and Professions Code in the following classification(s) throughout the time it submits its Bid and for the duration of the Contract: Class A Contractor's License.

Substitution requests shall be made within 35 calendar days after the award of the Contract. Pursuant to Public Contract Code Section 3400(b), City may make findings designating that certain additional materials, methods or services by specific brand or trade name other than those listed in the Contract Documents be used for the Project. Such findings, if any, as well as the materials, methods or services and their specific brand or trade names that must be used for the Project may be found in the Special Conditions.

Pursuant to Public Contract Code section 3400(b), if City has made any findings designating certain materials, products, things, or services by specific brand or trade name, such findings and the materials, products, things, or services and their specific brand or trade names will be set forth in the Special Conditions.

City shall award the contract for the Project to the lowest responsive, responsible Bidder as determined by City from the Total Base Bid. City reserves the right to reject any or all Bids or to waive any irregularities or informalities in any Bids or in the bidding process.

For further information, contact the Associate Engineer, Han Sol Yoo, at HYoo@StantonCA.gov (e-mail) or 714-890-4204.

END OF NOTICE INVITING BIDS

CITY OF STANTON

**INSTRUCTIONS TO BIDDERS
FY 2022/23 CITYWIDE STREET RESURFACING PROJECT**

1. PROPOSAL FORMS AND REVIEW OF PLANS AND SPECIFICATIONS

Bids shall be submitted in writing on the Bids forms provided by the CITY. All information requested therein must be clearly and legibly set forth in the manner and form indicated. The Proposal must include all pages of the Proposal form with all of the required information, including but not limited to the Bidder's Information, Proposal Bid Sheet, List of Subcontractors, Bidder's Statement of Past Contract Disqualifications, Non-Collusion Declaration, Bid Bond, Iran Contracting Act Certification (if required), and Sufficient Funds Declaration. The CITY will not consider any proposal not meeting these requirements.

In addition, the CITY shall not accept any bid or enter into any contract without proof of the Bidder's current registration to perform public work under Labor Code Section 1725.5; and the Bidder shall not accept any sub-bid or enter into any subcontract without proof of the subcontractor's current registration to perform public work under Labor Code Section 1725.5.

The CITY may make the Contract Documents available for review at one or more plan rooms, as indicated in the Notice Inviting Bids. Please Note: Prospective Bidders who choose to review the Contract Documents at a plan room must also contact the CITY to obtain the required Contract Documents if they decide to submit a Bid for the Project.

At its own expense and prior to submitting its Bid, each Bidder shall visit the site of the proposed work and fully acquaint itself with the conditions relating to the construction and labor required so that the Bidder may fully understand the work, including but not limited to difficulties and restrictions attending the execution of the work under the Contract. Each Bidder shall carefully examine the Drawings, and shall read the Specifications, Contract, and all other documents referenced herein and made part of the Contract Documents. Each Bidder shall also determine the local conditions which may in any way affect the performance of the work, including local tax structure, contractors' licensing requirements, availability of required insurance, the prevailing wages and other relevant cost factors, shall familiarize itself with all federal, state and local laws, ordinances, rules, regulations and codes affecting the performance of the work, including the cost of permits and licenses required for the work, and shall make such surveys and investigations, including investigations of subsurface or latent physical conditions at the site or where work is to be performed as may be required. Bidders are responsible for consulting the standards referenced in the Contract. The failure or omission of any Bidder to receive or examine any Contract Documents, forms, instruments, addenda, or other documents, or to visit the site and acquaint itself with conditions there existing shall in no way relieve any Bidder from any obligation with respect to its Bid or to the Contract and no relief for error or omission will be given except as required under State law. The submission of a Bid shall be taken as conclusive evidence of compliance with this Article. Any errors must be reported to the CITY.

2. BID GUARANTEE (BID BOND)

Each Bid shall be accompanied by: (a) cash; (b) a certified or cashier's check made payable to City of Stanton; or (c) an original Bid Bond (wet signatures) secured from a surety company satisfactory to the CITY, the amount of which shall not be less than ten percent (10%) of the Total Bid Price, made payable to the City of Stanton as Bid Guarantee. Personal sureties and unregistered surety companies are unacceptable. The surety insurer shall be California admitted surety insurer, as defined in Code of Civil Procedure Section 995.120. The Bid Guarantee shall be provided as a guarantee that within ten (10) calendar days after the CITY provides the successful Bidder the Notice of Award, the successful Bidder will enter into a Contract and provide the necessary bonds and certificates of insurance. The Bid Guarantee will be declared forfeited if the successful Bidder fails to comply within said time, and CITY may enter into a Contract with the next lowest responsive responsible Bidder or may call for new bids. No interest shall be paid on funds deposited with the CITY. The CITY will return the security accompanying the bids of all unsuccessful bidders no later than 60 calendar days after award of the Contract.

3. PROPOSED SCHEDULE

The Contractor shall have sixty-five (65) Working Days to Complete the Work.

December 19, 2023	Advertise in trade journals and on the Internet
January 9, 2024	Deadline for Questions at 5:00 p.m.
January 23, 2024	Bid opening at 10:00 a.m., City Hall Lobby
February 13, 2024	Award of contract consideration

This schedule is proposed. Should the date slip, the contract days take precedence.

4. QUESTIONS

Questions regarding the Contract Documents, requests for interpretations or clarifications, either administrative or technical, may be directed to the Associate Engineer, Han Sol Yoo, by email at HYoo@StantonCA.gov.

The deadline for questions is January 9, 2024 at 5:00 p.m.

All written questions, if answered, will be answered in writing and conveyed to all interested bidders on or before January 9, 2024.

Oral statements regarding this Bid by any persons should be considered unverified information unless confirmed in writing.

No members of the CITY's staff or City Council should be contacted about this procurement during the bidding process. Any and all inquiries and comments regarding this Bid must be communicated in writing, unless otherwise instructed by the CITY. The CITY may, in its sole discretion, disqualify any Bidder who engages in any prohibited communications.

5. NON-COLLUSION DECLARATION

Bidders on all public works contracts are required to submit a declaration of non-collusion with their Bid. This form is included with the Bid Forms and must be signed and dated under penalty of perjury.

6. BID SHEET

Bidders shall give unit prices for each and all of the items set forth. No aggregate bids will be considered. The bidder shall set forth for each item of Work, in clearly legible figures, a unit item price and a total for the item in the respective spaces provided for this purpose. The quantities listed in the bid sheets are supplied to give an indication of the general scope of Work, but the accuracy of figures is not guaranteed and the bidder shall make its estimates from the specifications and scope of works. In case of a variation between the unit price and the totals shown by the bidder, the unit price will be considered to be the bid.

If alternate bid items are called for in the Contract, the time required for completion of the alternate bid items has already been factored into the Contract duration and no additional Contract time will be awarded for any of the alternate bid items. The CITY may elect to include one or more of the alternate bid items, or to otherwise remove certain work from the Project scope of work. Accordingly, each Bidder must ensure that each bid item contains a proportionate share of profit, overhead, and other costs or expenses which will be incurred by the Bidder.

7. SUBMISSION OF BID

Once the Bid and supporting documents have been completed and signed as set forth herein, they shall be placed, along with the Bid Guarantee and other required materials, in a sealed envelope, addressed and delivered or mailed, postage prepaid, to the Public Works and Engineering Department of the CITY before the time and day set for the receipt of bids. The envelope shall bear the title of the work and the name of the bidder. No oral or telephonic bids will be considered. No forms transmitted via the internet, e-mail, facsimile, or any other electronic means will be considered unless specifically authorized by the CITY as provided herein. Bids received after the time and day set for the receipt of bids shall be returned to the bidder unopened. The envelope shall also contain the following in the lower left-hand corner thereof:

**Bid of (Bidder's Name)
for the FY 2022/23 CITYWIDE STREET RESURFACING PROJECT**

Only where expressly permitted in the Notice Inviting Bids may bidders submit their bids via electronic transmission pursuant to Public Contract Code sections 1600 and 1601. Any acceptable method(s) of electronic transmission shall be stated in the Notice Inviting Bids. CITY may reject any bid not strictly complying with the CITY's designated methods for delivery.

8. WITHDRAWAL OF BIDS

Any Bid may be withdrawn either personally or by written request, incurring no penalty, at any time prior to the scheduled closing time for receipt of Bids. Withdrawn Bids may be resubmitted until the time and day set for the receipt of Bids, provided that resubmitted Bids are in conformance with the instructions herein.

Bids may be withdrawn after Bid opening only by providing written notice to the CITY within five (5) working days of the Bid opening and in compliance with Public Contract Code Section 5100 et seq., or as otherwise may be allowed with the consent of the CITY.

9. MODIFICATION OF BIDS

Each Bidder shall submit its Bid in strict conformity with the requirements of the Contract. Unauthorized additions, modifications, revisions, conditions, limitations, exclusions or provisions attached to a Bid may render it non-responsive and may cause its rejection. Bidders shall not delete, modify, or supplement the printed matter on the Bid Forms, or make substitutions thereon. Oral, telephonic and electronic modifications will not be considered.

10. SALES AND OTHER APPLICABLE TAXES, PERMITS, LICENSES AND FEES

Contractor and its subcontractors performing work under this Contract will be required to pay California sales tax and other applicable taxes, and to pay for permits, licenses and fees required by the agencies with authority in the jurisdiction in which the Work will be located, unless otherwise expressly provided by the Contract

No mention shall be made in the Proposal of Sales Tax, Use Tax, or any other tax, as all amounts bid will be deemed and held to include any such taxes, which may be applicable.

11. BIDDERS INTERESTED IN MORE THAN ONE BID

No Bidder shall be allowed to make, file or be interested in more than one Bid for the same work unless alternate bids are specifically called for. A person, firm or corporation that has submitted a sub-proposal to a Bidder, or that has quoted prices of materials to a Bidder, is not thereby disqualified from submitting a sub-proposal or quoting prices to other bidders.

The Contract will not be awarded or executed unless the Bidder is licensed in accordance with the provisions of the State Business and Professions Code.

12. INTERPRETATION OF PLANS AND DOCUMENTS

Prospective Bidders unclear as to the true meaning of any part of the Drawings, Specifications or other Contract Documents may submit a written request for interpretation. The prospective Bidder submitting the request is responsible for prompt delivery. Interpretation of the Drawings, Specifications or other Contract Documents will be made only by a written Addendum. The CITY will not be responsible for any other explanation or interpretations of the Contract Documents. If a prospective Bidder becomes aware of any errors or omissions in any part of the Contract Documents, it is the obligation of the prospective Bidder to promptly bring it to the attention of the CITY.

13. ADDENDA

The CITY reserves the right to revise the Contract Documents prior to the Bid opening date. Revisions, if any, shall be made by written Addenda. All Addenda issued by the CITY shall be included in the Bid and made part of the Contract Documents. Pursuant to Public Contract Code Section 4104.5, if the CITY issues an Addendum which includes material changes to the Project less than 72 hours prior to the deadline for submission of Bids, the CITY will extend the deadline for submission of Bids. The CITY may determine, in its sole discretion, whether an Addendum warrants postponement of the Bid submission date.

Each prospective Bidder shall provide the CITY a name, address, and email address to which Addenda may be sent, as well as a telephone number by which the CITY can contact the Bidder. Copies of Addenda will be furnished by email, facsimile, first class mail, express mail or other proper means of delivery without charge to all parties who have obtained a copy of the Contract Documents and provided such current information. Please Note: Bidders are responsible for ensuring that they have received any and all Addenda. To this end, each Bidder should contact the CITY to verify that it has received all Addenda issued, if any, prior to the Bid opening. The Bidder shall indicate the Addenda received prior to bidding in the space provided in the Bid Form. Failure to indicate all Addenda may be sufficient cause for rejecting the Bid.

14. ALTERNATIVE BID ITEMS

If alternate bid items are called for in the Contract, the time required for completion of the alternate bid items has already been factored into the Contract duration and no additional Contract time will be awarded for any of the alternate bid items. The City may elect to include one or more of the alternate bid items, or to otherwise remove certain work from the Project scope of work. Accordingly, each Bidder must ensure that each bid item contains a proportionate share of profit, overhead, and other costs or expenses which will be incurred by the Bidder.

15. LEGAL RESPONSIBILITIES

All Proposals must be submitted, filed, made, and executed in accordance with State and Federal laws relating to bids for contracts of this nature whether the same are expressly referred to herein or not.

Any bidder submitting a Bid shall by such action thereby agree to each and all of the terms, conditions, provisions, and requirements set forth, contemplated, and referred to in the Plans, Specifications, and Contract Documents, and to full compliance therewith.

16. AWARD OF CONTRACT

The CITY shall award the Contract to the lowest responsible Bidder submitting a responsive Bid. The lowest Bid will be determined on the basis of the Total Bid Price.

The CITY may reject any Bid which, in its opinion when compared to other Bids received or to the CITY's internal estimates, does not accurately reflect the cost to perform the Work. The CITY may reject as non-responsive any Bid which unevenly weights or allocates costs, including but not limited to overhead and profit to one or more particular Bid items.

Once all Bids are opened and reviewed to determine the lowest responsive and responsible Bidder, the City Council may award the Contract. The apparent successful Bidder should begin to prepare the following documents: (1) the Performance Bond; (2) the Payment Bond; and (3) the required insurance certificates and endorsements. Once the CITY notifies the Bidder of the award, the Bidder will have ten (10) calendar days from the date of this notification to execute the Contract and supply the CITY with all of the required documents and certifications. Regardless of whether the Bidder supplies the required documents and certifications in a timely manner, the Contract Time will begin to run twenty (20) calendar days from the date of the notification. Once the CITY receives all of the properly drafted and executed documents and certifications from the Bidder, the CITY shall issue a Notice to Proceed to that Bidder.

17. FILING OF BID PROTEST

Bidders may file a protest of a Bid with the CITY's Public Works and Engineering Department at 7800 Katella Avenue, CA 90680. In order for a Bidder's protest to be considered valid, the protest must:

- A. Be filed in writing within five (5) calendar days after the Bid opening date or any City determination or recommendation regarding the Bidder's Bid;
- B. Clearly identify the specific irregularity or accusation;
- C. Clearly identify the specific CITY staff determination or recommendation being protested;
- D. Specify in detail the grounds for protest and the facts supporting the protest; and
- E. Include all relevant, supporting documentation with the protest at time of filing.

If the protest does not comply with each of these requirements, the CITY may reject the protest without further review.

If the protest is timely and complies with the above requirements, the CITY's Director of Public Works and Engineering, or other designated CITY staff member, shall review the protest, any response from the challenged Bidder(s), and all other relevant information. The CITY will provide a written decision to the protestor.

The procedure and time limits set forth in this Article are mandatory and are the sole and exclusive remedy in the event of a Bid protest. Failure to comply with these procedures shall constitute a failure to exhaust administrative remedies and a waiver of any right to further pursue the Bid protest, including filing a Government Code Claim or legal proceedings.

18. LABOR CODE

Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the CITY has obtained the general provisions rate of per diem wages and the general prevailing rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed to execute the Contract from the State Director of the Department of Industrial Relations (DIR). It shall be the responsibility of the prime Contractor to comply with all applicable sections of the Labor Code.

Travel and subsistence payments to each workman needed to execute the Work shall be made as such travel and subsistence payments are defined in the applicable collective bargaining agreements filed in accordance with Section 1773.8 of the Labor Code.

The Contractor shall comply with the provisions of Section 1774 of the Labor Code. Failure to comply with the subject section will subject the Contractor to penalty and forfeiture provisions of Section 1775 of the Labor Code.

Pursuant to the provisions of Section 1770 of the Labor Code, the general prevailing rate of wages has been ascertained (which rate includes employer payments for health and welfare, vacation, pension and similar purposes) applicable to the Work to be done, for straight time, overtime, Saturday, Sunday, and holiday work. The holiday wage rate listed shall be applicable to all holidays recognized in the collective bargaining agreement of the particular craft, classification, or type of workmen concerned.

This project is subject to compliance registration, monitoring, and enforcement by the DIR. (See, among others, Labor Code Sections 1715.5, 1725.5, 1771.1 and 1771.4.)

The CITY will not recognize any claim for additional compensation because of the payment by the Contractor of any wage rate in excess of the prevailing wage rate or the Federal Minimum Wage Rate (whichever is greater) as set forth in the Contract. The possibility of wage increases is one of the elements to be considered by the Contractor in determining its bid, and will not under any circumstances be considered as the basis of a claim against the CITY on the Contract.

The Contractor and subcontractors shall comply with Section 1777.6 which stipulates that it shall be unlawful to refuse to accept otherwise qualified employees as registered apprentices solely on the grounds of race, religious creed, color, national origin, ancestry, sex, or age, except as provided in Section 3077, of such employee.

19. WORKERS' COMPENSATION CERTIFICATE

Section 3700 of the State Labor Code requires that every employer shall secure the payment compensation by either being insured against liability to pay compensation with one or more insurers or by securing a certificate of consent to self-insure from the State Director of Industrial Relations. In accordance with this section and with Section 1861 of the State Labor Code, the Contractor shall sign a Compensation Insurance Certificate, which is included with the Contract Agreement, and submit same to CITY along with the other required Contract Documents prior to performing any Work. Reimbursement for this requirement shall be considered as included in the various items of Work.

20. CLAYTON ACT AND CARTWRIGHT ACT

In accordance with Section 7103 of the Public Contract Code, in entering the Contract to supply goods, services, or materials, the Contractor and its subcontractors offer and agree to assign to the CITY all rights and interest in and all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 [commencing with Section 16700] of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the Contract or the subcontracts. This assignment shall be made and become effective at the time the CITY tenders final payment to the Contractor, without further acknowledgment by the parties.

21. SUBLETTING AND SUBCONTRACTING

Pursuant to the Subletting and Subcontracting Fair Practices Act (commencing with Section 4100 of the Public Contract Code), bidders are required to list in their Bid the name, location of place of business, contractor license number, public works contractor registration number, and the portion of the Work of each subcontractor who will perform Work or labor or render services in or about the construction of the Work or improvement, and each subcontractor who specially fabricates and installs a portion of the Work or improvement according to detailed drawings contained in the Plans and Specifications, but only if (a) for a Contract for construction of streets or highways, including bridges, the dollar amount of the subcontractor's work is in excess of \$10,000 or ½ of 1% of the total bid in the Proposal, whichever is greater; or

(b) for all other Contracts, the dollar amount of the subcontractor's work is in excess of ½ of 1% of the total bid in the Proposal. Failure to list a subcontractor for a portion of the work means that the prime Contractor will do that portion of the Work. It is the CITY's intent for the Subletting and Subcontracting Fair Practices Act to apply to all phases of the Work.

22. INSURANCE

Time for Compliance. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Contract for cause.

Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage:

Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01) OR Insurance Services Office Owners and Contractors Protective Liability Coverage Form (CG 00 09 11 88) (coverage for operations of designated contractor); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 00 01, code 1 (any auto); (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance; and (4) *Builders'/All Risk*: Builders'/All Risk insurance covering for all risks of loss, including explosion, collapse, underground excavation and removal of lateral support (and including earthquakes and floods if requested by the City). Policies shall not contain exclusions contrary to this Contract.

Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence and \$4,000,000 general aggregate for bodily injury, personal injury and property damage; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; (3) *Workers' Compensation and Employer's Liability*: Workers' compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 each accident, policy limit bodily injury or disease, and each employee bodily injury or disease; and (4) *Builders'/All Risk*: Completed value of the project. Defense costs shall be available in addition to the limits. Notwithstanding the minimum limits specified herein, any available coverage shall be provided to the parties required to be named as additional insureds pursuant to this Contract.

Notices; Cancellation or Reduction of Coverage. At least fifteen (15) days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or materially reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under this Contract does not comply with these specifications or is canceled and not replaced, the City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the City will be promptly reimbursed by Contractor or the City may withhold amounts sufficient to pay premium from Contractor payments. In the alternative, the City may suspend or terminate this Contract.

Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements (amendments) on forms supplied or approved by the City to add the following provisions to the insurance policies:

General Liability. (1) Such policy shall give the City, its officials, employees, agents and volunteers additional insured status using ISO endorsements CG20 10 10 01 plus CG20 37 10 01, or endorsements providing the exact same coverage, with respect to the Work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials,

employees, agents and volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it.

Automobile Liability. (1) Such policy shall give the City, its officials, employees, agents and volunteers additional insured status with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Contractor or for which Contractor is responsible; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its officials, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by Contractor.

All Coverages. Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its officials, employees, agents and volunteers.

Builders'/All Risk Policy Requirements. The builders'/all risk insurance shall provide that the City be named as loss payee. In addition, the insurer shall waive all rights of subrogation against the City.

Separation of Insureds: No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its officials, employees, agents and volunteers.

Professional Liability Insurance. All architects, engineers, consultants or design professionals retained by Contractor shall also procure and maintain, for a period of five (5) years following completion of the Contract, errors and omissions liability insurance with a limit of not less than \$1,000,000 per occurrence. This insurance shall name the City, its directors, officials, officers, employees, agents and volunteers as additional and insureds with respect to Work performed, and shall otherwise comply with all requirements of this Section. Defense costs shall be paid in addition to the limits.

Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials, employees, agents and authorized volunteers; or (2) the Contractor shall procure a bond or other financial guarantee acceptable to the City guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to the City. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

Verification of Coverage. Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Contract on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the City. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Subcontractors. All subcontractors shall meet the requirements of this Section before commencing Work. Contractor shall furnish separate certificates and endorsements for each subcontractor. Subcontractor policies of General Liability insurance shall name the City, its officials, employees, agents and authorized volunteers as additional insureds using form ISO 20 38 04 13 or endorsements providing the exact same coverage. All coverages for subcontractors shall be subject to all of the requirements stated herein except as otherwise agreed to by the City in writing.

Reporting of Claims. Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Work under this Contract.

23. HOURS FOR PERFORMANCE

Working hours for the construction project will be 8:30 a.m. to 4:30 p.m. on any Working Day. Contractor is to take into special consideration that the nature of the Work is *predominantly near residences, parks, and businesses*. All project Work will not disrupt or conflict with CITY special events as directed by the Engineer.

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: February 27, 2024

SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE STANTON PARK FITNESS EQUIPMENT (TASK CODE NO. 2022-820)

REPORT IN BRIEF:

The City of Stanton's Qualified Contractors List prepared in accordance with the California Uniform Public Construction Cost Accounting Act (CUPCCAA) guidelines and associated Public Contract Codes is being used for this public project. A proposal was received to construct the concrete infrastructure and site preparation for the Stanton Park Fitness Equipment Project. Staff recommends a construction contract to be awarded to Aguilar & Calderon, a corporation, in the amount of \$42,000.

RECOMMENDED ACTION:

1. City Council declare that this project is categorically exempt under the California Environmental Quality Act, Class 3 and Section 15303 which exempts the construction of new, small facilities or structures; and
2. Award a construction contract for the Stanton Park Fitness Equipment Project to Aguilar & Calderon, a corporation, for the bid amount of \$42,000 according to the City's adopted Uniform Public Construction Cost Accounting Act Municipal Code Section 2.58.010 for this procurement; and
3. Authorize the City Manager to approve contract changes, not to exceed 10-percent of the bid amount (\$4,200); and
4. Authorize the City Manager to bind the City of Stanton and Aguilar & Calderon, a corporation, in a contract for the construction.

BACKGROUND:

On November 23, 2021, the City adopted a resolution accepting \$30,000 in grant funds from the National Fitness Campaign to assist in the purchase of an outdoor fitness court at Stanton Park costing \$175,010, with the remainder of the purchase to be funded through American Rescue Plan Act (ARPA) funds. Subsequent to City Council approval of the \$175,010 purchase price, staff received a revised quote from the vendor reducing the purchase price to \$127,910.

The fitness court equipment was purchased from the National Fitness Campaign in December 2021 and has been stored at the City Yard since then. Additionally, staff procured engineering design efforts and coordinated with Southern California Edison (SCE) to develop the construction documents for this project. The cost of the engineering work was approximately \$10,200 and was funded by the City's General Fund. This project consists of demolition, clearing and grubbing, and concrete work. Following this work, Level Up Retail Services will complete the installation of the fitness equipment.

ANALYSIS/JUSTIFICATION:

Utilizing the provisions of CUPCCAA is beneficial as it provides more flexibility in the execution of public works projects under a certain dollar amount; accelerates the award process; expedites project delivery; reduces the time, effort, and expense associated with bidding projects under \$200,000; and simplifies administration for these projects.

Aguilar & Calderon is on the City's Qualified Contractor List for CUPCCAA and submitted a proposal in the amount of \$42,000. Based on the bid proposal received, staff recommends a construction contract be awarded to Aguilar & Calderon. Upon successful execution of the contract documents, the project is expected to begin construction in March 2024.

For every construction contract awarded by Council, staff is required to return to Council to accept the improvements, approve the final construction contract amount, and direct Council to file a Notice of Completion.

FISCAL IMPACT:

The Fiscal Year 2023/2024 Amended Budget of \$174,090 for this project (Task Code No. 2022-820) was approved by the City Council with the adoption of the Fiscal Year 2022/23 budget (\$84,090) and the Fiscal Year 2023/24 budget (\$90,000) funded by the General Capital Projects Fund (#305) and Park In Lieu Fees Fund (#310). The estimated costs to complete the project are presented in the table below:

Description	Amount
Design	\$ 16,085
Construction Contract	\$ 42,000
Construction Contingency (10%)	\$ 4,200
Equipment Installation	\$ 27,000
Equipment Installation Contingency (10%)	\$ 2,700
Inspections	\$ 5,000
Total	\$ 96,985

A separate purchase order will be prepared for Level Up Retail Services to install the fitness equipment in the amount of \$27,000. Level Up Retail Services is on the City's Qualified Contractor List for CUPCCAA and submitted a proposal in the amount of \$27,000. Level Up Retail Services is a recommended installer by the National Fitness Court.

ENVIRONMENTAL IMPACT:

This Project is categorically exempt under the California Environmental Quality Act, Class 3, Section 15303, which exempts the construction of new, small facilities or structures.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Notifications and advertisement were performed as prescribed by law.

STRATEGIC PLAN OBJECTIVES ADDRESSED:

Obj. No. 3: Provide a quality infrastructure.

Obj. No. 5: Provide a high quality of life

Obj. No. 6: Maintain and promote a responsive, high-quality, and transparent government.

Prepared by: Elias Garcia, P.E., Assistant City Engineer

Reviewed by: Cesar Rangel P.E., Director of Public Works/City Engineer

Fiscal Impact Reviewed by: Michelle Bannigan, Finance Director

Approved by: Hannah Shin-Heydorn, City Manager

Attachment:

A. Construction Contract, Aguilar & Calderon, Co.

**CITY OF STANTON
SHORT FORM CONSTRUCTION CONTRACT
STANTON PARK FITNESS EQUIPMENT**

1. PARTIES AND DATE.

This Contract is made and entered into this ____ day of _____, 2024 by and between the City of Stanton, a municipal corporation organized under the laws of the State of California with its principal place of business at 7800 Katella Avenue, Stanton, CA 90680 ("City") and Aguilar & Calderon, a Corporation, with its principal place of business at 15738 Yermo Street, Whittier, CA 90603 ("Contractor"). City and Contractor are sometimes individually referred to as "Party" and collectively as "Parties" in this Contract.

2. RECITALS.

2.1 City. City is a public agency organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

2.2 Contractor. Contractor desires to perform and assume responsibility for the provision of certain construction services required by the City on the terms and conditions set forth in this Contract. Contractor represents that it is duly licensed and experienced in providing services for site preparation and concrete infrastructure related construction services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the services in the State of California, and that it is familiar with the plans of City.

2.3 Project. City desires to engage Contractor to render such services for the STANTON FITNESS EQUIPMENT ("Project") as set forth in this Contract.

2.4 Project Documents & Certifications. Contractor has obtained, and delivers concurrently herewith, PAYMENT BOND, INSURANCE DOCUMENTS AND OTHER CERTIFICATIONS as required by the Contract.

3. TERMS**3.1 Compensation and Payment.**

3.1.1 Amount of Compensation. As consideration for performance of the Work required herein, City agrees to pay Contractor the Total Contract Price of Forty-Two Thousand Dollars (\$42,000.00) ("Total Contract Price") provided that such amount shall be subject to adjustment pursuant to the applicable terms of this Contract or written change orders approved and signed in advance by the City.

3.1.2 Payment of Compensation. If the Work is scheduled for completion in thirty (30) or less calendar days, City will arrange for payment of the Total Contract Price upon completion and approval by City of the Work. If the Work is scheduled for completion in more than thirty (30) calendar days, City will pay Contractor on a monthly basis as provided for herein. On or before the fifth (5th) day of each month, Contractor shall submit to the City an itemized application for payment in the format supplied by the City indicating the amount of Work completed since commencement of the Work or since the last progress payment. These applications shall be supported by evidence which is required by this Contract and such other documentation as

the City may require. The Contractor shall certify that the Work for which payment is requested has been done and that the materials listed are stored where indicated. Contractor may be required to furnish a detailed schedule of values upon request of the City and in such detail and form as the City shall request, showing the quantities, unit prices, overhead, profit, and all other expenses involved in order to provide a basis for determining the amount of progress payments.

3.1.3 Prompt Payment. City shall review and pay all progress payment requests in accordance with the provisions set forth in Section 20104.50 of the California Public Contract Code. However, no progress payments will be made for Work not completed in accordance with this Contract. Contractor shall comply with all applicable laws, rules and regulations relating to the proper payment of its employees, subcontractors, suppliers or others.

3.1.4 Contract Retentions. If this Contract is greater than Five Thousand dollars (\$5,000), from each approved progress estimate, five percent (5%) will be deducted and retained by the City, and the remainder will be paid to Contractor. All Contract retention shall be released and paid to Contractor and subcontractors pursuant to California Public Contract Code Section 7107.

3.1.5 Other Retentions. In addition to Contract retentions, the City may deduct from each progress payment an amount necessary to protect City from loss because of: (1) liquidated damages which have accrued as of the date of the application for payment; (2) any sums expended by the City in performing any of Contractor's obligations under the Contract which Contractor has failed to perform or has performed inadequately; (3) defective Work not remedied; (4) stop notices as allowed by state law; (5) reasonable doubt that the Work can be completed for the unpaid balance of the Total Contract Price or within the scheduled completion date; (6) unsatisfactory prosecution of the Work by Contractor; (7) unauthorized deviations from the Contract; (8) failure of Contractor to maintain or submit on a timely basis proper and sufficient documentation as required by the Contract or by City during the prosecution of the Work; (9) erroneous or false estimates by Contractor of the value of the Work performed; (10) any sums representing expenses, losses, or damages as determined by the City, incurred by the City for which Contractor is liable under the Contract; and (11) any other sums which the City is entitled to recover from Contractor under the terms of the Contract or pursuant to state law, including Section 1727 of the California Labor Code. The failure by the City to deduct any of these sums from a progress payment shall not constitute a waiver of the City's right to such sums.

3.1.6 Substitutions for Contract Retentions. Pursuant to California Public Contract Code section 22300, Contractor may substitute securities for any money withheld by the City to ensure the performance under the Contract. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the City, with the State or a federally chartered bank as the escrow agent, who shall return such securities to Contractor upon satisfactory completion of the Contract. Deposit of securities with an escrow agent shall be subject to a written agreement between the escrow agent and the City, which provides that no portion of the securities shall be paid to Contractor until the City has certified to the escrow agent, in writing, that the Contract has been satisfactorily completed. The City shall certify that the Contract has been satisfactorily completed within sixty (60) days of work "completion" as defined in Section 7107(c) of the California Public Contract Code. Securities eligible for investment under this section shall be limited to those listed in Section 16430 of the Government Code, bank or savings & loan certificates of deposit, interest-bearing demand deposit accounts, stand-by letters of credit, or any other security mutually agreed to by Contractor.

3.1.7 Payment to Subcontractors. Contractor shall pay all subcontractors for and on account of work performed by such subcontractors in accordance with the terms of their respective subcontracts and as provided for in Section 7108.5 of the California Business and Professions Code. Such payments to subcontractors shall be based on the measurements and estimates made and progress payments provided to Contractor pursuant to this Contract.

3.1.8 Title to Work. As security for partial, progress, or other payments, title to Work for which such payments are made shall pass to the City at the time of payment. To the extent that title has not previously been vested in the City by reason of payments, full title shall pass to the City at delivery of the Work at the destination and time specified in this Contract. Such transferred title shall in each case be good, free and clear from any and all security interests, liens, or other encumbrances. Contractor promises and agrees that it will not pledge, hypothecate, or otherwise encumber the items in any manner that would result in any lien, security interest, charge, or claim upon or against said items. Such transfer of title shall not imply acceptance by the City, nor relieve Contractor from the responsibility to strictly comply with the Contract, and shall not relieve Contractor of responsibility for any loss of or damage to items.

3.1.9 Labor and Material Releases. Contractor shall furnish City with labor and material releases from all subcontractors performing work on, or furnishing materials for, the Work governed by this Contract prior to final payment by City.

3.2 Incorporation of Documents. This Contract includes and hereby incorporates in full by reference the following documents, including all exhibits, drawings, specifications and documents therein, and attachments and addenda thereto:

- Services/Schedule (Exhibit "A")
- Plans (Exhibit "B")
- Special Conditions (Exhibit "C")
- Contractor's Certificate Regarding Workers' Compensation (Exhibit "D")
- Payment (Exhibit "E")
- Change Orders executed by the City, if any
- Latest Edition of the Standard Specifications for Public Works Construction (The Greenbook), Excluding Sections 1-9
- Notice Inviting Bids, if any
- Instructions to Bidders, if any
- Contractor's Bid

To the extent there is a conflict between any portions of this Contract, the order of precedence shall be as follows: change orders, special conditions, technical specifications, plans/construction drawings, general contract terms, scope of work, standard plans, advertisements for bid/proposals, bids/proposals or other documents submitted by Contractor.

3.3 Contractor's Basic Obligation; Scope of Work.

3.3.1 Scope of Work. Contractor promises and agrees, at its own cost and expense, to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete the Project, including all structures and facilities necessary for the Project or described in the Contract (hereinafter sometimes referred to as the "Work"), for a Total Contract Price as specified pursuant to this Contract. All Work shall be subject to, and performed in accordance with the above referenced documents, as

well as the exhibits attached hereto and incorporated herein by reference. The plans for the Work are further described in Exhibit "B" attached hereto and incorporated herein by this reference. Special Conditions, if any, relating to the Work are described in Exhibit "C" attached hereto and incorporated herein by this reference.

3.3.2 Change in Scope of Work. Any change in the scope of the Work, method of performance, nature of materials or price thereof, or any other matter materially affecting the performance or nature of the Work shall not be paid for or accepted unless such change, addition or deletion is approved in advance and in writing by a valid change order executed by the City.

3.3.3 Change Orders. Changes to the Contract Time (as defined in Section 3.3) or Total Contract Price shall be in the form of a written Change Order, either signed by both parties or issued unilaterally by the City. No adjustment shall be made to the Contract Time unless the delay impacts the critical path to completion and the delay was not caused in whole or in part by the Contractor. The City's liability to Contractor for delays for which the City is responsible shall be limited to only an extension of time unless such delays were unreasonable under the circumstances. Failure to timely request a Change Order shall constitute a waiver of any right to adjust the Contract Time or the Total Contract Price. All requests for Change Orders shall be accompanied by detailed supporting documentation, including but not limited to payroll records, invoices, schedules, and any other documentation requested by the City for the purpose of determining the additional costs or the impact of any delay. If the change involves Work bid at a unit price, then the Total Contract Price shall be increased at the unit price. If there is no unit price, then the Total Contract Price shall be adjusted to account for costs actually incurred plus an allowed mark-up of fifteen percent (15%), which shall constitute the entire amount of profit, mark-ups, field or home office overhead costs, including personnel, equipment or office space, any materials, or any costs of equipment idle time for such work. Regardless of ownership, equipment rates shall not exceed the listed prevailing rates at local equipment rental agencies, or distributors, at the time the work is performed. Nothing herein shall prevent the Parties from agreeing to a lump sum cost.

3.3.4 Changes Ordered By City. City may at any time issue a written directive ordering additions, deletions, or changes to the Work. Contractor shall proceed with the work in accordance with the directive. To the extent the directive results in extra work or requires additional Contract Time, Contractor shall request a Change Order within seven (7) days of receiving the Work Directive. If any costs are not capable of being determined within seven (7) days, then Contractor shall request a Change Order within seven (7) days of when the costs are capable of being determined.

3.3.5 Changes Requested By Contractor. With respect to any matter that may involve or require an adjustment to the Contract Time or the Contract Price, Contractor shall provide written notice of the underlying facts and circumstances that gave rise to the potential change within seven (7) days or prior to the alteration of conditions, whichever is earlier. Failure to give notice shall constitute a waiver of Contractor's right to a change order. If any costs are not capable of being determined within seven (7) days, then Contractor shall request a Change Order within seven (7) days of when the costs are capable of being determined.

3.4 Substitutions/"Or Equal". Pursuant to Public Contract Code Section 3400(b), the City may make a finding that designates certain products, things, or services by specific brand or trade name. Unless specifically designated in this Contract, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of

manufacturer, such Specifications shall be deemed to be used for the purpose of facilitating the description of the material, process or article desired and shall be deemed to be followed by the words "or equal."

Contractor may, unless otherwise stated, offer for substitution any material, process or article which shall be substantially equal or better in every respect to that so indicated or specified in this Contract. However, the City may have adopted certain uniform standards for certain materials, processes and articles. Contractor shall submit requests, together with substantiating data, for substitution of any "or equal" material, process or article no later than thirty-five (35) days after award of the Contract. To facilitate the construction schedule and sequencing, some requests may need to be submitted before thirty-five (35) days after award of Contract. Provisions regarding submission of "or equal" requests shall not in any way authorize an extension of time for performance of this Contract. If a proposed "or equal" substitution request is rejected, Contractor shall be responsible for providing the specified material, process or article. The burden of proof as to the equality of any material, process or article shall rest with Contractor.

The City has the complete and sole discretion to determine if a material, process or article is an "or equal" material, process or article that may be substituted. Data required to substantiate requests for substitutions of an "or equal" material, process or article data shall include a signed affidavit from Contractor stating that, and describing how, the substituted "or equal" material, process or article is equivalent to that specified in every way except as listed on the affidavit. Substantiating data shall include any and all illustrations, specifications, and other relevant data including catalog information which describes the requested substituted "or equal" material, process or article, and substantiates that it is an "or equal" to the material, process or article. The substantiating data must also include information regarding the durability and lifecycle cost of the requested substituted "or equal" material, process or article. Failure to submit all the required substantiating data, including the signed affidavit, to the City in a timely fashion will result in the rejection of the proposed substitution.

Contractor shall bear all of the City's costs associated with the review of substitution requests. Contractor shall be responsible for all costs related to a substituted "or equal" material, process or article. Contractor is directed to the Special Conditions (if any) to review any findings made pursuant to Public Contract Code section 3400.

3.5 Period of Performance and Liquidated Damages.

3.5.1 Contractor shall perform and complete all Work under this Contract within 35 days, beginning the effective date of the Notice to Proceed ("Contract Time"). Contractor shall perform its Work in strict accordance with any completion schedule, construction schedule or project milestones developed by the City. Such schedules or milestones may be included as part of Exhibits "A" or "B" attached hereto, or may be provided separately in writing to Contractor. Contractor agrees that if such Work is not completed within the aforementioned Contract Time and/or pursuant to any such completion schedule, construction schedule or project milestones developed pursuant to provisions of the Contract, it is understood, acknowledged and agreed that the City will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the City as fixed and liquidated damages the sum of Two Thousand Eight-Hundred Dollars (\$2,800) per day for each and every calendar day of delay beyond the Contract Time or beyond any completion schedule, construction schedule or Project milestones established pursuant to the Contract.

3.5.2 If Contractor is delayed in the performance or progress of the Work by a Force Majeure Event (as defined herein), then the Contractor shall be entitled to a time extension, as provided herein, when the Work stopped is on the critical path and shall not be charged liquidated damages. Such a non-compensable adjustment shall be Contractor's sole and exclusive remedy for such delays and the Contractor will not receive an adjustment to the Total Contract Price or any other compensation. Contractor must submit a timely request in accordance with the requirements of the Contract.

3.5.3 A Force Majeure Event shall mean an event that materially affects a party's performance and is one or more of the following: (1) Acts of God or other natural disasters occurring at the project site; (2) terrorism or other acts of a public enemy; (3) orders of governmental authorities (including, without limitation, unreasonable and unforeseeable delay in the issuance of permits or approvals by governmental authorities that are required for the work); (4) pandemics, epidemics or quarantine restrictions; and (5) strikes and other organized labor action occurring at the project site and the effects thereof on the work, only to the extent such strikes and other organized labor action are beyond the control of Contractor and its subcontractors, of every tier, and to the extent the effects thereof cannot be avoided by use of replacement workers. For purposes of this section, "orders of governmental authorities," includes ordinances, emergency proclamations and orders, rules to protect the public health, welfare and safety, and other actions of the City in its capacity as a municipal authority.

3.6 Standard of Performance; Performance of Employees. Contractor shall perform all Work under this Contract in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Contractor shall perform, at its own cost and expense and without reimbursement from the City, any work necessary to correct errors or omissions which are caused by Contractor's failure to comply with the standard of care provided for herein. Any employee who is determined by the City to be uncooperative, incompetent, a threat to the safety of persons or the Work, or any employee who fails or refuses to perform the Work in a manner acceptable to the City, shall be promptly removed from the Project by Contractor and shall not be re-employed on the Work.

3.7 Control and Payment of Subordinates; Contractual Relationship. City retains Contractor on an independent contractor basis and Contractor is not an employee of City. Any additional personnel performing the work governed by this Contract on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Contract and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.8 City's Basic Obligation. City agrees to engage and does hereby engage Contractor as an independent contractor to furnish all materials and to perform all Work according to the terms and conditions herein contained for the sum set forth above. Except as otherwise provided in the Contract, the City shall pay to Contractor, as full consideration for the satisfactory

performance by Contractor of the services and obligations required by this Contract, the below-referenced compensation in accordance with compensation provisions set forth in the Contract.

3.9 Labor.

3.9.1 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720 et seq., and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Since the Work is being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Contract. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. Contractor and any subcontractor shall forfeit a penalty of up to \$200 per calendar day or portion thereof for each worker paid less than the prevailing wage rates.

3.9.2 Apprenticeable Crafts. When Contractor employs workmen in an apprenticeable craft or trade, Contractor shall comply with the provisions of Section 1777.5 of the California Labor Code with respect to the employment of properly registered apprentices upon public works. The primary responsibility for compliance with said section for all apprenticeable occupations shall be with Contractor. The Contractor or any subcontractor that is determined by the Labor Commissioner to have knowingly violated Section 1777.5 shall forfeit as a civil penalty an amount not exceeding \$100 for each full calendar day of noncompliance, or such greater amount as provided by law.

3.9.3 Hours of Work. Contractor is advised that eight (8) hours labor constitutes a legal day's work. Pursuant to Section 1813 of the California Labor Code, Contractor shall forfeit a penalty of \$25.00 per worker for each day that each worker is permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, except when payment for overtime is made at not less than one and one-half (1-1/2) times the basic rate for that worker.

3.9.4 Payroll Records. Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor in the manner provided in Labor Code section 1776. In the event of noncompliance with the requirements of this section, Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects such Contractor must comply with this section. Should noncompliance still be evident after such 10-day period, Contractor shall, as a penalty to City, forfeit not more than \$100.00 for each calendar day or portion thereof, for each worker, until strict compliance is effectuated. The amount of the forfeiture is to be determined by the Labor Commissioner. A contractor who is found to have violated the provisions of law regarding wages on Public Works with the intent to

defraud shall be ineligible to bid on Public Works contracts for a period of one to three years as determined by the Labor Commissioner. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The responsibility for compliance with this section is on Contractor. In accordance with Labor Code section 1771.4, the Contractor and each subcontractor shall furnish the certified payroll records directly to the Department of Industrial Relations ("DIR") on a weekly basis and in the format prescribed by the DIR, which may include electronic submission. The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

3.9.5 Contractor and Subcontractor Registration. Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the DIR. No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the DIR to perform public work. Contractor is directed to review, fill out and execute the Public Works Contractor Registration Certification attached hereto as Exhibit "E" prior to contract execution. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

3.9.6 Labor Compliance; Stop Orders. This Project is subject to compliance monitoring and enforcement by the DIR. It shall be the Contractor's sole responsibility to evaluate and pay the cost of complying with all labor compliance requirements under this Contract and applicable law. Any stop orders issued by the DIR against Contractor or any subcontractor that affect Contractor's performance of Work, including any delay, shall be Contractor's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay subject to any applicable liquidated damages and shall not be compensable by the City. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the DIR against Contractor or any subcontractor.

3.10 Performance of Work; Jobsite Obligations.

3.10.1 Water Quality Management and Compliance.

3.10.1.1 Water Quality Management and Compliance. Contractor shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Work including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); local ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

3.10.1.2 Compliance with the Statewide Construction General Permit. Contractor shall comply with all conditions of the most recent iteration of the National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity, issued by the California State Water Resources Control Board ("Permit"). It

shall be Contractor's sole responsibility to file a Notice of Intent and procure coverage under the Permit for all construction activity which results in the disturbance of more than one acre of total land area or which is part of a larger common area of development or sale. Prior to initiating work, Contractor shall be solely responsible for preparing and implementing a Storm Water Pollution Prevention Plan (SWPPP) as required by the Permit. Contractor shall be responsible for procuring, implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, and monitoring and reporting requirements as required by the Permit. The Permit requires the SWPPP to be a "living document" that changes as necessary to meet the conditions and requirements of the job site as it progresses through different phases of construction and is subject to different weather conditions. It shall be Contractor's sole responsibility to update the SWPPP as necessary to address conditions at the project site.

3.10.1.3 Other Water Quality Rules Regulations and Policies. Contractor shall comply with the lawful requirements of any applicable municipality, drainage City, or local agency regarding discharges of storm water to separate storm drain systems or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

3.10.1.4 Cost of Compliance. Storm, surface, nuisance, or other waters may be encountered at various times during construction of the Work. Therefore, the Contractor, hereby acknowledges that it has investigated the risk arising from such waters and assumes any and all risks and liabilities arising therefrom.

3.10.1.5 Liability for Non-Compliance. Failure to comply with laws, regulations, standards, ordinances, and permits listed in Sections 3.10.1.1, 3.10.1.2, 3.10.1.3, and 3.10.1.4 of the Contract is a violation of federal and state law. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to defend, indemnify and hold harmless the City and its directors, officials, officers, employees, volunteers and agents for any alleged violations. In addition, City may seek damages from Contractor for any delay in completing the Work in accordance with the Contract, if such delay is caused by or related to Contractor's failure to comply with the Permit.

3.10.1.6 Reservation of Right to Defend. City reserves the right to defend any enforcement action brought against the City for Contractor's failure to comply with the Permit or any other relevant water quality law, regulation, or policy. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to be bound by, and to reimburse the City for the costs (including the City's attorney's fees) associated with, any settlement reached between the City and the relevant enforcement entity.

3.10.1.7 Training. In addition to the standard of performance requirements set forth in this Contract, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the work assigned to them without impacting water quality in violation of the laws, regulations and policies described in paragraph 3.10.1. Contractor further warrants that it, its employees and subcontractors will receive adequate training, as determined by City, regarding the requirements of the laws, regulations and policies described in paragraph 3.10.1 as they may relate to the Work provided under this Contract. Upon request, City will provide the Contractor with a list of training programs that meet the requirements of this paragraph.

3.10.2 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. Contractor shall comply with the requirements of the

specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out its Work, Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Work and the conditions under which the Work is to be performed. Safety precautions as applicable shall include, but shall not be limited to, adequate life protection and lifesaving equipment; adequate illumination for underground and night operations; instructions in accident prevention for all employees, such as machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and adequate facilities for the proper inspection and maintenance of all safety measures. Furthermore, Contractor shall prominently display the names and telephone numbers of at least two medical doctors practicing in the vicinity of the Project, as well as the telephone number of the local ambulance service, adjacent to all telephones at the Project site.

3.10.3 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Contract or the Work, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with the Work. If Contractor observes that the drawings or specifications are at variance with any law, rule or regulation, it shall promptly notify the City in writing. Any necessary changes shall be made by written change order. If Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. City is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.10.4 Permits and Licenses. Contractor shall be responsible for securing City permits and licenses necessary to perform the Work described herein, including, but not limited to, a City Business License. While Contractor will not be charged a fee for any City permits, Contractor shall pay the City's applicable business license fee. Any ineligible contractor or subcontractor pursuant to Labor Code Sections 1777.1 and 1777.7 may not perform work on this Project.

3.10.5 Trenching Work. If the Total Contract Price exceeds \$25,000 and if the Work governed by this Contract entails excavation of any trench or trenches five (5) feet or more in depth, Contractor shall comply with all applicable provisions of the California Labor Code, including Section 6705. To this end, Contractor shall submit for City's review and approval a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.

3.10.6 Hazardous Materials and Differing Conditions. As required by California Public Contract Code Section 7104, if this Contract involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, Contractor shall promptly, and prior to

disturbance of any conditions, notify City of: (1) any material discovered in excavation that Contractor believes to be a hazardous waste that is required to be removed to a Class I, Class II or Class III disposal site; (2) subsurface or latent physical conditions at the site differing from those indicated by City; and (3) unknown physical conditions of an unusual nature at the site, significantly different from those ordinarily encountered in such contract work. Upon notification, City shall promptly investigate the conditions to determine whether a change order is appropriate. In the event of a dispute, Contractor shall not be excused from any scheduled completion date and shall proceed with all Work to be performed under the Contract, but shall retain all rights provided by the Contract or by law for making protests and resolving the dispute.

3.10.7 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the California Air Resources Board (CARB). Although CARB limits and requirements are more broad, Contractor shall specifically be aware of their application to “portable equipment”, which definition is considered by CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify City against any fines or penalties imposed by CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Contract.

3.10.8 State Recycling Mandates. Contractor shall comply with State Recycling Mandates. Any recyclable materials/debris collected by the contractor that can be feasibly diverted via reuse or recycling must be hauled by the appropriate handler for reuse or recycling.

3.10.9 Inspection Of Site. Contractor has visited sites where Work is to be performed and has become acquainted with all conditions affecting the Work. Contractor warrants that it has made such examinations as it deems necessary to determine the condition of the Work sites, its accessibility to materials, workmen and equipment, and to determine the Contractor's ability to protect existing surface and subsurface improvements. No claim for allowances—time or money—will be allowed as to such matters.

3.10.10 Field Measurements. Contractor shall make field measurements, verify field conditions and shall carefully compare such field measurements and conditions and other information known to Contractor with the Contract Documents before commencing activities. Errors, inconsistencies or omissions discovered shall be reported to the City immediately and prior to performing any work or altering the condition.

3.11 Completion of Work. When Contractor determines that it has completed the Work required herein, Contractor shall so notify City in writing and shall furnish all labor and material releases required by this Contract. City shall thereupon inspect the Work. If the Work is not acceptable to the City, the City shall indicate to Contractor in writing the specific portions or items of Work which are unsatisfactory or incomplete. Once Contractor determines that it has completed the incomplete or unsatisfactory Work, Contractor may request a re-inspection by the City. Once the Work is acceptable to City, City shall pay to Contractor the Total Contract Price remaining to be paid, less any amount which City may be authorized or directed by law to retain. Payment of retention proceeds due to Contractor shall be made in accordance with Section 7107 of the California Public Contract Code.

3.12 Claims; Government Code Claim Compliance.

3.12.1 Intent. Effective January 1, 1991, Section 20104 et seq., of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial supervised mediation, and judicial arbitration to resolve disputes on construction claims of \$375,000 or less. Effective January 1, 2017, Section 9204 of the Public Contract Code prescribes a process for negotiation and mediation to resolve disputes on construction claims. The intent of this Section is to implement Sections 20104 et seq. and Section 9204 of the California Public Contract Code. This Section shall be construed to be consistent with said statutes.

3.12.2 Claims. For purposes of this Section, "Claim" means a separate demand by the Contractor, after a change order duly requested in accordance with the terms of this Contract has been denied by the City, for (A) a time extension, (B) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the Contract, or (C) an amount the payment of which is disputed by the City. A "Claim" does not include any demand for payment for which the Contractor has failed to provide notice, request a change order, or otherwise failed to follow any procedures contained in the Contract Documents.

3.12.3 Filing Claims. Claims governed by this Section may not be filed unless and until the Contractor completes all procedures for giving notice of delay or change and for the requesting of a time extension or change order, including but not necessarily limited to the change order procedures contained herein, and Contractor's request for a change has been denied in whole or in part. Claims governed by this Section must be filed no later than fourteen (14) days after a request for change has been denied in whole or in part or after any other event giving rise to the Claim. The Claim shall be submitted in writing to the City and shall include on its first page the following in 16 point capital font: "THIS IS A CLAIM." Furthermore, the claim shall include the documents necessary to substantiate the claim. Nothing in this Section is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims, including all requirements pertaining to compensation or payment for extra Work, disputed Work, and/or changed conditions. Failure to follow such contractual requirements shall bar any claims or subsequent lawsuits for compensation or payment thereon.

3.12.4 Supporting Documentation. The Contractor shall submit all claims in the following format:

3.12.4.1 Summary of claim merit and price, reference Contract Document provisions pursuant to which the claim is made

3.12.4.2 List of documents relating to claim:

- (A) Specifications
- (B) Drawings
- (C) Clarifications (Requests for Information)
- (D) Schedules
- (E) Other

3.12.4.3 Chronology of events and correspondence

3.12.4.4 Analysis of claim merit

3.12.4.5 Analysis of claim cost, including calculations and supporting documents

3.12.4.6 Time impact analysis in CPM format

3.12.5 City's Response. Upon receipt of a Claim pursuant to this Section, City shall conduct a reasonable review of the Claim and, within a period not to exceed 45 days of receipt of the Claim, or as extended by mutual agreement, shall provide the Contractor a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the Claim will be processed and made within 60 days after the City issues its written statement.

3.12.5.1 If City needs approval from its governing body to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the Claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a Claim sent by registered mail or certified mail, return receipt requested, City shall have up to three (3) days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

3.12.5.2 Within 30 days of receipt of a Claim, City may request in writing additional documentation supporting the Claim or relating to defenses or claims City may have against the Contractor. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of City and the Contractor. City's written response to the Claim, shall be submitted to the Contractor within 30 Days (if the Claim is less than \$50,000, within 15 Days) after receipt of the additional documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.

3.12.6 Meet and Confer. If the Contractor disputes City's written response, or City fails to respond within the time prescribed, the Contractor may so notify City, in writing, within 15 Days of receipt of City's response or the City's failure to respond, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, City shall schedule a meet and confer conference within 30 Days for settlement of the dispute.

3.12.7 Mediation. Within 10 business days following the conclusion of the meet and confer conference, if the Claim or any portion of the Claim remains in dispute, City shall provide the Contractor a written statement identifying the portion of the Claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the Claim shall be processed and made within 60 Days after City issues its written statement. Any disputed portion of the Claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation, with City and the Contractor sharing the associated costs equally. City and Contractor shall mutually agree to a mediator within 10 business days after the disputed portion of the Claim has been identified in writing, unless the Parties agree to select a mediator at a later time.

3.12.7.1 If the Parties cannot agree upon a mediator, each Party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with

regard to the disputed portion of the claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

3.12.7.2 For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the Parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

3.12.7.3 Unless otherwise agreed to by City and the Contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

3.12.7.4 The mediation shall be held no earlier than the date the Contractor completes the Work or the date that the Contractor last performs Work, whichever is earlier. All unresolved Claims shall be considered jointly in a single mediation, unless a new unrelated Claim arises after mediation is completed.

3.12.8 Procedures After Mediation. If following the mediation, the Claim or any portion remains in dispute, the Contractor must file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written Claim pursuant to subdivision (a) until the time the Claim is denied, including any period of time utilized by the meet and confer conference or mediation.

3.12.9 Civil Actions. The following procedures are established for all civil actions filed to resolve Claims of \$375,000 or less:

3.12.9.1 Within 60 Days, but no earlier than 30 Days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both Parties or unless mediation was held prior to commencement of the action in accordance with Public Contract Code section 9204 and the terms of these procedures. The mediation process shall provide for the selection within 15 Days by both Parties of a disinterested third person as mediator, shall be commenced within 30 Days of the submittal, and shall be concluded within 15 Days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.

3.12.9.2 If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1114.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

3.12.9.3 In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

3.12.10 Government Code Claim Procedures.

3.12.10.1 This section does not apply to tort claims and nothing in this section is intended nor shall be construed to change the time periods for filing tort claims or actions specified by Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.5 of Title 1 of the Government Code.

3.12.10.2 In addition to any and all Contract requirements pertaining to notices of and requests for adjustments to the Contract Time, Contract Price, or compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City.

3.12.10.3 Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to adjustment of the Contract Time, Contract Price, or compensation or payment for extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor may not file any action against the City.

3.12.10.4 A Government Code claim must be filed no earlier than the date the work is completed or the date the Contractor last performs work on the Project, whichever occurs first. A Government Code claim shall be inclusive of all unresolved Claims known to the Contractor excepting only new unrelated Claims that arise after the Government Code claim is submitted.

3.12.11 Non-Waiver. City's failure to respond to a Claim from the Contractor within the time periods described in this section or to otherwise meet the time requirements of this section shall result in the Claim being deemed rejected in its entirety and shall not constitute a waiver of any rights under this section.

3.13 Loss and Damage. Except as may otherwise be limited by law, Contractor shall be responsible for all loss and damage which may arise out of the nature of the Work agreed to herein, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the Work until the same is fully completed and accepted by City. In the event of damage proximately caused by an Act of God, as defined by Section 7105 of the Public Contract Code, the City may terminate this Contract pursuant to the termination provisions in this Contract; provided, however, that the City needs to provide Contractor with only one (1) day advanced written notice.

3.14 Indemnification.

3.14.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the City, its officials, employees, agents and volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, regardless of whether the allegations are false, fraudulent, or groundless, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the

performance of the Contractor's services, the Project or this Contract, including without limitation the payment of all expert witness fees, attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent required by Civil Code section 2782, Contractor's indemnity obligation shall not apply to such loss or damage which is caused by the sole or active negligence or willful misconduct of the City.

3.14.2 Additional Indemnity Obligations. Contractor shall defend, with counsel of City's choosing and at Contractor's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against City or its officials, employees, agents and authorized volunteers. In addition, Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City or its officials, employees, agents and authorized volunteers as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City or its officials, employees, agents and authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Contractor shall reimburse City and its officials, employees, agents and authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall survive expiration or termination of this Contract, and shall not be restricted to insurance proceeds, if any, received by the City, its officials, employees, agents and authorized volunteers.

3.15 Insurance.

3.15.1 Time for Compliance. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Contract for cause.

3.15.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage:

3.15.2.1 Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01) OR Insurance Services Office Owners and Contractors Protective Liability Coverage Form (CG 00 09 11 88) (coverage for operations of designated contractor); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 00 01, code 1 (any auto); (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance; and (4) *Builders'/All Risk*: Builders'/All Risk insurance covering for all risks of loss, including explosion, collapse, underground excavation and removal of lateral support (and including earthquakes and floods if requested by the City). Policies shall not contain exclusions contrary to this Contract.

3.15.2.2 Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence and \$2,000,000 general aggregate for bodily injury, personal injury and property damage; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; (3) *Workers' Compensation and Employer's Liability*: Workers' compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 each accident, policy limit bodily injury or disease, and each employee bodily injury or disease; and (4) *Builders'/All Risk*: Completed value of the project. Defense costs shall be available in addition to the limits. Notwithstanding the minimum limits specified herein, any available coverage shall be provided to the parties required to be named as additional insureds pursuant to this Contract.

3.15.2.3 Notices; Cancellation or Reduction of Coverage. At least fifteen (15) days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or materially reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under this Contract does not comply with these specifications or is canceled and not replaced, the City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the City will be promptly reimbursed by Contractor or the City may withhold amounts sufficient to pay premium from Contractor payments. In the alternative, the City may suspend or terminate this Contract.

3.15.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements (amendments) on forms supplied or approved by the City to add the following provisions to the insurance policies:

3.15.3.1 General Liability. (1) Such policy shall give the City, its officials, employees, agents and volunteers additional insured status using ISO endorsements CG20 10 01 plus CG20 37 10 01, or endorsements providing the exact same coverage, with respect to the Work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it.

3.15.3.2 Automobile Liability. (1) Such policy shall give the City, its officials, employees, agents and volunteers additional insured status with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Contractor or for which Contractor is responsible; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance

maintained by the City, its officials, employees, agents and volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

3.15.3.3 Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its officials, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by Contractor.

3.15.3.4 All Coverages. Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its officials, employees, agents and volunteers.

3.15.4 Builders'/All Risk Policy Requirements. The builders'/all risk insurance shall provide that the City be named as loss payee. In addition, the insurer shall waive all rights of subrogation against the City.

3.15.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its officials, employees, agents and volunteers.

3.15.6 Professional Liability Insurance. All architects, engineers, consultants or design professionals retained by Contractor shall also procure and maintain, for a period of five (5) years following completion of the Contract, errors and omissions liability insurance with a limit of not less than \$1,000,000 per occurrence. This insurance shall name the City, its directors, officials, officers, employees, agents and volunteers as additional and insureds with respect to Work performed, and shall otherwise comply with all requirements of this Section. Defense costs shall be paid in addition to the limits.

3.15.7 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials, employees, agents and authorized volunteers; or (2) the Contractor shall procure a bond or other financial guarantee acceptable to the City guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.15.8 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to the City. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

3.15.9 Verification of Coverage. Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Contract on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the City. All certificates and endorsements must be received and

approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.15.10 Subcontractors. All subcontractors shall meet the requirements of this Section before commencing Work. Contractor shall furnish separate certificates and endorsements for each subcontractor. Subcontractor policies of General Liability insurance shall name the City, its officials, employees, agents and authorized volunteers as additional insureds using form ISO 20 38 04 13 or endorsements providing the exact same coverage. All coverages for subcontractors shall be subject to all of the requirements stated herein except as otherwise agreed to by the City in writing.

3.15.11 Reporting of Claims. Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Work under this Contract.

3.16 Bond Requirements.

3.16.1 Payment Bond. If required by law or otherwise specifically requested by City in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Contract a Payment Bond in an amount required by the City and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the City.

3.16.2 Bond Provisions. Should, in City's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the effected bond within (ten) 10 days of receiving notice from City. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the City, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Contract until any replacement bonds required by this Section are accepted by the City. To the extent, if any, that the Total Contract Price is increased in accordance with the Contract, Contractor shall, upon request of the City, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the City. If Contractor fails to furnish any required bond, the City may terminate the Contract for cause.

3.16.3 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in California Code of Civil Procedure Section 995.120, shall be accepted. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the City.

3.17 Warranty. Contractor warrants all Work under the Contract (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Contract or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Work or non-conformance of the Work to the Contract, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty

at its sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstatement of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the City, regardless of whether or not such warranties and guarantees have been transferred or assigned to the City by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the City. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

3.18 Employee/Labor Certifications.

3.18.1 Contractor's Labor Certification. By its signature hereunder, Contractor certifies that he is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Work. A certification form for this purpose, which is attached to this Contract as Exhibit "D" and incorporated herein by reference, shall be executed simultaneously with this Contract.

3.18.2 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

3.18.3 Verification of Employment Eligibility. By executing this Contract, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subcontractors and sub-subcontractors to comply with the same.

3.19 Termination. This Contract may be terminated by City at any time, either with or without cause, by giving Contractor three (3) days advance written notice. In the event of termination by City for any reason other than the fault of Contractor, City shall pay Contractor for all Work performed up to that time as provided herein. In the event of breach of the Contract by Contractor, City may terminate the Contract immediately without notice, may reduce payment to Contractor in the amount necessary to offset City's resulting damages, and may pursue any other

available recourse against Contractor. Contractor may not terminate this Contract except for cause. In the event this Contract is terminated in whole or in part as provided, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated. Further, if this Contract is terminated as provided, City may require Contractor to provide all finished or unfinished documents, data, diagrams, drawings, materials or other matter prepared or built by Contractor in connection with its performance of this Contract. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

3.20 General Provisions.

3.20.1 City's Representative. The City hereby designates the Public Works Director, or his or her designee, to act as its representative for the performance of this Contract ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.20.2 Contractor's Representative. Before starting the Work, Contractor shall submit in writing the name, qualifications and experience of its proposed representative who shall be subject to the review and approval of the City ("Contractor's Representative"). Following approval by the City, Contractor's Representative shall have full authority to represent and act on behalf of Contractor for all purposes under this Contract. Contractor's Representative shall supervise and direct the Work, using his best skill and attention, and shall be responsible for all construction means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Contract. Contractor's Representative shall devote full time to the Project and either he or his designee, who shall be acceptable to the City, shall be present at the Work site at all times that any Work is in progress and at any time that any employee or subcontractor of Contractor is present at the Work site. Arrangements for responsible supervision, acceptable to the City, shall be made for emergency Work which may be required. Should Contractor desire to change its Contractor's Representative, Contractor shall provide the information specified above and obtain the City's written approval.

3.20.3 Contract Interpretation. Should any question arise regarding the meaning or import of any of the provisions of this Contract or written or oral instructions from City, the matter shall be referred to City's Representative, whose decision shall be binding upon Contractor.

3.20.4 Anti-Trust Claims. This provision shall be operative if this Contract is applicable to California Public Contract Code Section 7103.5. In entering into this Contract to supply goods, services or materials, Contractor hereby offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the City tender final payment to Contractor, without further acknowledgment by the Parties.

3.20.5 Notices. All notices hereunder and communications regarding interpretation of the terms of the Contract or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

CONTRACTOR:

AGUILAR & CALDERON CORPORATION
15738 YERMO STREET
WHITTIER, CA 90603
ATTN: YAMPIER AGUILAR, VICE PRESIDENT

CITY:

CITY OF STANTON
7800 KATELLA AVENUE
STANTON, CA 90680
ATTN: CESAR RANGEL, PUBLIC WORKS DIRECTOR

Any notice so given shall be considered received by the other Party three (3) days after deposit in the U.S. Mail as stated above and addressed to the Party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.20.6 Time of Essence. Time is of the essence in the performance of this Contract.

3.20.7 Assignment Forbidden. Contractor shall not, either voluntarily or by action of law, assign or transfer this Contract or any obligation, right, title or interest assumed by Contractor herein without the prior written consent of City. If Contractor attempts an assignment or transfer of this Contract or any obligation, right, title or interest herein, City may, at its option, terminate and revoke the Contract and shall thereupon be relieved from any and all obligations to Contractor or its assignee or transferee.

3.20.8 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.20.9 Laws; Venue. This Contract shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Contract, the action shall be brought in a state or federal court situated in the County of Orange, State of California.

3.20.10 Attorneys' Fees. If either Party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and all other costs of such action.

3.20.11 Counterparts. This Contract may be executed in counterparts, each of which shall constitute an original.

3.20.12 Successors. The Parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions contained in this Contract.

3.20.13 Solicitation. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, City shall have the right to terminate this Contract without liability.

3.20.14 Conflict of Interest. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, City shall have the right to rescind this Contract without liability. For the term of this Contract, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Contract, or obtain any present or anticipated material benefit arising therefrom. In addition, Contractor agrees to file, or to cause its employees or subcontractors to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Work.

3.20.15 Certification of License.

3.20.15.1 Contractor certifies that as of the date of execution of this Contract, Contractor has a current contractor's license of the classification indicated below under Contractor's signature.

3.20.15.2 Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

3.20.16 Authority to Enter Contract. Each Party warrants that the individuals who have signed this Contract have the legal power, right and authority to make this Contract and bind each respective Party.

3.20.17 Entire Contract; Modification. This Contract contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Contract may only be modified by a writing signed by both Parties.

3.20.18 Non-Waiver. None of the provisions of this Contract shall be considered waived by either party, unless such waiver is specifically specified in writing.

3.20.19 City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this Project or other projects.

[Signatures on Next Page]

**SIGNATURE PAGE FOR CONSTRUCTION CONTRACT
BETWEEN THE CITY OF STANTON
AND AGUILAR & CALDERON CORPORATION**

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

CITY OF STANTON

AGUILAR & CALDERON CORPORATION

Approved:

By: _____

By: _____
Hannah Shin-Heydorn
City Manager

Its: _____

Printed Name: _____

ATTESTED:

By: _____

Its: _____

Printed Name: _____

By: _____
Patricia Vazquez
City Clerk

Contractor's License Number and
Classification

APPROVED AS TO FORM:

DIR Registration Number

Best Best & Krieger LLP
City Attorney

EXHIBIT "A"
SERVICES / SCHEDULE

Bid Proposal

January 22, 2024

City of Stanton
Attn: Elias Garcia
Project: Fitness Court Stanton Park
Address: 7800 Katella Ave. Stanton, CA 90680

This proposal is to construct as shown on plan sheets 1-3 related to items in the scope of work below.

Below is an itemized scope of work:

Scope of Work	Price (LS)
Mobilization and Demobilization	\$ 1,500.00
SCE Coordination	\$ 1,000.00
Demolition per Plans	\$ 13,500.00
Construction per Plans	\$ 26,000.00
Total	\$42,000.00

Exclusions:

Permits	Testing, soil certification	Overtime or weekend work
	Unforeseen conditions	Work in contaminated areas, etc.
Survey	Traffic Control Plan & Delineators	Work not identified above or beyond contract

Pricing is valid for 90 days. All applicable taxes are included.

Respectfully,

Yampier Aguilar

Vice-President
Aguilar & Calderon
Corporation T: 949-735-3179
yampier@aguilarcalderson.com

EXHIBIT "B"

PLANS

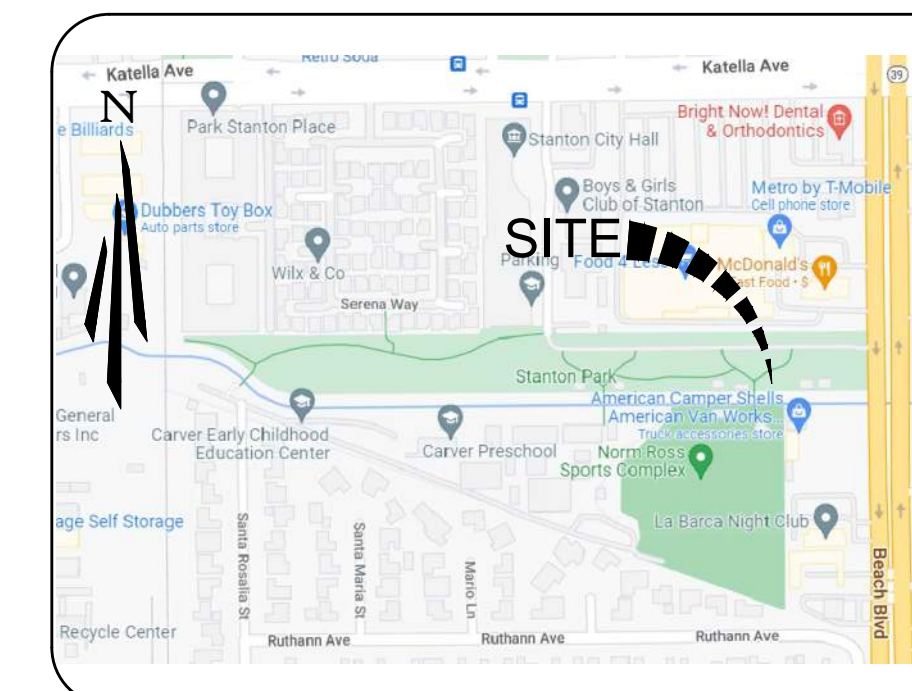
PER STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION ("GREENBOOK")

FITNESS COURT STANTON PARK

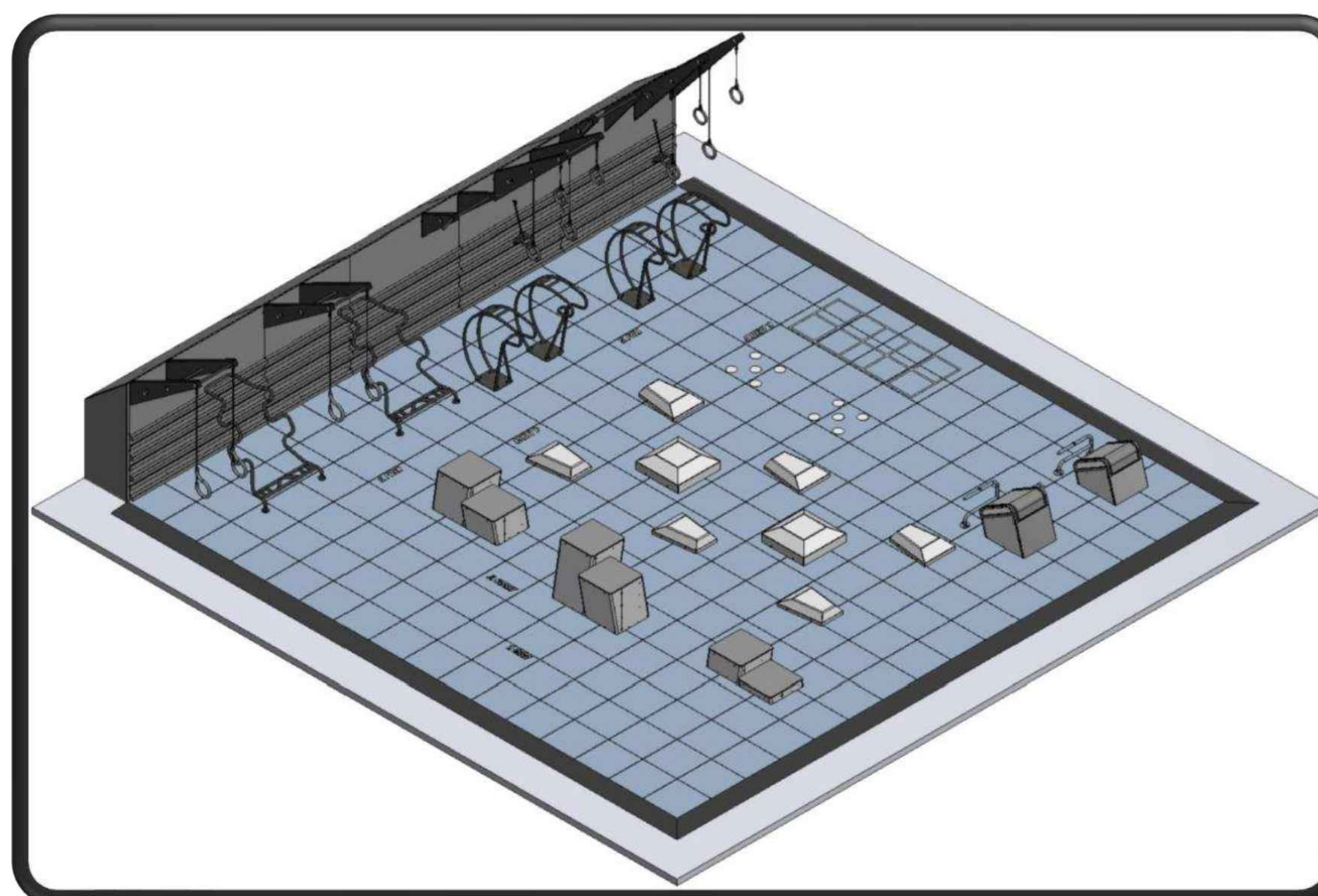
CITY OF STANTON PUBLIC WORKS DEPARTMENT

GENERAL NOTES:

- ALL WORK SHALL CONFORM TO THE REQUIREMENTS OF THE CITY OF STANTON, ORANGE COUNTY RDM REQUIREMENTS, STANDARD PLANS FOR PUBLIC WORKS CONSTRUCTION, STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION, AND CALTRANS STANDARD PLANS, ALL IN THE LATEST EDITION. IN THE EVENT OF A CONFLICT THE MOST STRINGENT REQUIREMENTS SHALL PREVAIL.
- THE CONSTRUCTION AREA SHALL BE PROPERLY POSTED AND LIGHTED IN CONFORMANCE WITH THE STATE OF CALIFORNIA, "MANUAL OF UNIFORM TRAFFIC CONTROL DEVICES (MUTCD)," LATEST EDITION.
- THE CONTRACTOR SHALL OBTAIN ALL NECESSARY PERMITS AND SHALL NOTIFY THE ENGINEERING ASSISTANT (714-379-9222 EXT. 204) AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF WORK. INSPECTIONS WILL BE CONDUCTED TUESDAYS AND THURSDAYS OF EACH WEEK AND MUST BE REQUESTED 24 HOURS IN ADVANCE AT (714-379-9222 EXT. 205).
- THE CONTRACTOR SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR THE PROTECTION OF PERSONS AND PROPERTY AT THE JOB SITE, AND PROTECTION OF ADJACENT PROPERTIES.
- ALL WORK IN THE PUBLIC RIGHT-OF-WAY, ONCE BEGUN, MUST BE DILIGENTLY PURSUED UNTIL COMPLETION PER APPROVED SCHEDULE AS LAID OUT IN THE CONTRACT DOCUMENTS.
- ALL EXISTING IMPROVEMENTS INCLUDING CONCRETE WALKWAYS WHICH ARE BEING JOINED OR MATCHED IN CONNECTION WITH THIS PROJECT, SHALL BE JOINED OR MATCHED IN A MANNER SATISFACTORY TO THE CITY ENGINEER, INCLUDING NECESSARY SAWCUTTING, ADDITIONAL REMOVALS, EPOXY AND DOWELING, REPLACEMENT AND CAPPING PER THE CONSTRUCTION SPECIFICATIONS.
- ANY REMOVAL LIMITS AS SHOWN ON THE PLANS SHALL BE FIELD VERIFIED BY THE CITY.
- ALL ELEVATIONS SHOWN ON THE PLANS SHALL BE BASED ON THE STATED TEMPORARY BENCHMARK.
- NO REVISIONS SHALL BE MADE IN THESE PLANS WITHOUT THE APPROVAL OF THE CITY ENGINEER.
- NO REPRESENTATIVE OF THE CITY ENGINEER WILL SURVEY OR LAY OUT ANY PORTION OF THE WORK.
- APPROVAL OF THIS PLAN BY THE CITY ENGINEER DOES NOT CONSTITUTE A REPRESENTATION AS TO THE MATHEMATICAL CORRECTNESS, ACCURACY OF THE LOCATIONS OR THE EXISTENCE OR NON-EXISTENCE OF ANY UNDERGROUND UTILITY PIPE OR STRUCTURES WITHIN THE LIMITS OF THIS PROJECT. THIS NOTE APPLIES TO ALL PAGES.
- THE LOCATIONS OF ALL UTILITY SERVICES LINES, SUCH AS SEWER LATERALS, WATER SERVICE, AND GAS SERVICE LINES SHALL BE MARKED WITH APPROPRIATE CHISELED MARKS (I.E., S, W, G) ON THE TOP CURB.
- THE CONTRACTOR SHALL PROVIDE AND MAINTAIN, AT ALL TIMES DURING CONSTRUCTION, AMPLE MEANS AND DEVICES WITH WHICH TO PROMPTLY REMOVE AND PROPERLY DISPOSE OF ALL WATER FROM ANY SOURCE ENTERING THE WORK AREA.
- ALL CONSTRUCTION SHALL CONFORM TO THE REQUIREMENTS OF THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION, CURRENT EDITION.
- TRAFFIC CONTROL PLANS, WHERE REQUIRED, SHALL BE SUBMITTED TO THE CITY ENGINEER FOR APPROVAL PRIOR TO COMMENCEMENT OF WORK IN THE PUBLIC STREET RIGHT-OF-WAY. THE TRAFFIC CONTROL PLAN SHALL CONFORM TO THE REQUIREMENTS OF THE LATEST EDITION OF CALIFORNIA MUTCD.
- CONTRACTORS 24-HOUR EMERGENCY CONTACT: _____ (TO BE INSERTED BY CONTRACTOR)
- THE CONTRACTOR SHALL EXERCISE SUFFICIENT SUPERVISION AND CONTROL DURING CONSTRUCTION, AND PROVIDE THE CITY ENGINEER WITH CERTIFICATION OF PROPER GRADE AND ALIGNMENT IN CONFORMANCE WITH THE APPROVED STREET PLANS.
- CONTRACTOR IS RESPONSIBLE FOR REMOVING ALL UTILITY MARKINGS.
- THE CONTRACTOR SHALL HAVE A COPY OF THE CURRENT EDITIONS OF SPPWC AND RDM STANDARD PLANS ON THE CONSTRUCTION SITE AT ALL TIMES.
- THE CONTRACTOR SHALL TELEPHONE THE CITY INSPECTOR AT LEAST 48 HOURS PRIOR TO STARTING CONSTRUCTION WORK.
- CONTRACTOR SHALL MAINTAIN PROJECT SITE IN A NEAT, CLEAN DUST-FREE, AND SANITARY CONDITION AT ALL TIMES.
- STREETS, CONCRETE WALKWAYS, AND LANDSCAPE AREAS ADJACENT TO THE PROJECT SITE SHALL BE KEPT CLEAN OF DEBRIS, DUST, AND ANY OTHER NUISANCE MUST BE CONTROLLED AT ALL TIMES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR ANY CLEAN-UP WORK ON ADJACENT STREETS AFFECTED BY THE CONSTRUCTION OF THIS PROJECT.
- STREET CLEANING SHALL BE BY DRY SWEEPING METHOD FOR ALL PAVED AREAS. NO STOCKPILING OF MATERIALS WITHIN THE PUBLIC RIGHT-OF-WAY IS ALLOWED WITHOUT PERMISSION OF THE CITY ENGINEER.
- PRIOR TO FINAL ACCEPTANCE OF PROJECT IMPROVEMENTS, ALL STREET PAVEMENT STRIPING AND STENCILING WITHIN THE LIMITS OF THE PROJECT WILL BE RESTORED TO A "LIKE-NEW" CONDITION, IN A MANNER MEETING THE APPROVAL OF THE CITY ENGINEER.
- SURVEY MONUMENTS SHALL BE PRESERVED AND REFERENCED BEFORE CONSTRUCTION AND REPLACED AFTER CONSTRUCTION, PURSUANT TO SECTION 8771 OF THE BUSINESS AND PROFESSIONAL CODE.
- CONTRACTOR TO ADJUST ALL EXISTING UTILITIES TO FINISH GRADE.
- ALL EXISTING SURFACE UTILITIES TO BE PROTECTED IN PLACE UNLESS NOTED OTHERWISE IN PLANS.
- ALL WORK INCLUDING THE FLOOR MARKING LAYOUT, TILE FLOOR, ANCHORS, FITNESS WALL, AND FITNESS EQUIPMENT SHALL CONFORM TO THE REQUIREMENTS SET FORTH BY THE NATIONAL FITNESS CAMPAIGN (NFC). THE CONTRACTOR SHALL REFER TO THE NFC FITNESS COURT INSTALLATION INSTRUCTIONS.
- LAWNS WHICH ARE DISRUPTED DURING THE WORK MUST BE REGRADED AND REPLACED OR REPAIRED TO MATCH THE EXISTING LAWN. UNLESS SHOWN OR SPECIFIED OTHERWISE IN THE CONTRACT OR DIRECTED OTHERWISE BY THE AGENCY, LAWNS THAT ARE DAMAGED MUST BE REPLANTED WITH NEW SOD. THE RESULTING LAWN MUST BE LEFT IN A CONDITION EQUAL TO OR BETTER THAN THE CONDITION OF THE LAWN PRIOR TO THE START OF THE WORK.
- TREE REMOVAL MUST BE PERFORMED WITH CAUTION TO AVOID DAMAGING ADJACENT CONCRETE WALKWAYS, INFRASTRUCTURE, AND SOIL THAT WILL REMAIN PROTECTED IN PLACE.
- REMOVAL OF EXISTING TREES INCLUDES REMOVAL OF TREE STUMPS AND TREE ROOTS 2" OR LARGER IN DIAMETER TO A MINIMUM DEPTH OF EIGHT(8) INCHES BELOW THE GRADING PLANE. REMOVED TREES, STUMPS AND ROOTS ARE THE PROPERTY OF THE CONTRACTOR AND MUST BE REMOVED FROM THE PROJECT SITE. ALL DEBRIS RESULTING FROM TREE REMOVAL WORK, INCLUDING BROKEN BRANCHES, FALLEN LEAVES, WOOD CHIPS, AND SAWDUST PRODUCED FROM STUMP AND ROOT REMOVAL WORK, MUST BE PROMPTLY REMOVED FROM THE WORK SITE. IF THE TREE TO BE REMOVED IS WITHIN THE DRIP LINE OF ANOTHER TREE THAT IS TO REMAIN, THE TREE REMOVAL WORK MUST BE DONE UNDER THE DIRECTION OF A CERTIFIED ARBORIST. THE HOLES RESULTING FROM TREE STUMP AND TREE ROOT REMOVAL ACTIVITIES MUST BE BACKFILLED AS SPECIFIED IN SECTION 18, "EARTHWORK", OF THESE SPECIFICATIONS. IF THE TREE REMOVAL WORK IS IN A LAWN AREA THAT IS TO REMAIN, THE AREA OF TREE REMOVAL MUST BE REPAIRED AND REPLANTED WITH TURF SOD AS SPECIFIED IN SECTION 20, "LANDSCAPING", OF THESE SPECIFICATIONS.
- CLEARING AND GRUBBING CONSISTS OF REMOVING ALL OBJECTIONABLE MATERIAL, INCLUDING BUSHES, SHRUBS, AND PLANT VEGETATION DESIGNATED ON THESE PLANS, FROM WITHIN THE WORK SITE. THE RESULTING CLEARED AREA SURROUNDING THE NEW CONCRETE IMPROVEMENT MUST BE FILLED WITH NEW MATERIAL IN-KIND TO THE EXISTING SURFACE (I.E. GRAVEL, WOOD CHIPS).
- CLEARING AND GRUBBING OPERATIONS MUST NOT CAUSE MORE THAN MINIMAL DAMAGE TO PUBLIC AND PRIVATE PROPERTY AND IMPROVEMENTS, INCLUDING EXISTING TREES, SHRUBBERY AND LAWNS, OUTSIDE OF THE WORK SITE, OR OTHER AREAS SHOWN ON THE PLANS.



VICINITY MAP
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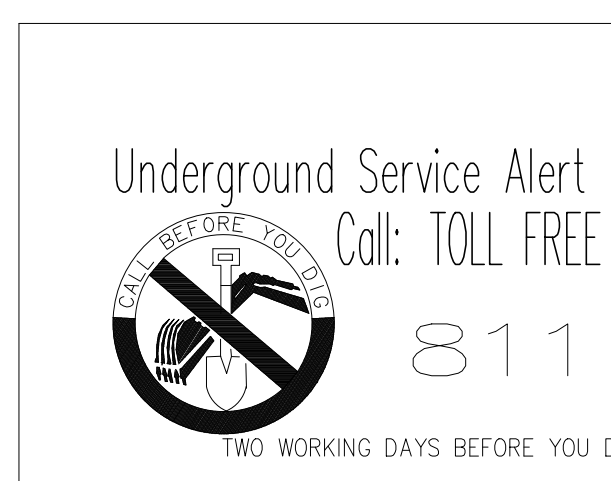


CONSTRUCTION NOTES

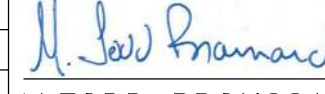
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|---|----------|
| ① PROTECT EXISTING IMPROVEMENT IN PLACE. | LUMP SUM |
| ② REMOVE EXISTING IMPROVEMENT. | LUMP SUM |
| ③ INSTALL 4" THICK PCC SIDEWALK. | 55 S.F. |
| ④ INSTALL 6" THICK REINFORCED (6x6x6/6 W/M) PCC SIDEWALK NORTH OF SCE BUFFER ZONE. | 160 S.F. |
| ⑤ INSTALL 4" THICK REINFORCED (6x6x6/6 W/M) PCC SLAB PER SPECIFICATIONS ON SHEET 3 OF 5. | 950 S.F. |
| ⑥ INSTALL CITY FURNISHED TILE, ANCHORS, WALL, FITNESS EQUIPMENT, ETC AS SHOWN ON DETAIL SHEETS 3-6 PER NFC FITNESS COURT INSTALLATION INSTRUCTIONS. | LUMP SUM |
| ⑦ REMOVE EXISTING TREE AND STUMP. REMOVE TREE ROOTS 1.5" OR LARGER BELOW GRADING PLANE. | LUMP SUM |

SHEET INDEX

TITLE SHEET	1
SITE PLAN	2
DETAIL SHEET	3
DETAIL SHEET	4
DETAIL SHEET	5



NO.	BY	DATE	REVISIONS	APPR. DATE	COUNTY

PREPARED UNDER THE SUPERVISION OF:

 M.TODD BROUSSARD R.C.E. NO.: C57144 11/20/23 DATE
 CITY OF STANTON -- APPROVED:
 CESAR RANGEL, TE, PE PWD/CITY ENGINEER DATE

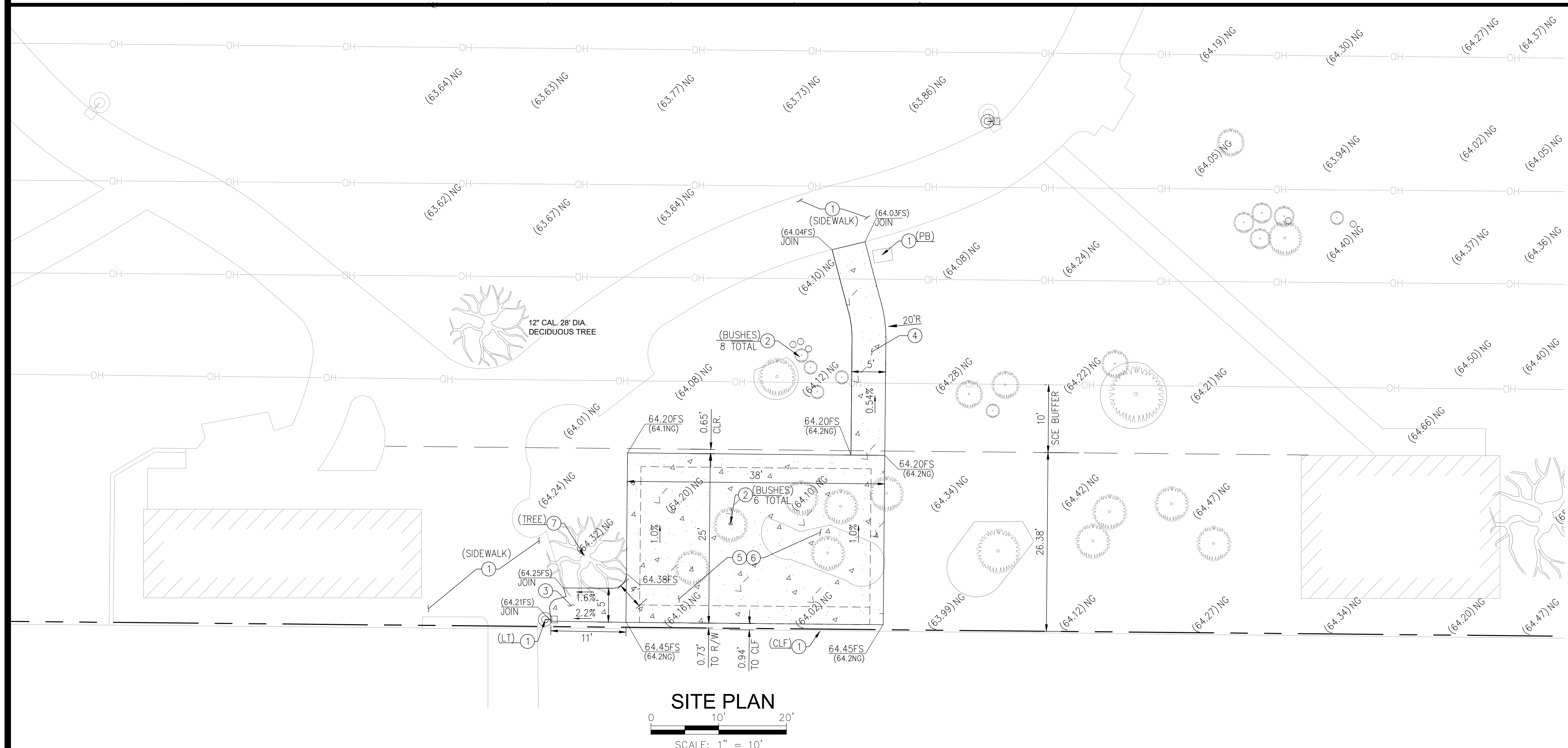
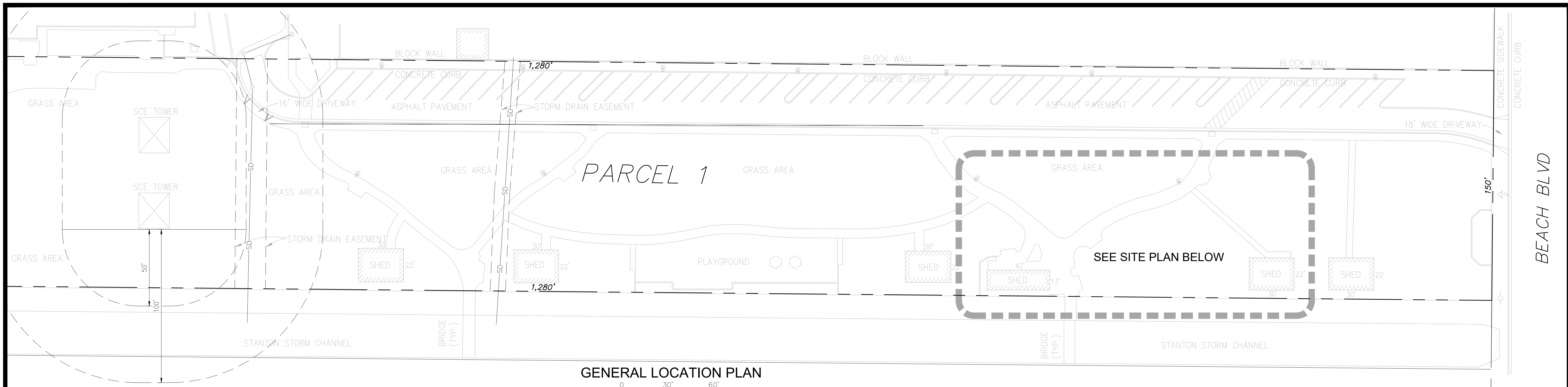
SEAL - ENGINEER


DRAWN: MTB
 DATE: 10/2023
 CHECKED:
 DATE:
 REVISION: --
 DATE: --
 SCALE:
 H: V:

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 Los Angeles Sacramento San Francisco Dallas Phoenix
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PROPOSED FITNESS COURT
 STANTON PARK
 CITY OF STANTON
 PUBLIC WORKS DEPARTMENT
 TITLE SHEET
 SHEET NO. 1
 OF 5 SHEETS

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- SITE PLAN LEGEND:**
- FIRE HYDRANT
 - MANHOLE
 - POWER POLE
 - SEWER MANHOLE (SMH)
 - SIGN
 - STORM DRAIN MANHOLE (SDMH)
 - STREET LIGHT
 - PROPERTY LINE
 - OVERHEAD WIRES
 - CONCRETE
 - YARD LIGHT
- NOTE: SCE TRANSMISSION TOWERS ARE NOT EXISTENT WITHIN THE VICINITY OF THE SITE PLAN

- CONSTRUCTION NOTES**
- ① PROTECT EXISTING IMPROVEMENT IN PLACE.
 - ② REMOVE EXISTING IMPROVEMENT.
 - ③ INSTALL 4" THICK PCC SIDEWALK.
 - ④ INSTALL 6" THICK REINFORCED (6x6x6/6 W/M) PCC SIDEWALK NORTH OF SCE BUFFER ZONE.
 - ⑤ INSTALL 4" THICK REINFORCED (6x6x6/6 W/M) PCC SLAB PER SPECIFICATIONS ON SHEET 3 OF 5.
 - ⑥ INSTALL CITY FURNISHED TILE, ANCHORS, WALL, FITNESS EQUIPMENT, ETC AS SHOWN ON DETAIL SHEETS 3-6 PER NFC FITNESS COURT INSTALLATION INSTRUCTIONS.
 - ⑦ REMOVE EXISTING TREE AND STUMP. REMOVE TREE ROOTS 1.5" OR LARGER BELOW GRADING PLANE.

NO.	BY	DATE	REVISIONS

PREPARED UNDER THE SUPERVISION OF:
M. Todd Broussard
 M.TODD BROUSSARD R.C.E. NO.: C57144 11/20/23 DATE
 CITY OF STANTON - APPROVED:
 CESAR RANGEL, TE, PE PWD/CITY ENGINEER DATE

SEAL - ENGINEER

DRAWN: MTB
 DATE: 10/2023
 CHECKED:
 DATE:
 REVISION: --
 DATE: --
 SCALE:
 H: V:

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Los Angeles Sacramento San Francisco Dallas Phoenix
 Ontario San Diego Boise Denver Portland

PROPOSED FITNESS COURT
 STANTON PARK
 CITY OF STANTON
 PUBLIC WORKS DEPARTMENT

SHEET NO. **2**
 OF 5 SHEETS

SITE PLAN

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SLAB NOTES

(FOR FLAT TOP SLAB / TILE FLOOR INSTALLATION)

NOTES:

- CONCRETE:**
- ALL SLAB CONCRETE TO BE 4000 PSI AT 28 DAYS. A HIGH EARLY MIX MAY BE UTILIZED ONLY IF THE MIX DESIGN IS APPROVED BY THE ENGINEER.
 - CONCRETE SHALL CONFORM TO ASTM C 150, TYPE II.
 - FINE AGGREGATE SHALL CONFORM TO ASTM C 33.
 - COARSE AGGREGATE SHALL BE GRAVEL OR CRUSHED STONE CONFORMING TO ASTM C 33. COARSE AGGREGATE FOR FLOOR SLAB SHALL NOT EXCEED 1 1/2" AT ITS MAXIMUM WIDTH.
 - WATER SHALL BE CLEAN AND FREE FROM INJURIOUS AMOUNTS OF OILS, ACIDS, ALKALIS, ORGANIC MATERIALS OR SUBSTITUTES.
 - AIR ENTRAINING ADMIXTURE SHALL CONFORM TO ASTM C 260.
 - CALCIUM CHLORIDE ADMIXTURES, TRICHOANTHATE ADMIXTURES OR ANY ADMIXTURES CONTAINING MORE THAN 0.5% CHLORIDE IONS ARE NOT PERMITTED.
 - REINFORCING STEEL AND CONCRETE TO BE PLACED IN ACCORDANCE WITH ACI 308 LATEST EDITION.
 - THE ALLOWABLE CONCRETE SLUMP SHALL BE 3" PLUS OR MINUS 1/2" UNLESS SUPERPLASTICIZERS ARE USED. THE ENGINEER SHALL APPROVE SUPERPLASTICIZER USE.
 - AS REQUIRED BY OWNER, SLUMP TEST SHALL BE MADE IN ACCORDANCE WITH ASTM C 443.
 - NO CONCRETE SHALL BE PLACED WHEN THE AMBIENT TEMPERATURE IS BELOW 40°F WITHOUT PERMISSION OF THE ENGINEER.
 - THE ENGINEER OR THE OWNER MAY ACCEPT OR REJECT ANY WORK THAT DOES NOT MEET THE REQUIREMENTS OF THESE NOTES OR THE PROJECT DRAWINGS.
 - AS REQUIRED BY OWNER, CONTRACTOR SHALL MAKE ARRANGEMENTS FOR TESTING THE SLUMP, AIR CONTENT, AND CONCRETE CYLINDERS.
 - AS REQUIRED BY OWNER, COMPRESSIVE STRENGTH OF THE CONCRETE CYLINDERS SHALL BE TESTED AT 3 DAYS, 7 DAYS AND 28 DAYS. APPROPRIATE NUMBER OF CYLINDERS SHALL BE COLLECTED TO PERFORM THE TESTING. CYLINDERS SHALL BE TESTED IN ACCORDANCE WITH ASTM C 39.
 - SLAB TO BE PLACED IN EITHER 20 FT X 20 FT SECTIONS (MAX) OR PROVIDE 1/2" SAW CUT CONTRACTION JOINTS AT 20 FT MAXIMUM SPACING. SAW CUT JOINTS TO BE MADE AS SOON AS THE CONCRETE HAS CURED SUFFICIENTLY TO ALLOW THE WORK WITHOUT DAMAGING THE CONCRETE.
 - CONFIRM ANCHOR PLACEMENT PRIOR TO CUTTING JOINTS. ENSURE 3" CLEARANCE BETWEEN ANCHOR CENTERS AND JOINT AND CUT JOINTS AS SHOWN ON PLAN VIEW.
 - PROVIDE 4" TO 5" OF CRUSHER RUN GRAVEL AS SHOWN IN SECTION DETAIL.
 - SOIL TO BE COMPACTED TO MEET THE REQUIREMENTS OF 95% MODIFIED PROCTOR.

- REINFORCEMENT:**
- INSTALL SLAB REINFORCING 6 X 6 X 6/16 WELDED WIRE MESH (WWM) PLACED IN THE CENTER OF THE SLAB TO EXTEND THROUGH ENTIRE SLAB. UTILIZE SUFFICIENT NUMBER OF CHAIRS TO MAINTAIN WWM POSITION.
 - INSTALL ADDITIONAL / UPGRADED REINFORCEMENT AS REQUIRED BY LOCAL CODE.
 - REINFORCING TO BE NEW BILLET STEEL MEETING THE REQUIREMENTS OF ASTM A615 GRADE 60.
 - PROVIDE VAPOR BARRIER BELOW THE SLAB AS REQUIRED BY LOCAL CODE AND CONDITIONS.

- CONCRETE FINISHING NOTES:**
- THE FINISHED CONCRETE SURFACE SHOULD BE SLOPED AWAY FROM THE WALL. THE SURFACE SLOPE SHOULD BE 1/8" IN 12".
 - THE FINISHED CONCRETE SURFACE SHOULD BE SMOOTH TO PREVENT IRREGULARITIES, ROUGHNESS, OR OTHER DEFECTS THAT WOULD AFFECT THE FINISHED FLOOR SURFACE. THE SURFACE SHOULD BE FLAT TO THE EQUIVALENT OF 3/16" OVER 10'.
 - THE FINISHED CONCRETE SURFACE SHOULD HAVE A LIGHT BROOM FINISH TO PROVIDE THE BEST SURFACE FOR COURT SURFACE ADHESION.
 - IMPORTANT: FOR INSTALLATIONS THAT REQUIRE FLOORING INSTALLATION SOON (LESS THAN 30 DAYS) AFTER CONCRETE PLACEMENT, APPLICATION OF "SPRAYLOCK" PRODUCT SCP 327 OR EQUIVALENT IS REQUIRED. THE SPRAYLOCK PRODUCT WILL ALLOW FLOORING INSTALLATION AS SOON AS 14 DAYS AFTER CONCRETE PLACEMENT AND SPRAYLOCK APPLICATION. CONFIRM PRODUCT SELECTION WITH THE MANUFACTURER. APPLY SPRAYLOCK PRODUCT THE DAY OF THE CONCRETE PLACEMENT PER MANUFACTURER'S INSTRUCTIONS.

- ANCHOR NOTES:**
- FIELD VERIFY ALL ANCHOR LOCATION DIMENSIONS AND FITTINGS PRIOR TO DRILLING.
 - DRILL THROUGH THE FLOOR (1" TILE THICKNESS) WHERE NECESSARY WITH APPROPRIATE DRILL BIT TO MATCH ANCHOR HOLE IN CONCRETE.
 - SEE ANCHOR DETAILS FOR APPLICABLE CONCRETE EMBEDMENT DEPTH AND HOLE DIAMETER.
 - STAINLESS STEEL MUST BE USED WHERE SPECIFIED.
 - COMPONENTS SPECIFIED AS NOT GALVANIZED MAY BE SUBSTITUTED WITH 304 SS COMPONENTS.
 - WHEN INSTALLING ANCHORS, TAKE CARE TO USE THREAD PROTECTORS TO PREVENT THREAD DAMAGE.

- GENERAL:**
- SITE PREPARATION REQUIREMENTS AND CONCRETE SLAB DESIGN SHOULD BE REVIEWED BY LOCAL CIVIL OR SOILS ENGINEER TO CONFIRM SUITABILITY BASED UPON SITE SPECIFIC NEEDS AND CONDITIONS.

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ANCHOR BILL OF MATERIAL			
ITEM	QTY	DESCRIPTION	NOTES
ANCHOR A	30	WALL ANCHOR	SEE ANCHOR DETAILS
ANCHOR B	28	DROP-IN ANCHOR	SEE ANCHOR DETAILS
ANCHOR C	48	MECHANICAL ANCHOR	SEE ANCHOR DETAILS
ANCHOR EPOXY	AS REQ'D	HILTI HIT-HY 200 FOR WALL ANCHORS (SEE ANCHOR DETAILS RE: ALTERNATE EPOXY)	SEE ANCHOR DETAILS

INSTALLATION SEQUENCE

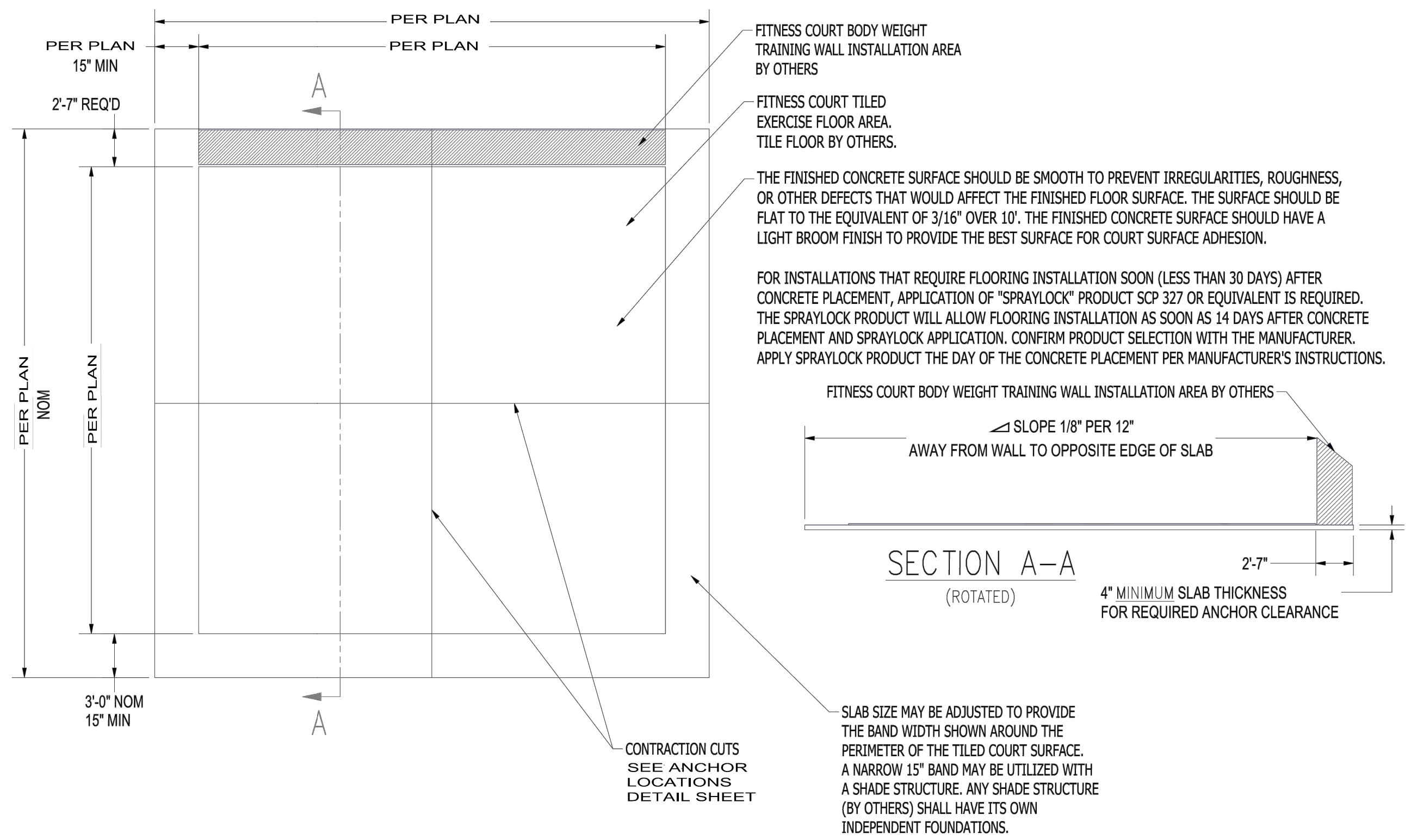
(FOR FLAT TOP SLAB / TILE FLOOR INSTALLATION)

- REVIEW ALL DRAWINGS INCLUDING ALL NOTES TO BECOME FAMILIAR WITH SEQUENCE AND DETAILS.
- DURING INSTALLATION SEQUENCE, REFER TO AND COMPLY WITH APPLICABLE NOTES.
- PREPARE AREA BELOW SLAB WITH COMPACTED SOIL AND GRAVEL PER PREP SECTION DETAIL.
- BUILD FORMS FOR OUTER PERIMETER OF THE SLAB WITH DIMENSIONS PER SLAB PLAN AND SELECTED WIDTH OF OUTER BAND AROUND FITNESS COURT AREA.
- INSTALL REINFORCEMENT STEEL PER THE REINFORCEMENT PREP DETAIL.
- PLACE SPECIFIED CONCRETE PER THICKNESS SHOWN IN SECTION A-A AND SECTION OF CONCRETE SLAB PLAN & CROSS-SECTION DRAWING.
- FINISH CONCRETE TO THE SLOPE SPECIFIED FOR DRAINAGE.
- ALLOW CONCRETE TO CURE FOR 3 DAYS MINIMUM PRIOR TO INSTALLING ANCHORS.
- TILE FLOOR SHOULD BE INSTALLED PRIOR TO INSTALLING ANCHORS IN THE TILE FLOOR AREA.
- PLACE ANCHORS PER WALL ANCHOR LOCATIONS DRAWING AND FLOOR ANCHOR LOCATIONS DRAWING. ANCHOR LOCATION DIMENSIONS ARE ORDINATE DIMENSIONS MEASURED FROM THE UPPER LEFT CORNER OF THE TILE FLOOR. CONFIRM CORRECT DIMENSIONS ARE USED FOR PLACING ANCHORS.
- REFER TO TILE FLOOR ANCHOR DETAILS DRAWING FOR ANCHOR DRILLING DIAMETER AND DEPTH.
- NOTE: MAKE SURE THE HAMMER DRILL IS VERTICAL WHEN DRILLING HOLES FOR ANCHORS.
- DRILL HOLES IN TILE AND IN CONCRETE PER ANCHORS USING TEMPLATES FOR HOLE PLACEMENT.
- NOTE: REMOVE AND BEND STATION TEMPLATES WILL REQUIRE REUSE TO LOCATE ALL ANCHORS. REFER TO TEMPLATE NOTES FOR DETAILS OF SUPPLIED TEMPLATES.
- INSTALL EPoxy ANCHORS TO THE DEPTH INDICATED UTILIZING THE SPECIFIED EPoxy AND THE MANUFACTURER'S EPoxy INSTALLATION INSTRUCTIONS.
- INSTALL MECHANICAL ANCHORS TO THE DEPTH INDICATED. BE CAREFUL TO AVOID INSTALLING ANCHORS TOO DEEP FOR THE BEND STATIONS.

NATIONAL FITNESS CAMPAIGN
 SAN FRANCISCO, CA
 DATE: 3/15/2021
 BY: MAXIMUS INNOVATIONS
 NAME: TILE SLAB
 REV: 7.1 PAGE 1/5

CONCRETE SLAB PLAN & CROSS-SECTION

(FOR FLAT TOP SLAB / TILE FLOOR INSTALLATION)

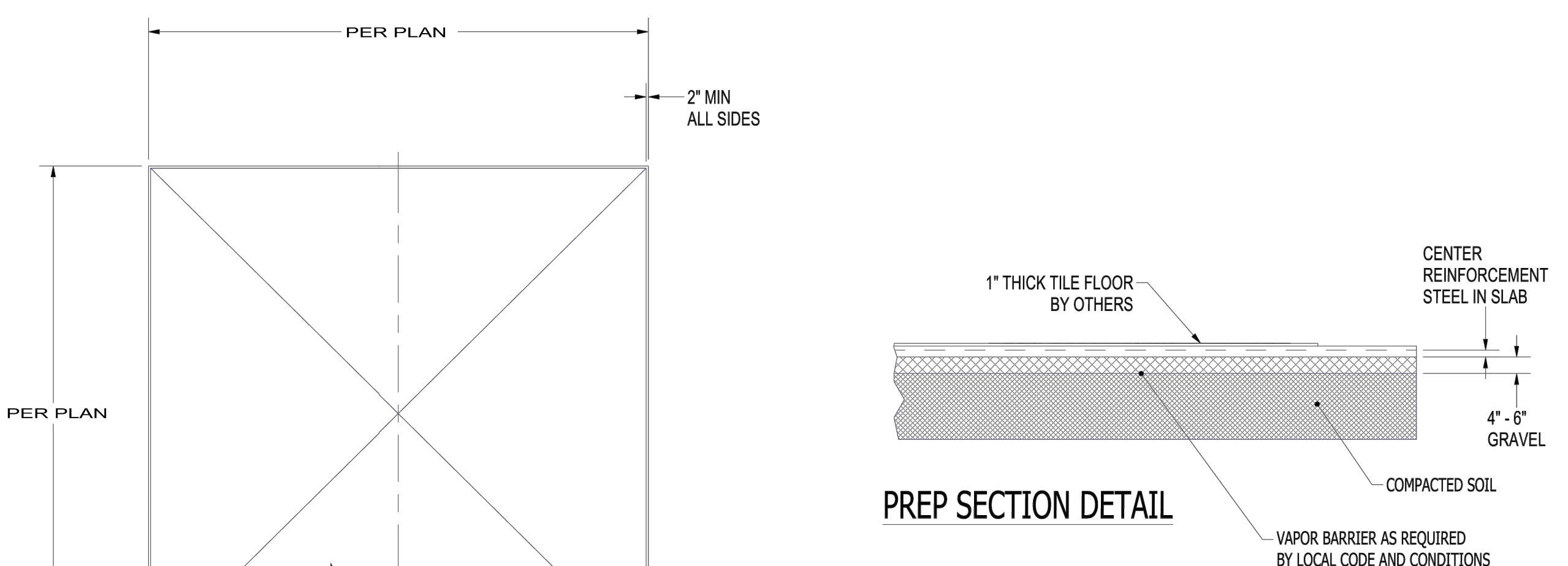


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NATIONAL FITNESS CAMPAIGN
 SAN FRANCISCO, CA
 DATE: 3/15/2021
 BY: MAXIMUS INNOVATIONS
 NAME: TILE SLAB
 REV: 7.1 PAGE 2/6

REINFORCEMENT / PREP DETAIL

(FOR FLAT TOP SLAB / TILE FLOOR INSTALLATION)



REINFORCING TO BE 6 X 6 X 6/16 WELDED WIRE MESH (WWM) PLACED IN THE CENTER OF THE SLAB TO EXTEND THROUGH ENTIRE SLAB. UTILIZE SUFFICIENT NUMBER OF CHAIRS TO MAINTAIN WWM POSITION. INSTALL ADDITIONAL REINFORCEMENT AS REQUIRED BY LOCAL CODE.

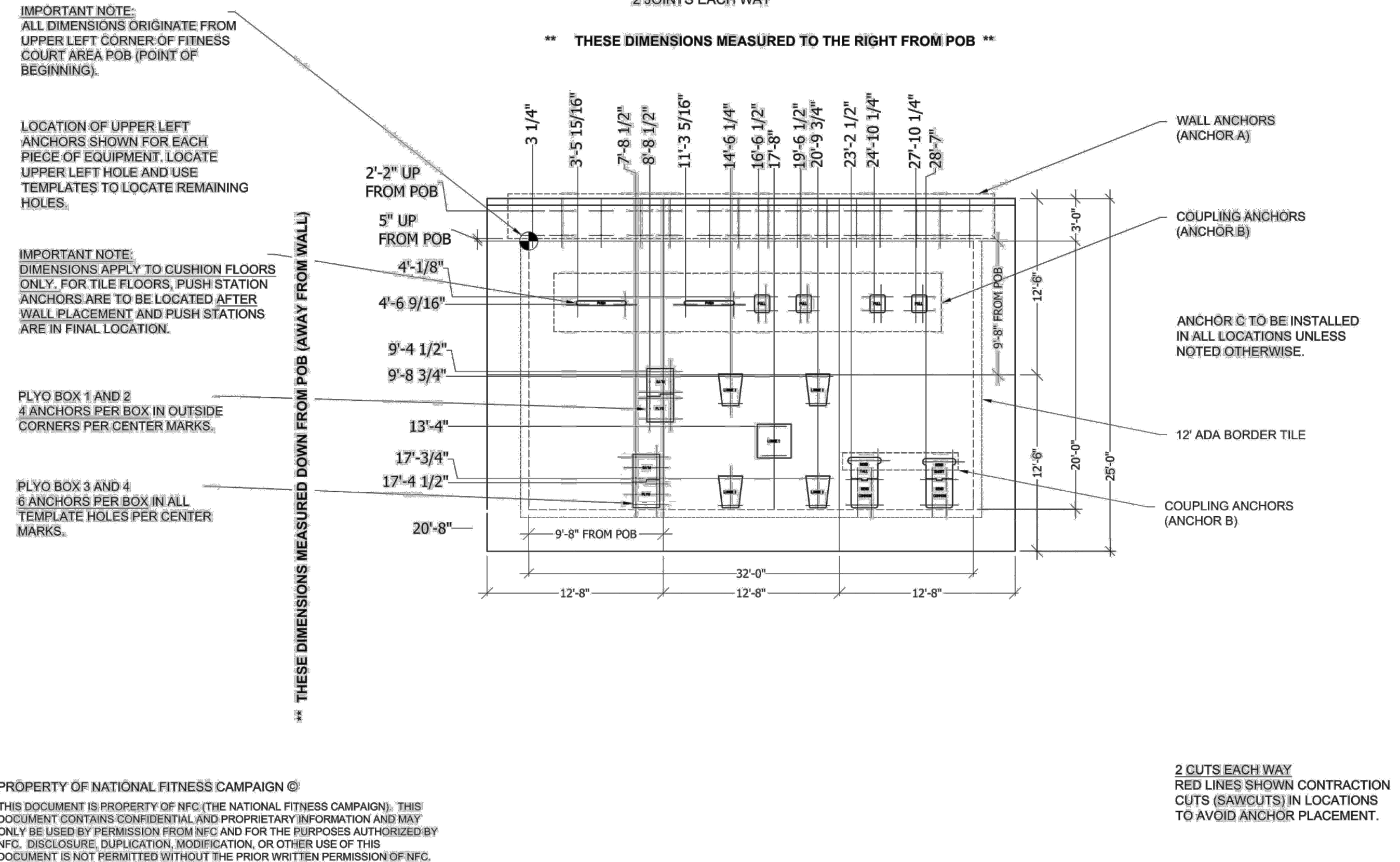
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NATIONAL FITNESS CAMPAIGN
 SAN FRANCISCO, CA
 DATE: 3/15/2021
 BY: MAXIMUS INNOVATIONS
 NAME: TILE SLAB
 REV: 7.1 PAGE 3/6

ANCHOR LOCATIONS

& CONTRACTION JOINT LAYOUT
2 JOINTS EACH WAY

NOTE: ANCHORS INSTALLED BY OTHERS



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NATIONAL FITNESS CAMPAIGN
 SAN FRANCISCO, CA
 DRAWING NAME: FITNESS COURT FOUNDATION FLAT TILE FLOORING
 REV: 01-03
 DATE: 03/2021
 DRAWN BY: TM
 CHECKED BY: GM
 ENGINEER OF RECORD: William Christensen P.E.
 SHEET #: 7 of 8

NO.	BY	DATE	REVISIONS	APPR.	DATE

PREPARED UNDER THE SUPERVISION OF:
 SEAL — ENGINEER
 THIS SHEET PROVIDED FOR REFERENCE
 M.TODD BROUSSARD R.C.E. NO.: C57144 DATE
 CITY OF STANTON — APPROVED:
 CESAR RANGEL, TE, PE PWD/CITY ENGINEER DATE

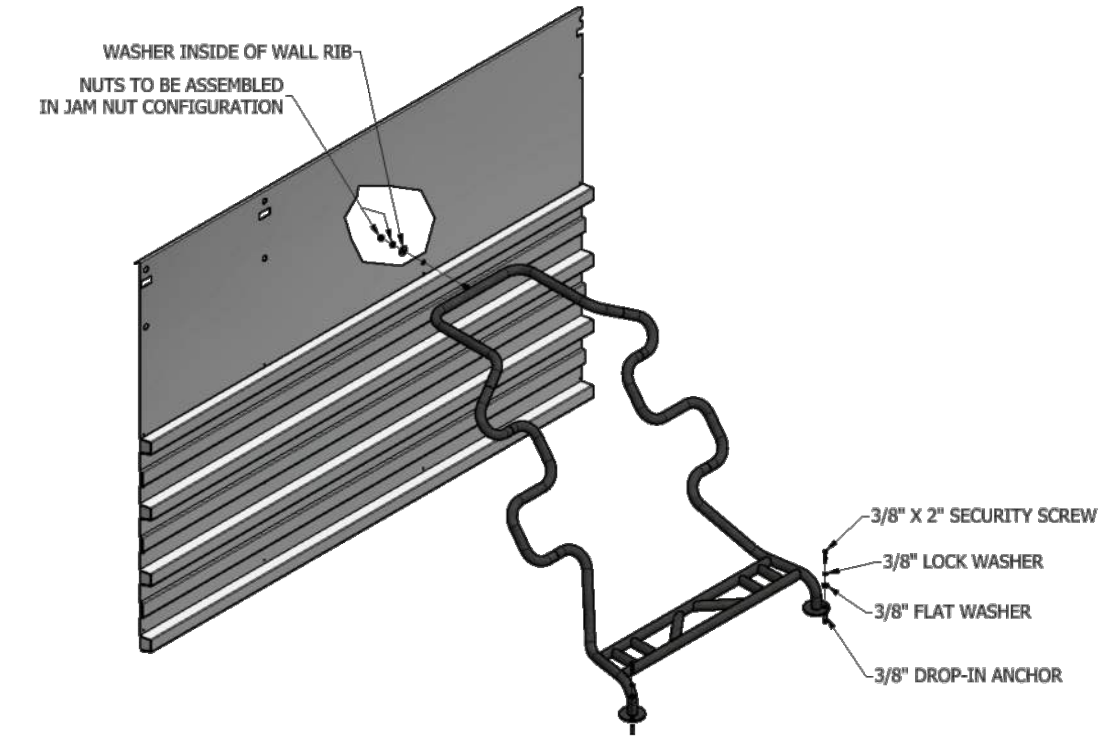
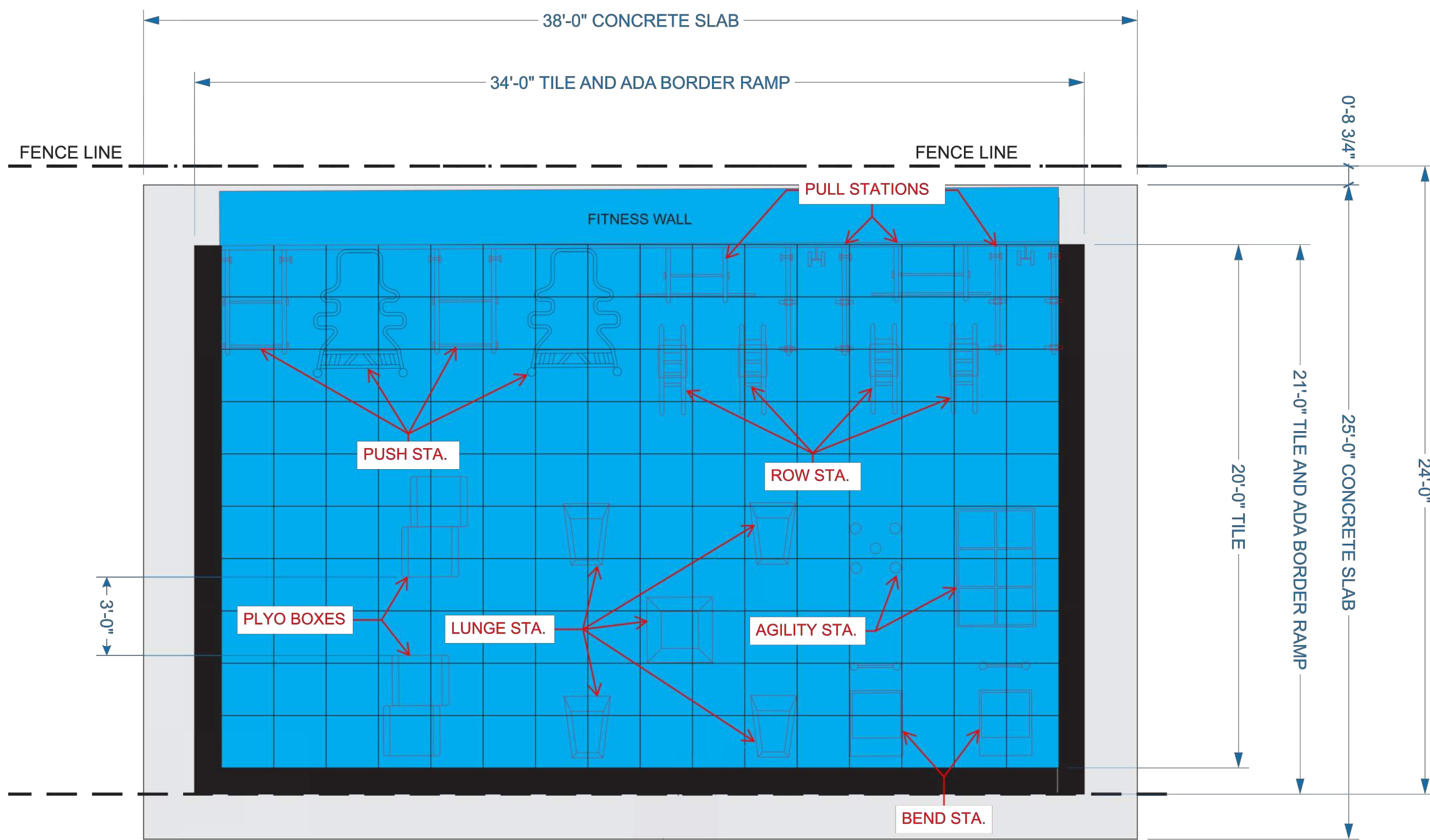
DRAWN: MTB
 DATE: 10/2023
 CHECKED:
 DATE:
 REVISION: --
 DATE: --
 SCALE:
 H: V:

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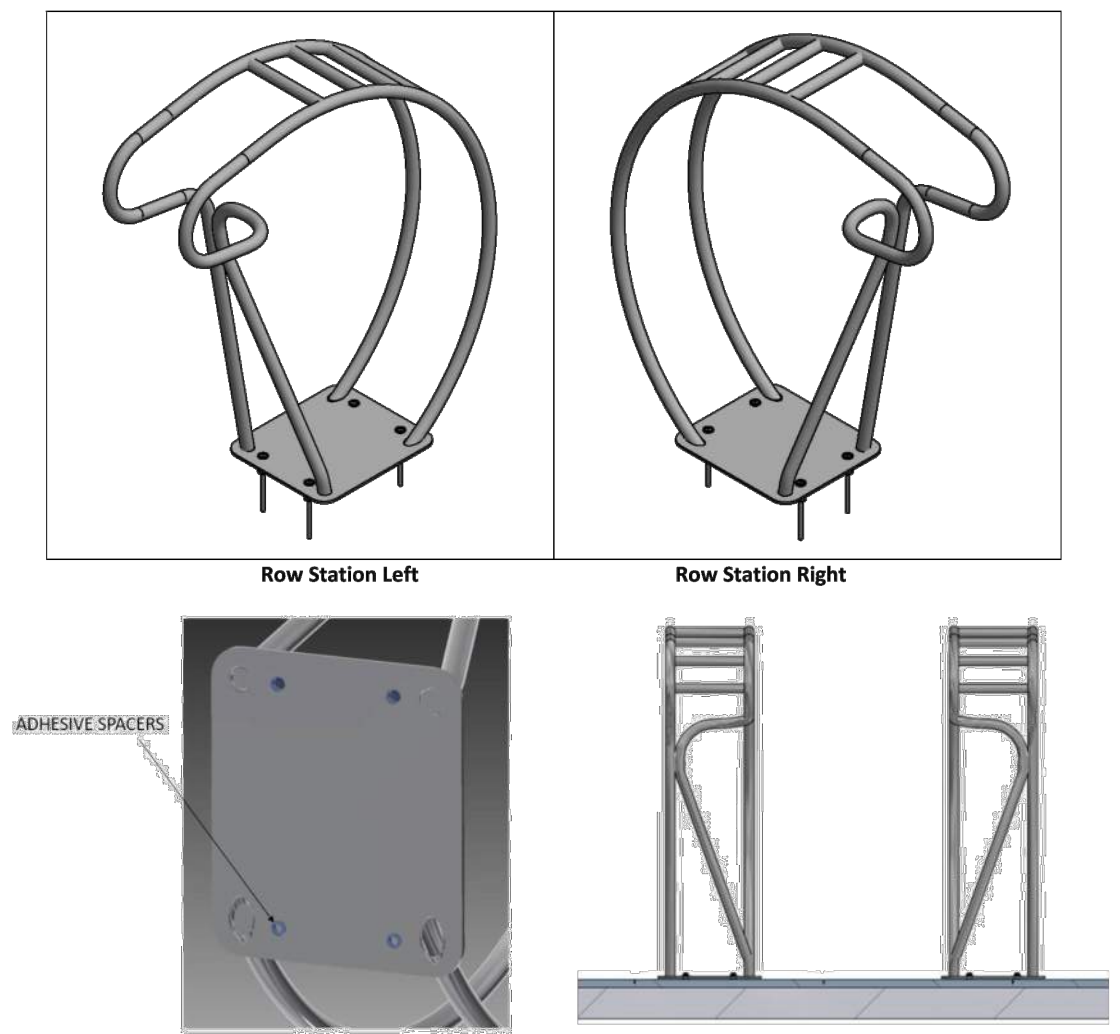
PROPOSED FITNESS COURT
 STANTON PARK
 CITY OF STANTON
 PUBLIC WORKS DEPARTMENT
 DETAIL SHEET
 SHEET NO. 3 OF 5 SHEETS

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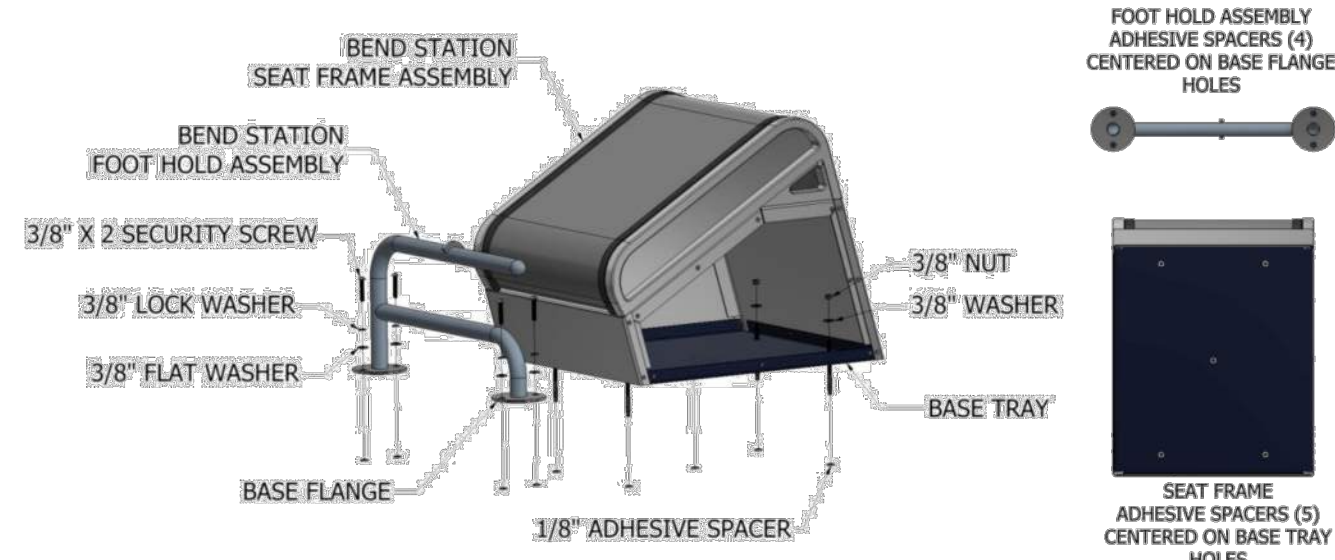
*LAYOUT AS SPECIFIED BY THE NATIONAL FITNESS CAMPAIGN (NFC)



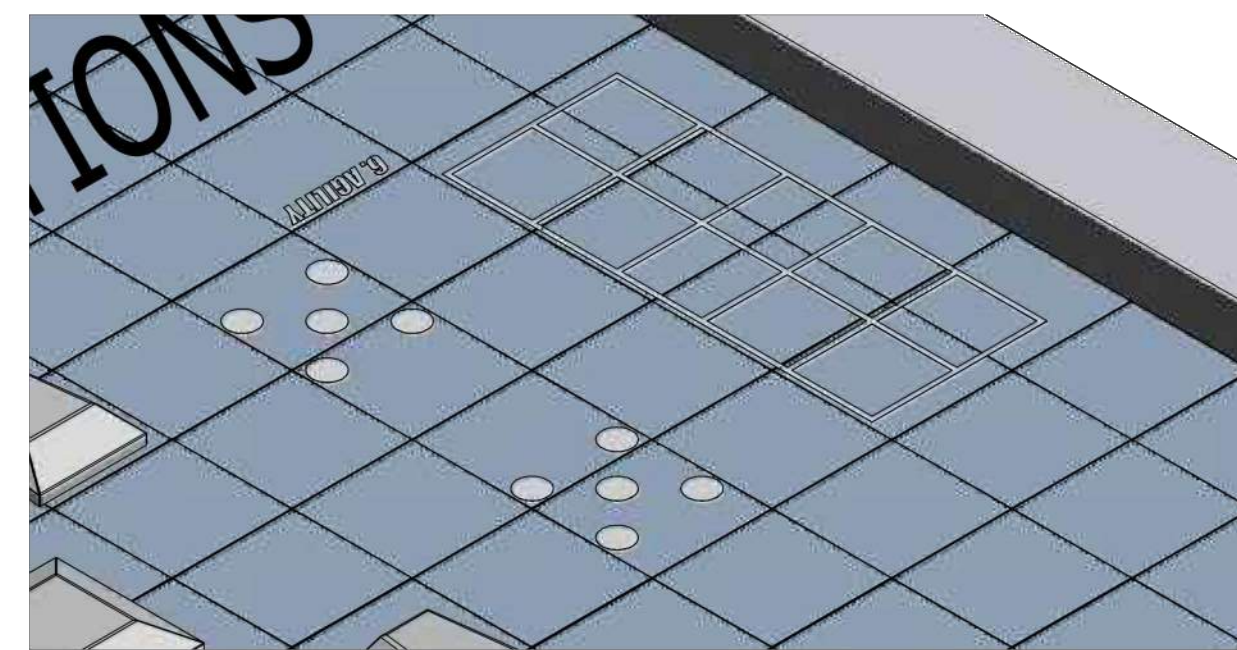
PUSH STATION



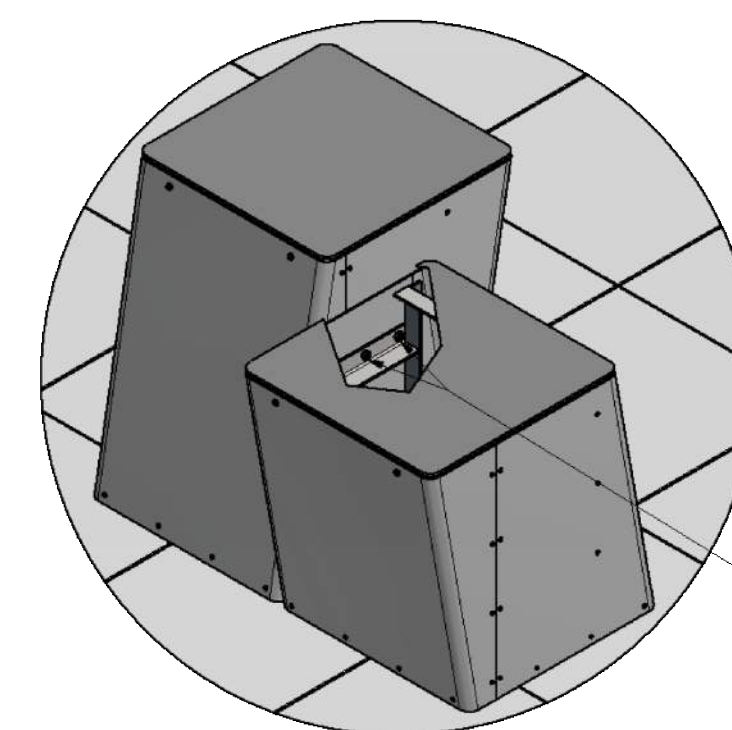
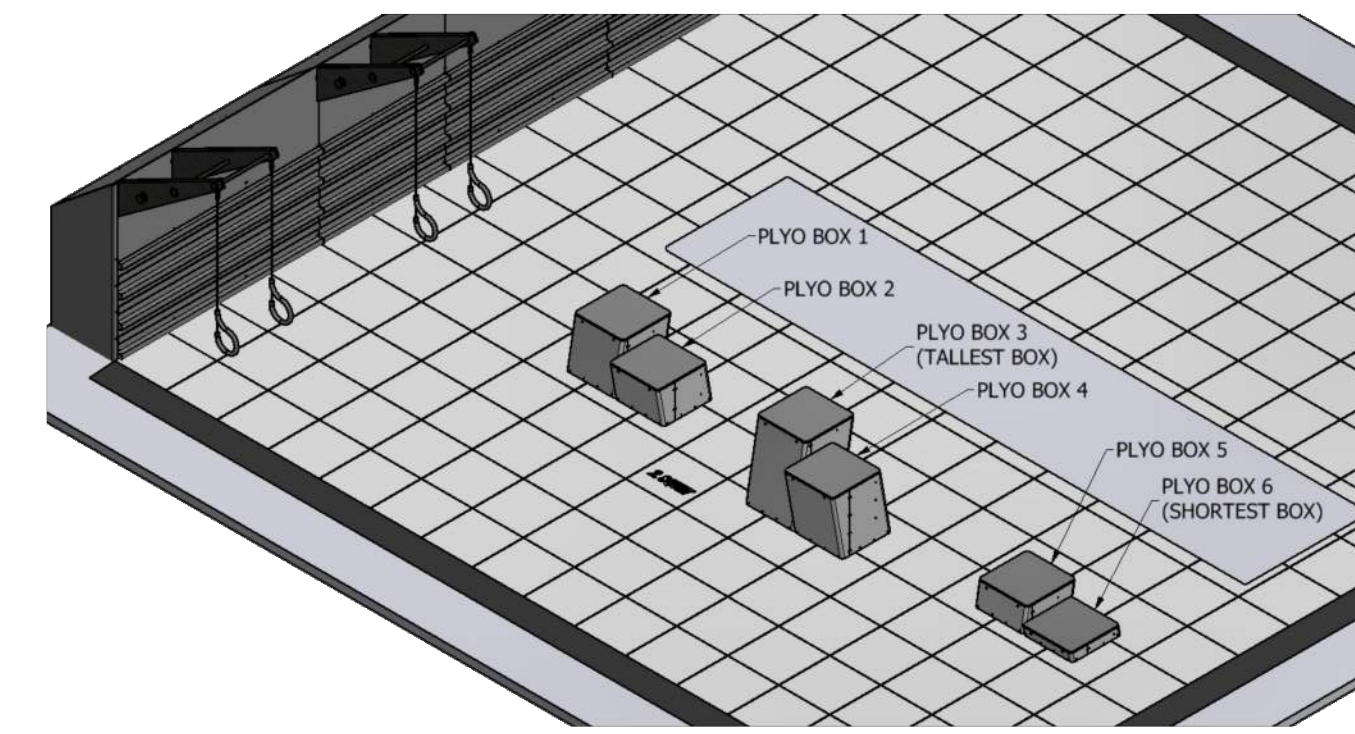
ROW STATION



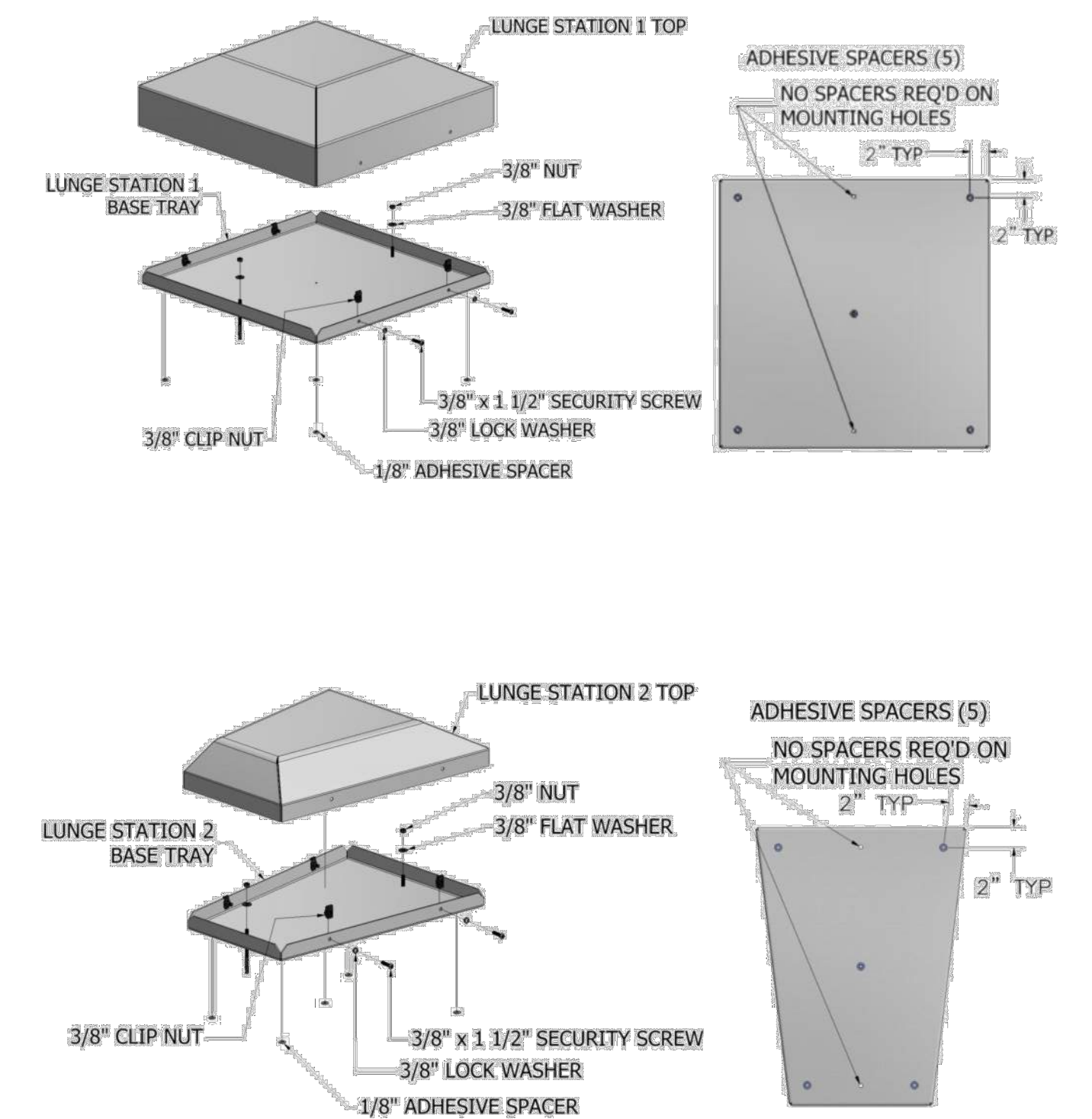
BEND STATION



AGILITY STATION



PLYO BOXES



LUNGE STATION

NO.	BY	DATE	REVISIONS	APPR. DATE	COUNTY

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M.TODD BROUSSARD R.C.E. NO.: C57144 DATE
CITY OF STANTON — APPROVED:
CESAR RANGEL, TE, PE PWD/CITY ENGINEER DATE

DRAWN: MTB
DATE: 10/2023
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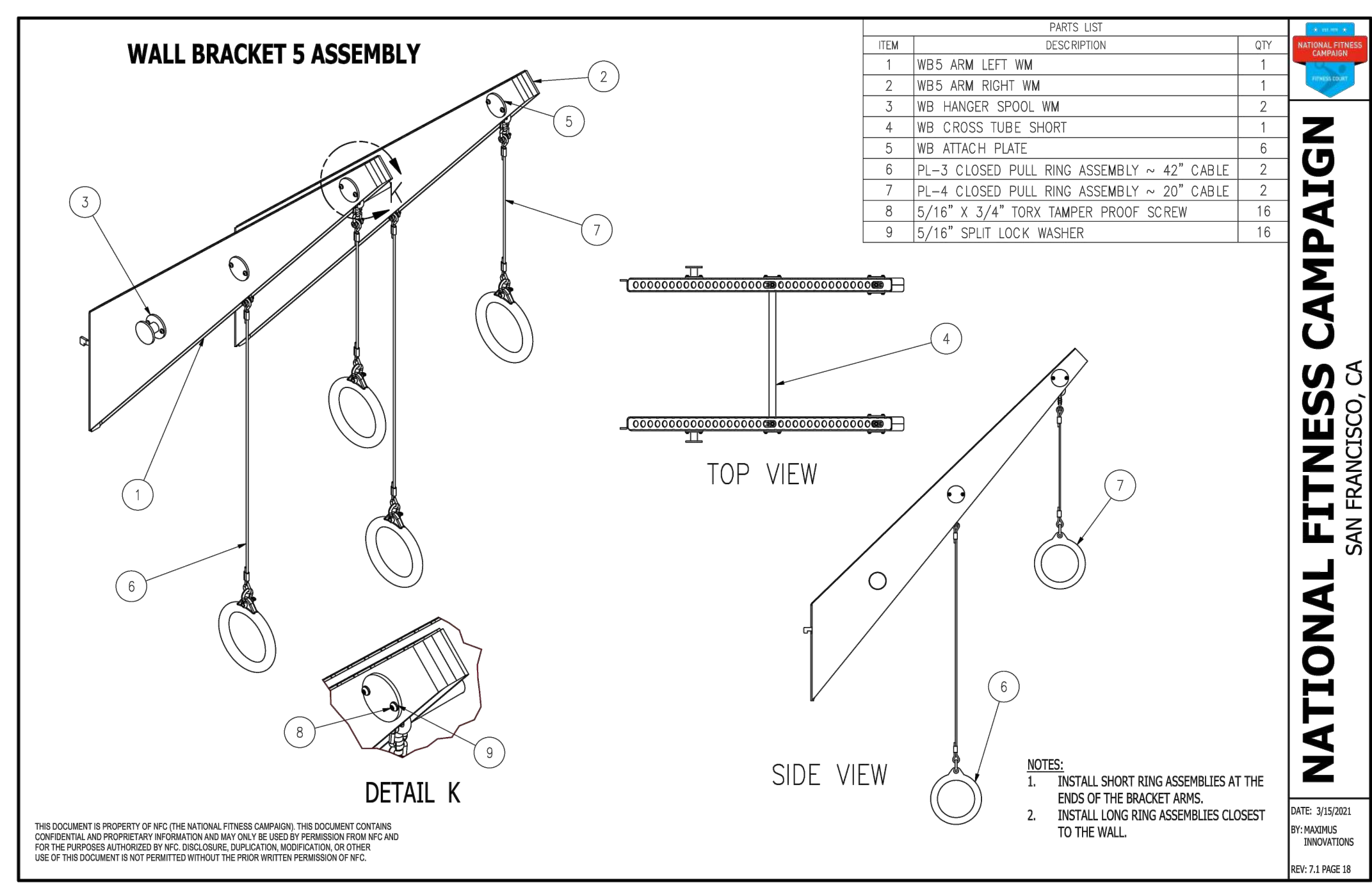
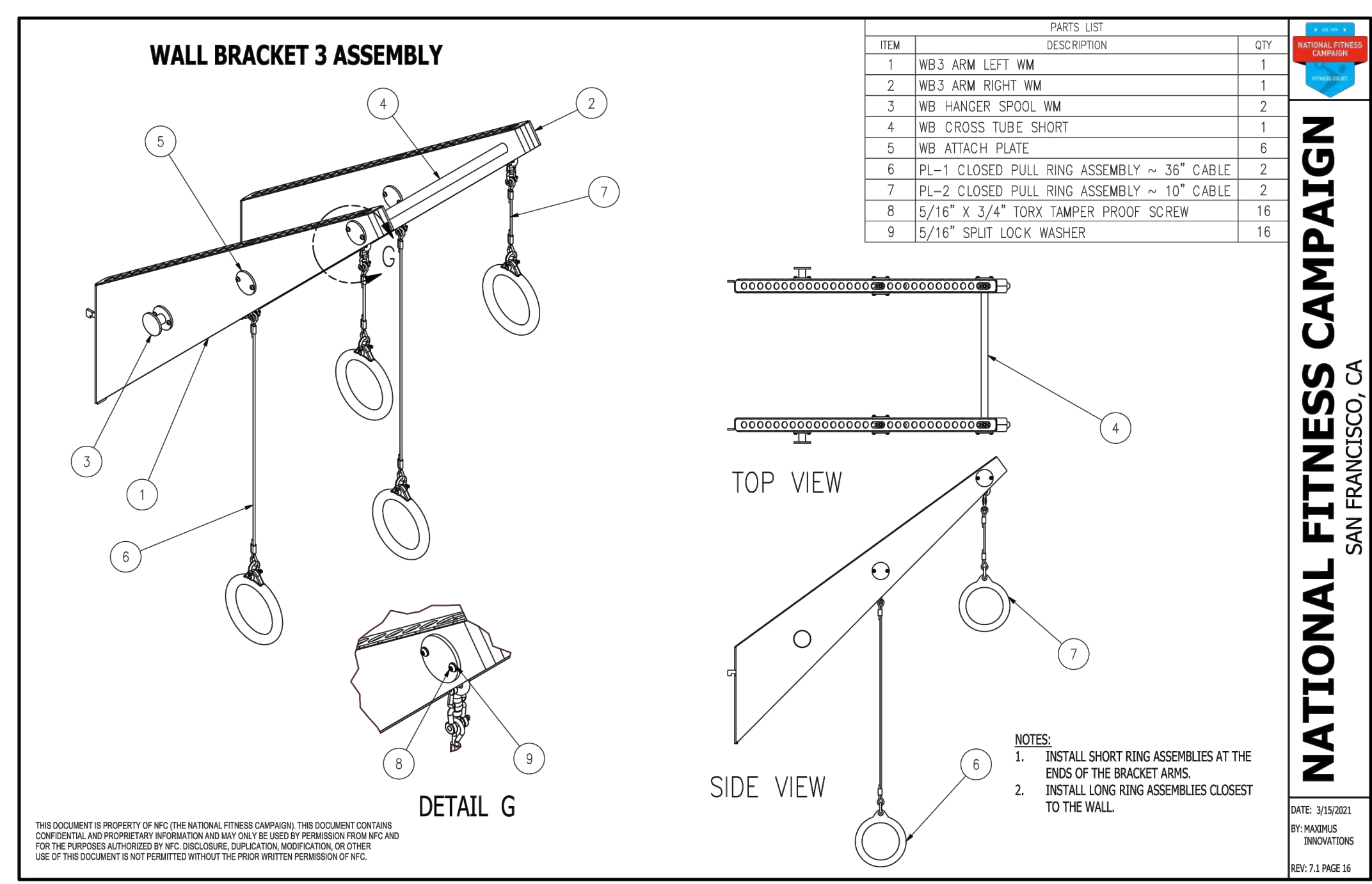
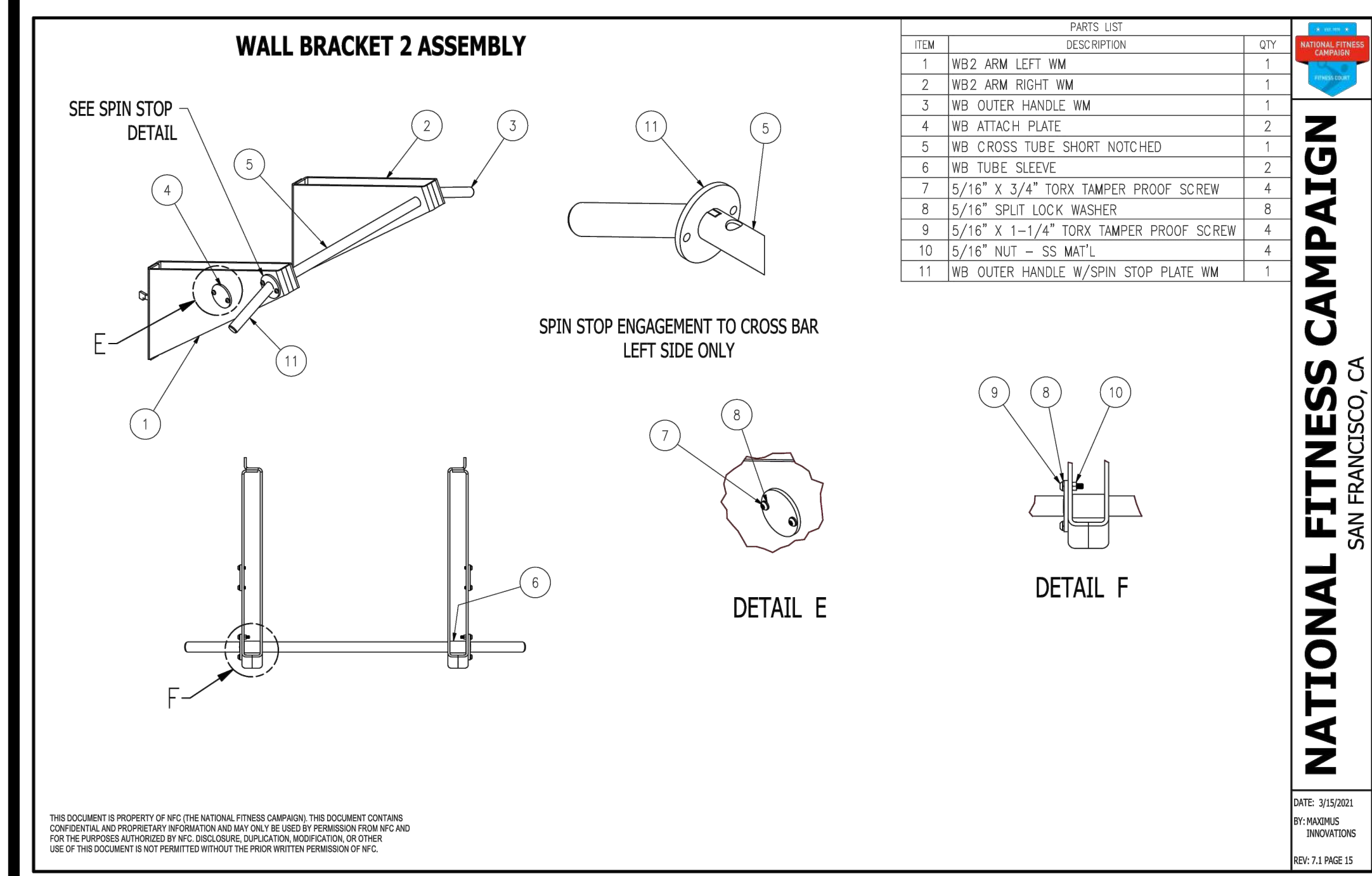
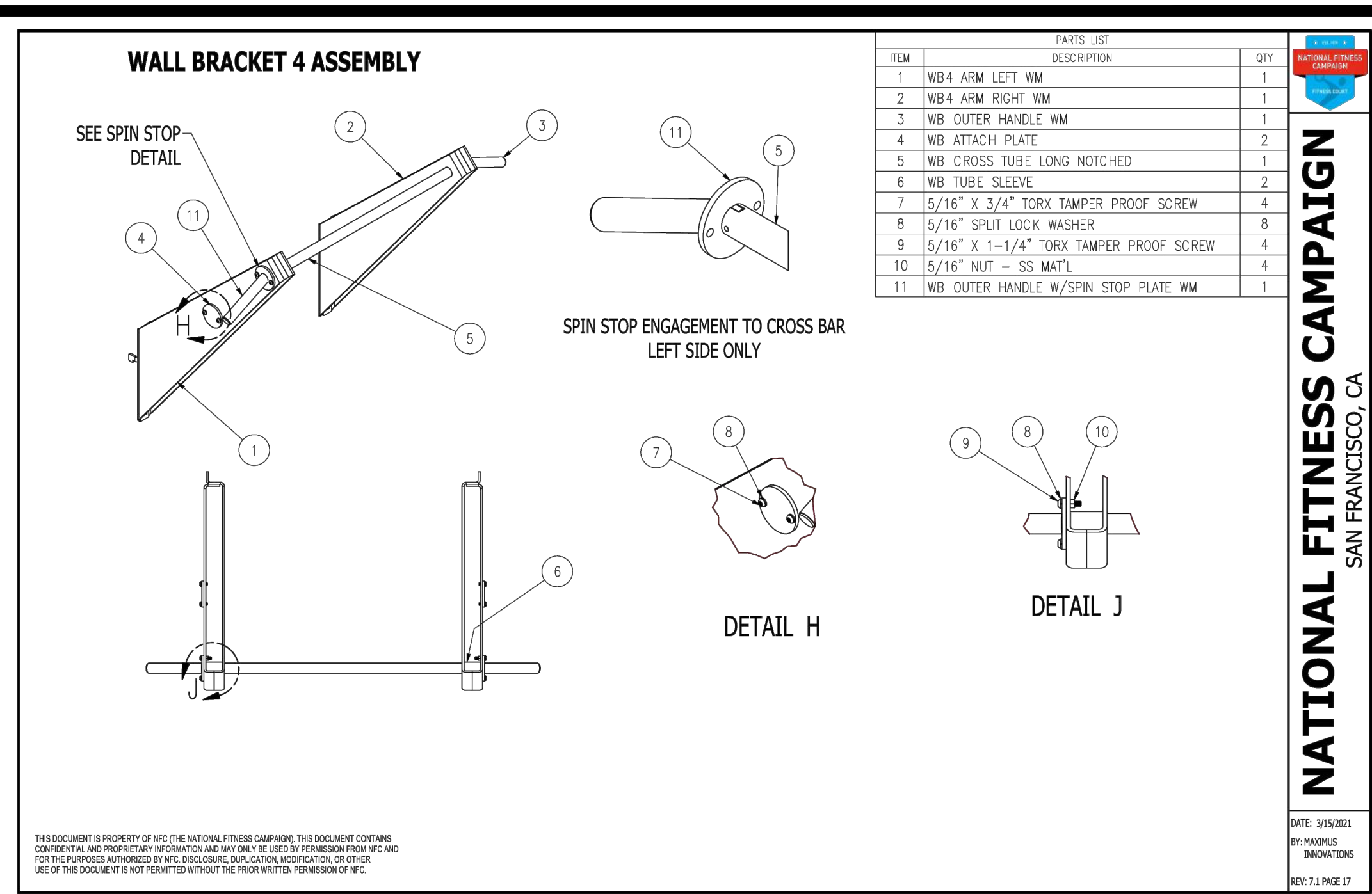
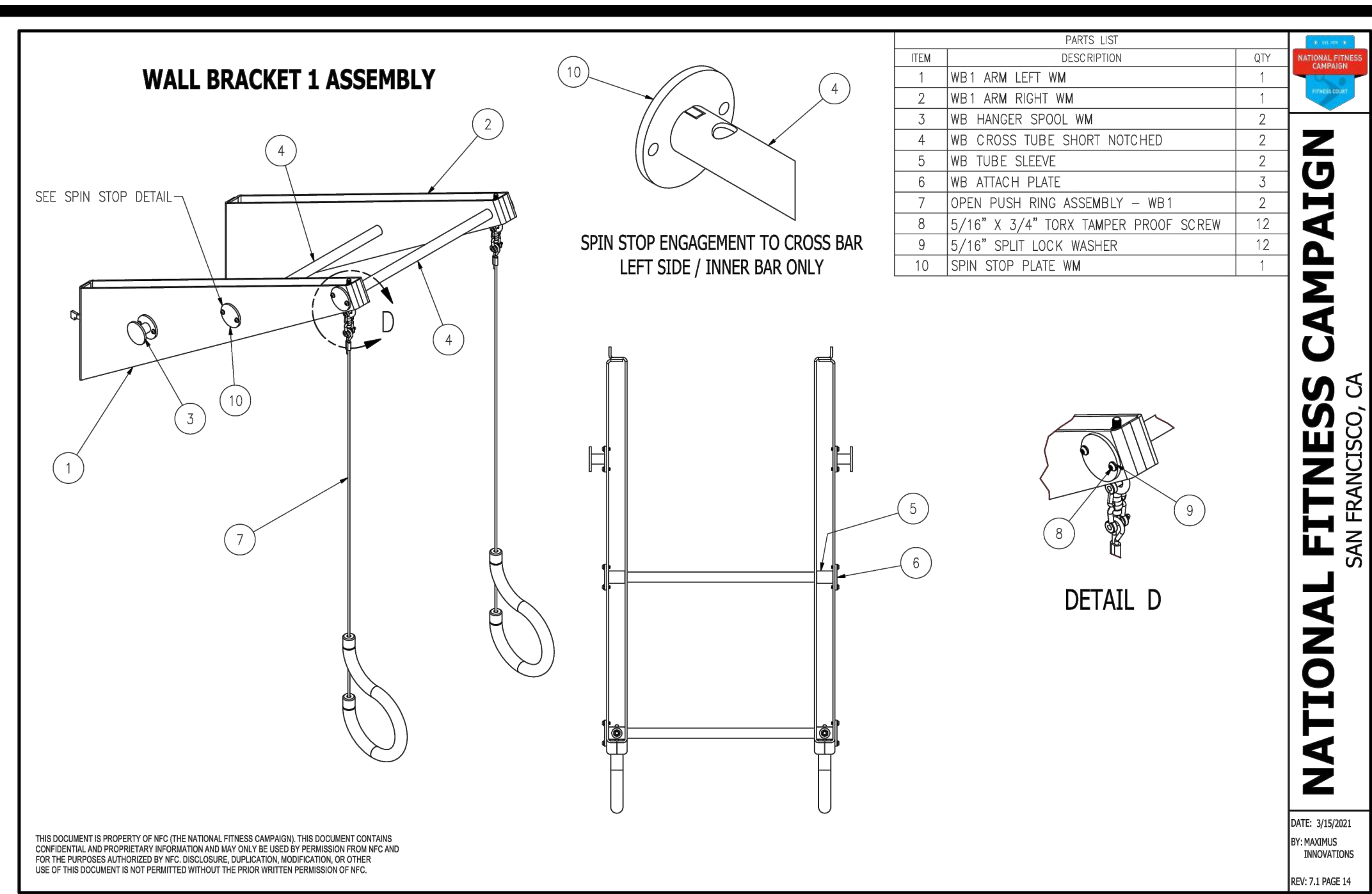
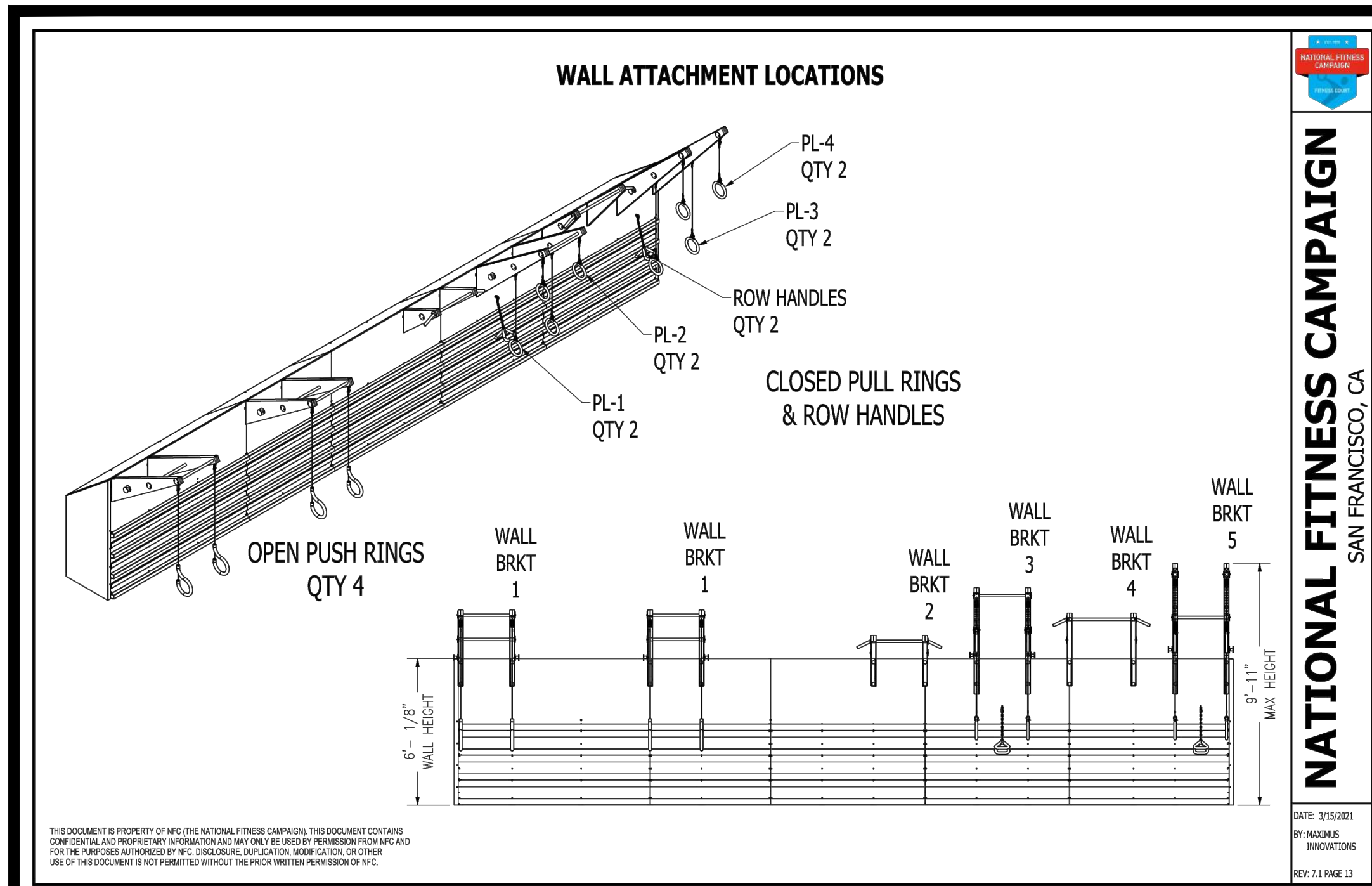
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PROPOSED FITNESS COURT
STANTON PARK
CITY OF STANTON
PUBLIC WORKS DEPARTMENT

DETAIL SHEET

SHEET NO.
4
OF 5 SHEETS

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PREPARED UNDER THE SUPERVISION OF: THIS SHEET PROVIDED FOR REFERENCE M.TODD BROUSSARD R.C.E. NO.: C57144 DATE _____ CITY OF STANTON - APPROVED: _____		SEAL - ENGINEER	DRAWN: MTB DATE: 10/2023 CHECKED: _____ DATE: _____ REVISION: -- DATE: -- SCALE: _____ H: _____ V: _____	<p>701 N. Parkcenter Drive Santa Ana, CA 92705 p: 714/560/8200 f: 714/560/8211 www.tait.com</p> <p>Los Angeles Sacramento San Francisco Dallas Phoenix Ontario San Diego Boise Denver Portland</p>	PROPOSED FITNESS COURT STANTON PARK CITY OF STANTON PUBLIC WORKS DEPARTMENT	SHEET NO. 5 OF 5 SHEETS
NO. BY DATE ENGINEER	REVISIONS	APPR. DATE COUNTY	CESAR RANGEL, TE, PE PWD/CITY ENGINEER DATE _____	DETAIL SHEET		

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EXHIBIT "C"
SPECIAL CONDITIONS

ARTICLE 1. BONDS

Concurrently with this Contract, the Contractor shall deliver to the City four identical counterparts of the Payment Bond on the forms supplied by the City and included as Exhibit "E" to the Contract. The surety supplying the bond must be an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, authorized to do business as such in the State of California and satisfactory to the City. The Payment Bond shall be for one hundred percent (100%) of the Total Contract Price.

EXHIBIT "D"
CERTIFICATION
LABOR CODE - SECTION 1861

I, the undersigned Contractor, am aware of the provisions of Section 3700, et seq., of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work on this Contract.

AGUILAR & CALDERON CORPORATION

By: _____
Signature

Name (Print)

Title (Print)

EXHIBIT "E"
PAYMENT BONDS

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS That

THAT WHEREAS, the City of Stanton (hereinafter referred to as "City") has awarded to _____, (hereinafter referred to as the "Contractor") _____ an agreement for the STANTON FITNESS EQUIPMENT PROJECT (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the City in the penal sum of _____ Dollars (\$ _____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by City in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining

or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or City and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

(Corporate Seal) _____

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____

Attorney-in-Fact

Title _____

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Attorney authorizing the person signing on behalf of the Surety to do so much be attached hereto.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public _____

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document

and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title or Type of Document

- Partner(s) Limited
- General

Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: February 27, 2024

SUBJECT: ACCEPTANCE OF THE 2023 CATCH BASIN SCREEN INSTALLATION PROJECT BY THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA

REPORT IN BRIEF:

The 2023 Catch Basin Screen Installation Project consisting of the installation of new connector pipe screen (CPS-MOD™) and Grated Inlet Trash Screens (GITS™) devices in catch basins is now complete. The final construction cost for the project was \$42,840, coming in under budget below the contract award amount. The City Engineer certifies that the work was satisfactorily completed as of February 5, 2024 and recommends that the City Council accept the completed work performed on this project.

RECOMMENDED ACTION:

1. City Council declare this project categorically exempt under the California Environmental Quality Act, Class 1, and Section 15301(b) as minor alteration of existing public utility; and
2. Accept the completion of improvements for the 2023 Catch Basin Screen Installation Project, as certified by the City Engineer, and affix the date of February 5, 2024 as the date of completion of all work on this project; and
3. Approve the final construction contract amount of \$42,840 with G2 Construction, Inc.; and
4. Direct the City Clerk within ten (10) days from the date of acceptance to file the Notice of Completion (Attachment) with the County Clerk-Recorder of the County of Orange; and
5. Direct City staff, after thirty-five (35) days has elapsed from the filing of the "Notice of Completion" with the County Clerk-Recorder, to make the retention payment to G2 Construction, Inc. in the amount of \$2,142.

BACKGROUND:

In 2022, staff applied for competitive grant funding from the Measure M2 Environmental Cleanup Program administered by the Orange County Transportation Authority (OCTA) for the installation of proprietary G2 Construction, Inc. connector pipes screens and grated inlet trash screens in 31 catch basins to prevent trash from entering local water ways.

On August 8, 2023, Council awarded the construction contract to G2 Construction, Inc.

ANALYSIS/JUSTIFICATION:

G2 Construction, Inc. installed a total of 19 screens for this Project. There was a reduction in scope of work for the following reasons:

- Five (5) catch basins were removed from the scope of work as they were located on private property;
- Six (6) catch basins were removed from the scope of work as additional work would be needed in order to install the screens; and
- One (1) catch basin was deemed un-installable due to existing site conditions.

The 2023 Catch Basin Screen Installation Project has been completed in conformance with the project plans and specifications and has been accepted by the City Engineer. The filing of a Notice of Completion is required by the Agreement for this project and under the California Public Contract Code.

FISCAL IMPACT:

The total amount paid to G2 Construction, Inc. for construction is \$42,840. The total budget for the 2023 Catch Basin Installation Project (Task Code No. 2023-103) is \$70,000, \$56,000 from the OCTA Measure M2 grant and \$14,000 from the City's Gas Tax Fund (#211).

ENVIRONMENTAL IMPACT:

The action requested in this report is categorically exempt under the California Environmental Quality Act, Class 1, Section 15301(b) as minor alteration of existing public utility services.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Notifications and advertisement were performed as prescribed by law.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Obj. No. 3: Provide a quality infrastructure.

Prepared by: Han Sol Yoo, Associate Engineer

Reviewed by: Cesar Rangel P.E., Director of Public Works/City Engineer

Fiscal Impact Reviewed by: Michelle Bannigan, Finance Director

Approved by: Hannah Shin-Heydorn, City Manager

Attachment:

A. Notice of Completion

Recording requested by and
when recorded mail to:

Attachment: A
Click here to return to the agenda.

CITY OF STANTON
7800 KATELLA AVE.
STANTON, CA 90680

(Space above this line for Recorder's use)

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE SECTION 2738

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion.

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is the City of Stanton.
3. The full address of owner is 7800 Katella Avenue, Stanton, CA 90680.
4. The nature of the interest or estate of the owner is: Public Right of Way.
5. A work of improvement on the property hereinafter described was completed on February 5, 2024. The work was the 2023 Catch Basin Screen Installation Project.
6. The name of the contractor for such work of improvement was: G2 Construction, Inc.
7. The property on which said work of improvement was completed is in the City of: Stanton, County of Orange, and State of California.

Dated: _____, City of Stanton
Verification for Individual Owner Cesar Rangel, City Engineer

VERIFICATION

I, the undersigned, say: I am the City Engineer of the City of Stanton, the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, 2024, at Stanton, California.

_____, City of Stanton
Cesar Rangel, City Engineer

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: February 27, 2024

SUBJECT: ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2022-23 AND RELATED AUDIT REPORTS

REPORT IN BRIEF:

Each year the City issues an Annual Comprehensive Financial Report (ACFR), which summarizes the financial activity of a local government for a given fiscal year in accordance with financial statement presentation requirements prescribed by government accounting standards (Attachment A). The ACFR is accompanied by an opinion from the City's audit firm. The audit firm's opinion on the City's 2022-23 ACFR is a clean opinion, with no exceptions, modifications, or qualifications. (The audit firm also issued a separate report for the Housing Authority's 2022-23 audited financial statements. The single audit report on Attachment C was required for the Fiscal Year 2022-23 audit because the City spent more than \$750,000 in federal grant funds. No findings or questioned costs are identified in this report. In addition, the City's auditors issue other reports in relation to the City's audit. These reports are provided in Attachments D and E. (Attachment D, page 6 includes one recommendation from the City's auditors.)

RECOMMENDED ACTIONS:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Annual Comprehensive Financial Report (ACFR), and related audit reports.

ANALYSIS/JUSTIFICATION:

An ACFR is organized into three sections: the introductory section, the financial section, and the statistical section. The introductory section includes a letter of transmittal that provides an overview of the City. The financial section includes the audit opinion, management's discussion and analysis, government-wide financial statements, notes to

the financial statements, and supplementary schedules. Management's discussion and analysis provides narrative information as well as an overview and analysis of the City's financial statements. The statistical section provides operational and demographic statistics and ten years of selected financial data.

Government-wide Financial Statements

The government-wide financial statements that are included in the ACFR provide the reader with an opportunity to ascertain the financial status of all funds and activities of the City in a single consolidated presentation. As of June 30, 2023, the City held \$170.7 million in assets (Attachment A, page 44). Those assets consisted of cash and investments (\$67.8 million), capital assets (\$94.4 million), and receivables and prepaid expenses (\$8.5 million).

The government-wide financial statements also display the obligations of the City that represent claims against those assets. As of June 30, 2023, the City owed \$11.9 million consisting of short-term obligations (\$3.3 million), long-term obligations (\$0.3 million), and the City's unfunded pension liability for employee service rendered to date (\$8.3 million) (Attachment A, page 44).

The government-wide financial statements also report a consolidation of all revenues and expenses of the City. On a consolidated basis, City revenues exceeded expenses by \$7.5 million (Attachment A, page 46).

Fiduciary funds are funds held on behalf of other parties. These funds (North Orange County Public Safety Collaborative Fund and the Successor Agency to the Stanton Redevelopment Agency Fund) are excluded from the government-wide financial statements.

Fund Financial Statements

Local governments typically receive funding from multiple sources, some of which are restricted to specific uses and some of which are unrestricted. As a result, local governments establish separate funds to segregate the resources that are restricted for specific programs and activities. The fund financial statements that are contained in the ACFR display the financial activity of major funds in separate columns so that the reader can ascertain the revenues, expenditures, and remaining unspent fund balance of each of those major funds.

One of the City's major funds is the General Fund. The General Fund is the primary operating fund of the City that pays for much of the City's day to day operating expenditures. The General Fund (Funds 101, 102, and 801) accounts for the unrestricted resources of the City, the spending of which can be directed by City Council toward any lawful public use. (Fund 801, the City's Developer Deposits Fund, is not included in the City's General Fund revenue and an expenditure report is provided to

the City Council monthly. The City's auditors include this fund with the General Fund for ACFR reporting purposes in accordance with government accounting standards.)

As of June 30, 2023, the General Fund's spendable fund balance was \$36.3 million. Of this amount, \$1.3 million was set aside for expenditures that were budgeted in Fiscal Year 2022-23 that were delayed and will be spent in Fiscal Year 2023-24; \$5.0 million was set aside by the City Council on June 13, 2023, to allocate to fund on special projects that were formerly funded by the American Rescue Plan Act (ARPA) funding; \$14.4 million represents reserves set aside by the City Council with the adoption of Resolution No. 2022-24 for certain contingencies such as: economic uncertainty, emergency equipment and maintenance, emergency disaster, and capital improvements. In addition, \$1.8 million was set aside for future appropriations in accordance with the provisions contained in various developer agreements. After accounting for those amounts, there was \$13.8 million in the General Fund's fund balance available for appropriation (Attachment A, page 105).

Housing Authority Audited Financial Statements (Attachment B)

This report is a clean report with no findings identified. Staff transmitted this report to the City Council via email on December 22, 2023, in compliance with Senate Bill 341. The Housing Authority's audited financial statements report that the Housing Authority's net position (the amount that assets exceed liabilities) was \$31.3 million as of June 30, 2023 (Attachment B, page 16). Most of the Housing Authority's assets are in the form of cash and investments (\$9.9 million) and capital assets (consisting of land and buildings and improvements) associated with the Tina-Pacific properties (\$20.6 million). In Fiscal Year 2022-23, the Housing Authority's expenses exceeded revenues by \$3.1 million (Attachment B, page 17), primarily due to a \$2.5 million affordable housing grant provided to JHC-Beach3LLC ("JHC"), and the demolition of the building located at 8861 Pacific Avenue.

Single Audit Report (Attachment C)

This report is a clean report with no findings identified. The Single Audit Act and Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, requires entities that expend equal to or more than \$750,000 in federal expenditures in a fiscal year to have an audit performed in accordance with the Single Audit Act. During the fiscal year ended June 30, 2023, the City spent \$9.6 million in federal expenditures (Attachment C, page 8). The two federal grant programs that were audited as "major programs" for the City's single audit were the Coronavirus State and Local Recovery Funds program (issued under the American Rescue Plan Act of 2021) and the Edward Byrne Memorial Justice Assistance Grant program.

Other Related Audit Reports

In addition to the audit firm's opinion on the fair presentation of the City's financial statements, audit firms are required to provide certain related audit communications whenever they perform an audit of local government financial statements. Those related audit communications are included as Attachments D and E to this agenda report. The content of these required audit communications is described below:

- Report on Those Charged With Governance (Attachment D) – This report communicates the inherent limitations of the audit process, assumptions that underlie the financial reporting process for all local governments and identifies any material misstatements or difficulties that were detected in the performance of the audit. For Fiscal Year 2022-23, this report is a clean report with no such matters noted. However, this report includes one recommendation involving compliance with the City's investment policy (Attachment D, page 6). The City's investment policy specifies a performance metric to use in the evaluation of the investment advisor's performance. In practice, the City's contract with Chandler Asset Management specifies a different performance metric. Staff plans to update the City's investment policy to reflect the current procedures that are being followed when the policy is reviewed in June.
- Article XIII B Limit on Appropriations (Gann Limit) (Attachment E) – This report communicates the audit firm's testing of the City's computation of the statutory appropriation limit (Gann Limit). No findings are identified in this report.

FISCAL IMPACT:

Not applicable.

ENVIRONMENTAL IMPACT:

This action is not a project per the California Environmental Quality Act.

LEGAL REVIEW:

Not applicable.

PUBLIC NOTIFICATION:

Through the regular agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Obj. No. 4: Ensure fiscal stability and efficiency in governance.

Prepared by: Michelle Bannigan, Finance Director

Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

- A. Annual Comprehensive Financial Report
- B. Housing Authority Financial Statements
- C. Single Audit Report
- D. Report on Communication With Those Charged with Governance
- E. Article XIIIB Limit on Appropriations (Gann Limit)

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

CITY OF STANTON, CALIFORNIA



CITY OF STANTON, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL STATEMENT REPORT
YEAR ENDED JUNE 30, 2023

Prepared by
Finance Department

CITY OF STANTON, CALIFORNIA
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INTRODUCTORY SECTION

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February 15, 2024

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

It is a pleasure to present the Fiscal Year 2022-23 Annual Comprehensive Financial Report (ACFR) for the City of Stanton. These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. Responsibility for the accuracy of the data, the completeness and reliability of the presentation, including all disclosures, rests with City management.

To provide sufficient reliable information for the preparation of the City's financial statements, City staff has established a comprehensive internal control framework designed to minimize the risk of error or misstatement and the risk of loss, theft, or misuse of City assets. Because the cost of internal controls should not exceed their benefits, the City's internal controls have been designed to provide reasonable, rather than an absolute, assurance that the financial statements will be free from material misstatement.

The City's financial statements have been audited by Gruber and Lopez, Inc., certified public accountants. The independent audit firm concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion ("clean opinion") on the City's financial statements for the fiscal year ended June 30, 2023. This means, in the auditors' opinion, the City's financial statements fairly present the City's financial position in accordance with generally accepted accounting principles.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides narrative information, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Stanton

Stanton is a general law City incorporated in 1956. It occupies a land area of 3.1 square miles and serves a population of approximately 39,084. The City is located in the northwestern portion of Orange County, approximately 23 miles southeast of the City of Los Angeles. It has easy freeway access and is within 12 miles of: Disneyland, Anaheim Stadium, Knotts Berry Farm, Huntington Beach and the John Wayne and Long Beach airports. State Highway 39, Beach Boulevard, runs through the center of the City.



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Stanton, CA 90680



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stanton@stantonca.gov
www.stantonca.gov

The City is governed under the Council-Manager form of government, with a five-member City Council. The City Council is elected on a non-partisan basis with staggered four-year terms. Elections are held in November on even-numbered years. The Mayor is elected at-large, and the four City Council members are elected by voters in their districts. The Mayor Pro Tem position is selected annually by a majority vote of the City Council members. The City Council appoints the City Manager to carry out the policies and direction of the City Council, oversee the day-to-day operations of the City, and appoint the heads of the various City departments.

The City provides a range of municipal services that includes public works, planning, zoning, building, sewer services, parks and recreation, code enforcement, and parking control. Stanton is a “contract city”, and contracts with other governmental entities, private firms, and individuals to provide some of these services. Police services are provided by the Orange County Sheriff’s Department. Fire services are provided by the Orange County Fire Authority. Water services are provided by Golden State Water Company.

The City is financially accountable for the Stanton Housing Authority (Housing Authority). Therefore, the Housing Authority’s activities are included in these financial statements. Additional information on the Housing Authority can be found in Note 1 to the basic financial statements. The former Stanton Redevelopment Agency (Redevelopment Agency) was dissolved on February 1, 2012. Upon the dissolution of the Redevelopment Agency, its assets and liabilities were transferred to the Successor Agency to the Stanton Redevelopment Agency (Successor Agency). The City is obligated to report the resources and activities of the Successor Agency in a separate private purpose trust fund, which is also included in these financial statements. All uses of the resources of the Successor Agency must be approved by an independent Oversight Board comprised of members appointed by various taxing entities, and the California Department of Finance (“DOF”). Additional information for the Successor Agency can be found in Note 14 to the basic financial statements.

The City uses an annual budget, which the City Council adopts prior to the beginning of every fiscal year, to manage its finances. The budget is organized by fund (e.g., General Fund), department (e.g., public safety), and division (e.g., law enforcement services). The City Manager can authorize appropriation transfers in the operating and capital budget within the same fund without limitation. Any revisions between funds and revisions that change a fund’s total approved appropriations must be approved by the City Council. The Successor Agency does not adopt a budget because its expenses are restricted to enforceable obligations approved by the DOF. Payments associated with these enforceable obligations are approved annually by the DOF through the submission of a Recognized Obligation Payment Schedule (ROPS), unless DOF has approved a Last and Final ROPS. The DOF approved the Successor Agency’s most recent Amended Last and Final ROPS on December 17, 2020. Therefore, the Successor Agency’s annual expenses are limited to the amounts identified on the Amended Last and Final ROPS.

State law mandates that Stanton can only raise local tax rates with voter approval. Use and regulatory fees must also follow procedures set forth in State law and must not exceed the estimated reasonable cost of providing services. Fees require approval by the City Council; and fees in excess of reasonable cost require voter approval.

Local Economy

Over the last ten years, property values and personal income levels within the City have steadily increased in order to support the level of municipal services and facilities that are needed by the community. The

assessed valuation of property in the City has grown 73.0% since fiscal year 2013-14 (ten years ago). The City's assessed valuation has been consistently increasing at an average rate of 6.4% annually over the last ten years. In fiscal year 2022-23, the City's assessed valuation increased 5.9%, and in fiscal year 2023-24, it increased 7.2%.

Stanton is home to approximately 3,000 businesses. Major industries include restaurants, and general retail businesses. Stanton's unemployment rate has traditionally been below State and national levels. The three largest employers in the City are: Rowntree Gardens, Home Depot, and Super King Market. The City's largest employer with 314 employees, Rowntree Gardens, is a non-profit senior living community that provides a full range of services to its members, such as: memory care, assisted living, independent living, skilled nursing, therapy services, and home care. The Home Depot, the City's second largest employer with 161 employees, is the world's largest home improvement retailer with nearly 400,000 associates working in its more than 2,200 stores located through the United States of America and Mexico. Super King Market, the City's third largest employer with approximately 150 employees, is a full-service supermarket with seven stores located throughout Southern California.

The City's diverse sales tax base is comprised of a number of companies. The City's Top 100 sales tax producers include various industries such as: gasoline service stations, restaurants, and general retail businesses. These top sales tax producers generate approximately 85.3% of the City's total annual sales tax revenue. Additionally, in November 2014, the City's voters approved a one-cent transaction and use tax (the Stanton 9-1-1 Public Safety and Essential City Services Protective Measure). The City's Top 100 tax producers also generate approximately 66.9% of the City's total annual transaction and use tax revenue.

The City's tax base is well diversified, with total tax revenue representing 81.5% of the City's total General Fund revenues. Property tax revenue (which includes property tax received in-lieu of motor vehicle fees) represents 34.6% of total tax revenues. Sales tax and transaction and use tax revenues represent 47.4% of total tax revenues. The remainder of the tax base (franchise taxes, transient occupancy taxes, utility user taxes, business license taxes, cannabis taxes) contributes another 18.0% of tax revenues to the General Fund. Total tax revenue increased 8.1% from fiscal year 2021-22.

Other Relevant Financial Information

The City Council initially established a General Fund reserve policy in 2011 and has updated the policy annually since that time. On June 14, 2022, the City Council adopted Resolution No. 2022-34 to approve the City's reserve policy for Fiscal Year 2022-23. The risk-based policy sets aside the following funds in the City's General Fund to ensure the City's continued financial stability:

- Economic uncertainty – \$6,100,000 (target level is 20% of the General Fund's operating expenditures);
- Capital improvement – \$5,000,000;
- Emergency disaster contingency - \$3,000,000 (target level is 10% of the General Fund's operating expenditures);
- Emergency equipment and maintenance - \$150,000; and,

- Technology equipment - \$150,000.

With the exception of the economic uncertainty reserve (which is included in unassigned fund balance in accordance with governmental accounting standards), these reserves are reported in the General Fund's committed fund balance in the accompanying financial statements.

City Resolution No. 2022-34 also established the following reserves in other City Funds:

- Capital Improvement reserve set aside in the Sewer Enterprise Fund - \$1,000,000;
- Vehicle Replacement reserve set aside in the Fleet Maintenance Internal Service Fund - \$100,000; and,
- Pension and Other Post Employment Benefits Stabilization reserve set aside in the Employee Benefits Internal Service Fund with a target level of 50% of the City's unfunded actuarial liability.

As of June 30, 2023, the City held \$4.3 million in an irrevocable trust account held by Public Agency Retirement Services. These funds are restricted for pension and other post-employment benefit (OPEB) expenses only and are included with unrestricted net position in the Employee Benefits Internal Service Fund (to offset pension and other post-employment liabilities reported at year end). The amount held in the trust was 60.6% of the City's unfunded actuarial liability balance for its pension plans as of the June 30, 2022 GASB 68 Accounting Report issued by the California Public Employees' Retirement System (CalPERS). As of June 30, 2023, the City's outstanding liability for its other post-employment benefits was \$153,787, as estimated by the City's consultant, Total Compensation Systems, Inc.

Summary of Current Year Accomplishments

Major projects completed during fiscal year 2022-23 include:

- Expended the remainder of the City's \$9.1 million in America Rescue Plan Act (ARPA) funds on public safety costs;
- Completed \$2.5 million funding commitment for the State's Homekey permanent supportive housing program (for the Riviera Motel);
- Implemented the Homelessness and Public Safety Pilot Program;
- Completed construction of the Fiscal Year 2021-22 Annual Street Rehabilitation Project;
- Implemented the cloud based Laserfiche Enterprise Content Management System;
- Completed the Local Hazard Mitigation Plan;
- Implemented a new, more secure, Citywide phone system;
- Implemented CivicRec, a new recreation software program;

- Completed compensation study;
- Completed update of City's purchasing ordinance; and,
- Completed transition of the City's investment portfolio management services to a third party.

Future Work Plan Initiatives

City work plan goals for fiscal year 2023-24 include the following:

- Complete construction of Family Resource Center Improvements Project (Phases I and II) (funded by Community Development Block Grant funds and ARPA Grant Funds from the County of Orange) and
- Complete Family Resource Center Improvements Project (Phase II) (partially funded by ARPA grant funds from the County of Orange);
- Complete update of cannabis ordinance;
- Complete the update of the Sewer Master Plan;
- Complete 2020 Town Center Specific Plan;
- Complete the Stanton Community Center Improvement Project funded by Community Development Block Grant-Coronavirus Aid, Relief, and Economic Security (CARES) (CDBG-CV3) grant from the County of Orange;
- Complete City Rebranding project;
- Complete Parks Master Plan;
- Conduct competitive bidding processes for contracted information technology support services and managed copier machine and printer services;
- Complete work on City-wide user fee study;
- Complete an in-depth review of the City's records retention policy;
- Continue to assist cannabis businesses through permitting and construction process;
- Continue to enforce City's anti-camping regulations; and,
- Continue work on sale of Tina Pacific Neighborhood.

Acknowledgements

We would like to thank the members of the City Council for their leadership and the City's Senior Staff for their commitment to maintaining the highest standards of professionalism in managing the City's operations and finances. Also, the preparation of this report would not have been possible without the dedicated services of the entire staff of the City's Finance Department, as well as the City's independent auditors, Gruber and Lopez, Inc.

Respectfully submitted,



Hannah Shin-Heydorn
City Manager



Michelle Bannigan, CPA
Finance Director/City Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Stanton
California**

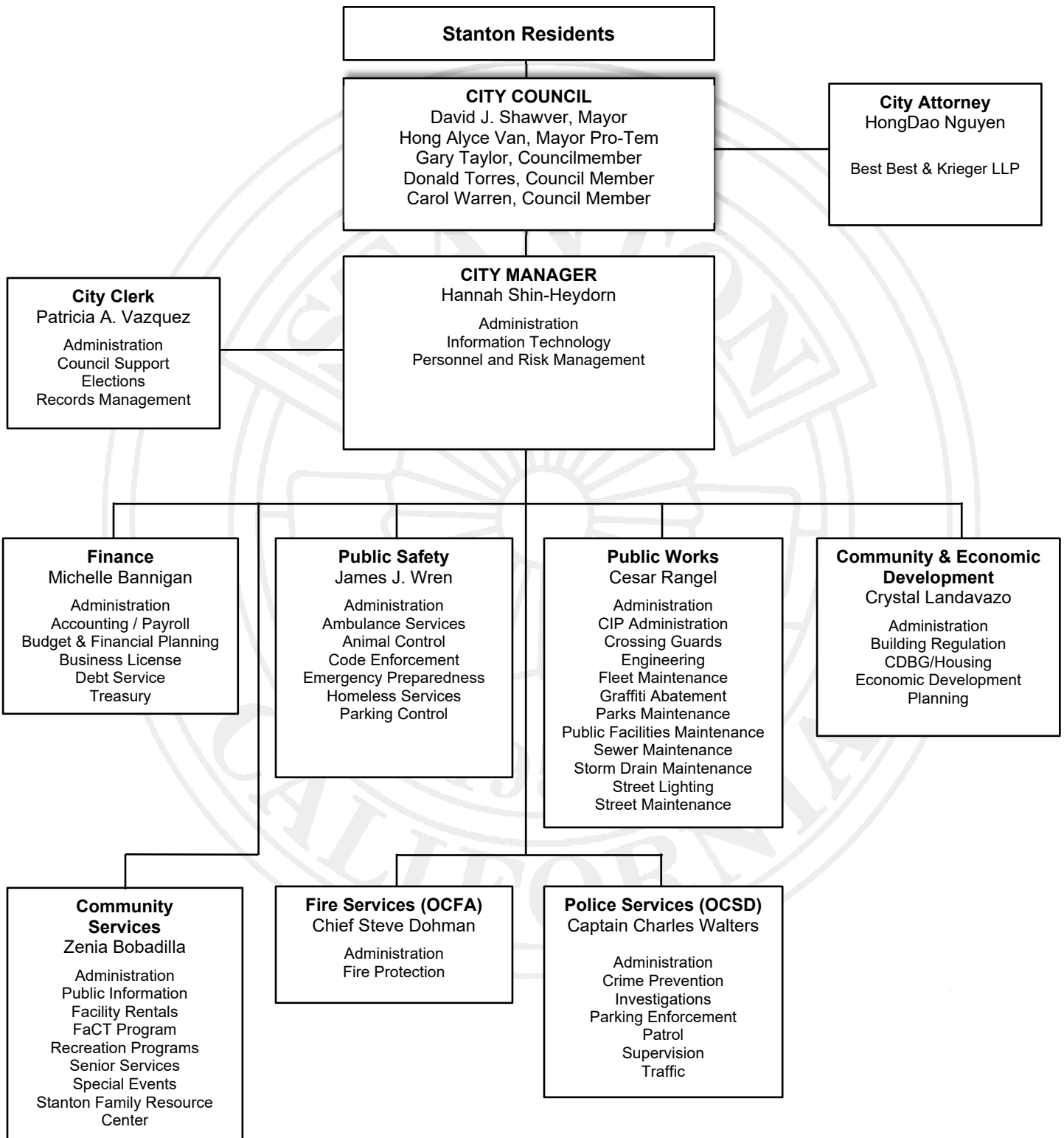
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF STANTON
Organizational Structure
as of June 30, 2023



CITY OF STANTON, CALIFORNIA
LIST OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2023

City Manager.....	Hannah Shin-Heydorn
City Clerk.....	Patricia A. Vazquez
Community & Economic Development Director.....	Crystal Landavazo
Community Services Director.....	Zenia Bobadilla
Finance Director/City Treasurer	Michelle Bannigan
Public Safety Services Director	James J. Wren
Public Works Director/City Engineer	Cesar Rangel
City Attorney (Best, Best & Krieger LLP).....	HongDao Nguyen
Chief of Police Services (O.C. Sheriff Department).....	Captain Charles Walters
Orange County Fire Authority Division Chief.....	Steve Dohman

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FINANCIAL SECTION

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The Honorable Mayor and
Members of the City Council
of the City of Stanton, California
Stanton, California

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Stanton, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Stanton, California's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City of Stanton, California, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 91 and 96. Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Stanton, California, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Stanton, California's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The Honorable Mayor and
Members of the City Council
of the City of Stanton, California

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Stanton, California's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Stanton, California's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of proportionate share of the net pension liability and the schedules of contributions for the CalPERS miscellaneous and safety pension plans, the schedule of changes in the net other postemployment benefit (OPEB) liability (asset) and related ratios, and the budgetary comparison schedules for the General Fund and Major Special Revenue Funds, identified as Required Supplementary Information (RSI) in the accompanying table of contents, 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 RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Stanton's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Mayor and
Members of the City Council
of the City of Stanton, California

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2024, on our consideration of the City of Stanton'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 of Stanton'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 of Stanton's internal control over financial reporting and compliance.

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, California
February 14, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Stanton (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. Please read it in conjunction with the accompanying transmittal letter at the front of this report, and the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources on June 30, 2023, by \$162.7 million. This amount is referred to as the net position of the City. Of this amount, \$46.6 million is unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.
- During fiscal year 2022-23, the City's overall net position increased by \$7.3 million, net of a prior period adjustment reducing net position by \$208,073; primarily due to the increased net pension liability as of June 30, 2023.
- The City's total long-term liabilities, which includes net pension liability, increased by \$6.5 million, or 288.3% during the fiscal year ended June 30, 2023, to a total outstanding amount of \$8.8 million, primarily due to a \$6.4 million increase in the City's net pension liability resulting from a negative 6.1% net investment return on pension plan assets during fiscal year 2021-22.
- As of June 30, 2023, the City's governmental funds (the General Fund, Special Revenue, and Capital Projects funds) reported combined ending fund balances of \$59.8 million. Governmental fund revenues and other financing sources exceeded revenues and other financing uses by \$7.9 million during fiscal year 2022-23. Of the \$59.8 million combined ending fund balances on June 30, 2023, \$19.6 million is categorized as unassigned, \$6.5 million is categorized as assigned, \$10.1 million is categorized as committed, \$21.3 million is categorized as restricted, and \$2.3 million is categorized as non-spendable. More detailed information regarding these amounts can be found in Note 13 in the Notes to Basic Financial Statements.
- The combined \$26.2 million of assigned and unassigned fund balance of the General Fund represented 82.3% of total General Fund revenues including transfers in.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to

the basic financial statements. This report also consists of supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. There are two government-wide financial statements: the Statement of Net Position and the Statement of Activities. They present information for the government as a whole and present a longer-term view of the City's finances. These two statements help to answer the question: "Is the City as a whole better off or worse off as a result of this year's activities?"

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, community development, public works and culture and recreation. The business-type activities of the City include sewer activities.

Government-wide financial statements. The government-wide financial statements include not only the City itself (known as the *primary government*), but also the Stanton Housing Authority ("Housing Authority"), a legally separate entity. The Housing Authority functions for all practical purposes as an integral part of the City, and therefore, is included in the accompanying financial statements as a part of the primary government as a blended component unit.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances on spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains various individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the: General Fund, Housing Authority Special Revenue Fund, and Lighting and Median Maintenance Special Revenue Fund, all of which are considered major funds. Data from other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these other governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual budget for its governmental and proprietary funds. Annual appropriations are approved prior to the beginning of the year. A budgetary comparison schedule has been provided for each of the governmental funds for which a budget was adopted to demonstrate compliance with this budget. The definition of the General Fund for purposes of these audited financial statements is different than for budgetary purposes. For budgeting purposes, the Transaction and Use Tax Fund and the Expendable Deposits Fund are separated from the General Fund. However, these funds have been combined into the General Fund for these financial statements. Individual fund data for these funds is provided in the form of *combining statements* in the supplementary information section of this report.

Proprietary funds. The City maintains two different types of proprietary 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 its sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its workers' compensation insurance activities, liability/risk management activities, employee benefits activities, and fleet maintenance activities.

Proprietary funds provide the same type of informational data as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer operations, which is considered to be a major fund of the City. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the supplementary information section of this report.

Fiduciary funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City utilizes two private-purpose trust funds to account for the assets, liabilities, and activities of the Successor Agency to the dissolved Stanton Redevelopment Agency and the North Orange County Public Safety Collaborative.

Notes to Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary policies and supplementary information on the City's defined benefit plans.

The combining statements referred to earlier in connection with General Funds, other governmental funds and internal service funds are presented immediately following the required supplementary information as supplementary information. The City's supplementary information section also presents budgetary schedules for individual governmental funds and combining statements for the fiduciary funds.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities by \$162.7 million as of June 30, 2023. In comparison, net position was \$155.2 million as of June 30, 2022.

The largest portion of the City's net position on June 30, 2023, (\$94.4 million or 58.0% of total net position), reflects its investment in capital assets (e.g., land, infrastructure, buildings, improvements, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$21.7 million of the City’s net position is restricted net position, representing resources that are subject to external restrictions or enabling legislation on how they may be used. The breakdown of restricted net positions by functions is as follows: 1) low- and moderate-income housing projects (\$10.9 million); 2) public safety for restricted grants and fees (\$0.5 million); 3) community development for restricted grants and fees (\$0.3 million); 4) public works for restricted grants and fees (\$5.8 million); and 5) culture and recreation for restricted grants and fees (\$4.2 million).

The remaining \$46.6 million is unrestricted net position, which may be used to meet the government’s ongoing obligations to citizens and creditors. Unrestricted net position increased \$9.5 million, or 25.7%, from June 30, 2022.

A summary of the government-wide *Statement of Net Position* follows:

CITY OF STANTON NET POSITION AT YEAR END							
	Governmental Activities		Business-type Activities		Totals		
	2023	2022	2023	2022	2023	2022	%
Current and other assets	\$ 69,644,017	\$ 63,800,679	\$ 6,635,592	\$ 6,065,859	\$ 76,279,609	\$ 69,866,538	9.2%
Capital assets, net	89,705,314	89,960,892	4,683,660	4,827,134	94,388,974	94,788,026	-0.4%
Total assets	159,349,331	153,761,571	11,319,252	10,892,993	170,668,583	164,654,564	3.7%
Deferred outflows of resources	5,727,490	4,329,558	-	-	5,727,490	4,329,558	32.3%
Long-term liabilities	8,796,514	2,265,143	1,972	768	8,798,486	2,265,911	288.3%
Other liabilities	3,044,249	5,426,647	16,840	144,805	3,061,089	5,571,452	-45.1%
Total liabilities	11,840,763	7,691,790	18,812	145,573	11,859,575	7,837,363	51.3%
Deferred inflows of resources	1,883,157	5,754,674	-	-	1,883,157	5,754,674	-67.3%
Net position:							
Net investment in capital assets	89,705,314	89,960,892	4,683,660	4,827,134	94,388,974	94,788,026	-0.4%
Restricted	21,682,348	23,551,709	-	-	21,682,348	23,551,709	-7.9%
Unrestricted	39,965,239	31,132,064	6,616,780	5,920,286	46,582,019	37,052,350	25.7%
Total net position	\$151,352,901	\$144,644,665	\$11,300,440	\$10,747,420	\$162,653,341	\$155,392,085	4.7%

At the end of the current fiscal year, the City’s overall net position increased by \$7.3 million, after a prior period adjustment of \$208,073. The fiscal year 2022-23 governmental activities resulted in an increase in net position of \$6.7 million, after a prior period adjustment to reduce net position \$208,073. Refer to Note 16 for additional information regarding the restatement of beginning net position. The fiscal year 2022-23 business type activities resulted in an increase in net position of \$0.6 million. Additional information has been provided below for a more detailed discussion of the City’s governmental activities and business-type activities.

A summary of the government-wide *Statement of Activities* follows:

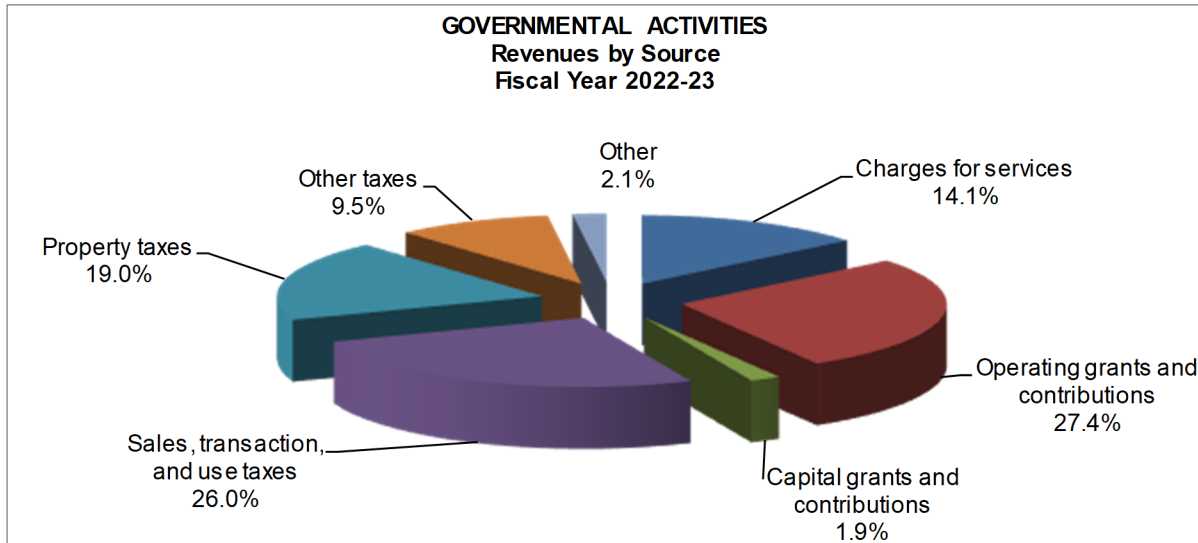
CITY OF STANTON CHANGE IN NET POSITION							
	Governmental Activities		Business-type Activities		Totals		
	2023	2022	2023	2022	2023	2022	% Change
Revenues:							
Program Revenues:							
Charges for services	\$ 6,656,797	\$ 5,935,844	\$ 1,089,667	\$ 1,312,065	\$ 7,746,464	\$ 7,247,909	6.9%
Operating grants and contributions	12,919,661	4,991,957	-	-	12,919,661	4,991,957	158.8%
Capital grants and contributions	879,739	1,060,782	-	-	879,739	1,060,782	-17.1%
General revenues:							
Taxes:							
Property taxes	8,964,390	8,512,488	194,785	188,097	9,159,175	8,700,585	5.3%
Sales taxes	5,321,610	5,414,556	-	-	5,321,610	5,414,556	-1.7%
Transaction and use taxes	6,958,521	5,993,735	-	-	6,958,521	5,993,735	16.1%
Transient occupancy taxes	671,096	660,504	-	-	671,096	660,504	1.6%
Franchise taxes	1,251,495	1,180,487	-	-	1,251,495	1,180,487	6.0%
Utility user taxes	2,504,823	2,122,661	-	-	2,504,823	2,122,661	18.0%
Other taxes	55,844	45,717	-	-	55,844	45,717	22.2%
Investment earnings, unrestricted	878,675	(956,855)	116,944	(58,122)	995,619	(1,014,977)	-198.1%
Gain on sale of capital assets	-	430,902	-	-	-	430,902	-100.0%
Miscellaneous	93,478	49,013	-	-	93,478	49,013	90.7%
Total revenues	47,156,129	35,441,791	1,401,396	1,442,040	48,557,525	36,883,831	31.6%
Expenses:							
General government	4,558,241	3,144,556	-	-	4,558,241	3,144,556	45.0%
Public safety	21,009,218	18,643,242	-	-	21,009,218	18,643,242	12.7%
Community development	5,882,403	2,574,453	-	-	5,882,403	2,574,453	128.5%
Public works	6,552,867	2,697,686	-	-	6,552,867	2,697,686	142.9%
Culture and recreation	2,558,081	2,441,047	-	-	2,558,081	2,441,047	4.8%
Interest on long-term debt	11,020	12,943	-	-	11,020	12,943	-14.9%
Sewer enterprise	-	-	516,366	839,808	516,366	839,808	-38.5%
Total expenses	40,571,830	29,513,927	516,366	839,808	41,088,196	30,353,735	35.4%
Increase (decrease) in net position before transfers	6,584,299	5,927,864	885,030	602,232	7,469,329	6,530,096	14.4%
Transfers	332,010	18,776	(332,010)	(18,776)	-	-	0.0%
Change in Net Position	6,916,309	5,946,640	553,020	583,456	7,469,329	6,530,096	14.4%
Net position, beginning of year, as restated							
	144,436,592	138,698,025	10,747,420	10,163,964	155,184,012	148,861,989	4.2%
Net position, end of year	\$ 151,352,901	\$ 144,644,665	\$ 11,300,440	\$ 10,747,420	\$ 162,653,341	\$ 155,392,085	4.7%

Governmental activities

During the current fiscal year, the City's net position for governmental activities increased by \$7.3 million from the prior fiscal year, net of a prior period adjustment that reduced net position by \$208,073. The following table summarizes and presents governmental activities revenue by source and percentages for the fiscal year ended June 30, 2023, along with the percentage changes from the prior year:

**GOVERNMENTAL ACTIVITIES
Revenues by Source**

FUNCTION	Fiscal Year 2022-23	Percent of Total	Increase (Decrease) From 2021-22	Percent Increase (Decrease)
Charges for services	\$ 6,656,797	14.1%	\$ 720,953	12.1%
Operating grants and contributions	12,919,661	27.4%	7,927,704	158.8%
Capital grants and contributions	879,739	1.9%	(181,043)	-17.1%
Sales, transaction, and use taxes	12,280,131	26.0%	871,840	7.6%
Property taxes	8,964,390	19.0%	451,902	5.3%
Other taxes	4,483,258	9.5%	473,889	11.8%
Other	972,153	2.1%	1,449,093	303.8%
TOTAL REVENUES	\$ 47,156,129	100.0%	\$ 11,714,338	33.1%



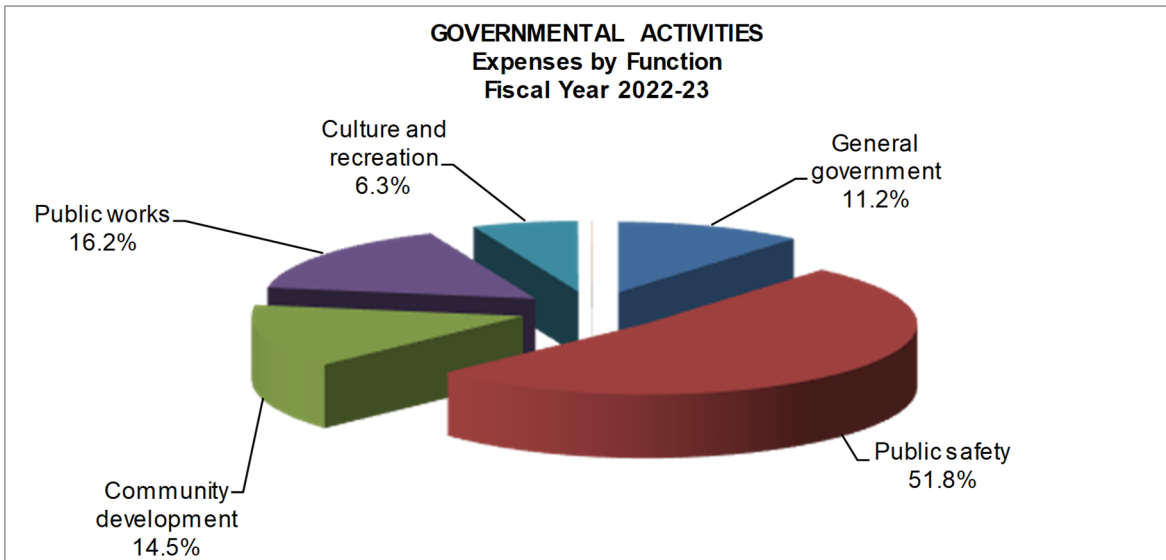
Revenues increased by \$11.7 million, or 33.1%, from the prior year. Charges for services increased by \$720,953, or 12.1%, in fiscal year 2022-23 due to additional revenues collected from facility rentals and interest income and a one-time rebate from a utility audit performed by Southern California Edison. In addition, approximately \$183,931 of the increase is attributed to the change in fair value in the City’s investment portfolio. During fiscal year 2022-23, operating grants and contributions revenue increased by \$7.9 million, or 158.8%, primarily due to the City’s spending \$7.7 million of grant funds received under the American Rescue Plan Act program. Capital grants and contributions revenue decreased by \$181,043, or 1.9%, due to one-time Park In-Lieu developer impact fees collected in the previous fiscal year for residential projects. Sales and transaction and use taxes increased \$871,840, or 7.6%, primarily due to higher fuel prices and increased online sales activity compared to the previous fiscal year. Property taxes increased \$451,902, or 5.3%, which is consistent with the increase in the City’s assessed valuation for the current fiscal year. Other taxes increased \$473,889, or 11.8%, primarily due to increased utility user tax revenue collected for electricity and gas services during the current fiscal year. Other revenue sources increased by \$1.4 million, or 303.8%, primarily

due to increased unrestricted investment earnings realized during fiscal year 2022-23. The average yield on the City’s investment portfolio was 3.0% during fiscal year 2022-23 compared to an average yield of 0.7% in fiscal year 2021-22.

The cost of all governmental activities during fiscal year 2022-23 was \$40.6 million, an increase of \$11.1 million, or 37.5%, from the previous fiscal year. The following table summarizes and presents governmental activities expenses by function and percentages for the fiscal year ended June 30, 2023, along with the percentage changes from the prior year.

**GOVERNMENTAL ACTIVITIES
Expenses by Function**

FUNCTION	Fiscal Year 2022-23	Percent of Total	Increase (Decrease) From 2021-22	Percent Increase (Decrease)
General government	\$ 4,558,241	11.2%	\$ 1,413,685	45.0%
Public safety	21,009,218	51.8%	2,365,976	12.7%
Community development	5,882,403	14.5%	3,307,950	128.5%
Public works	6,552,867	16.2%	3,855,181	142.9%
Culture and recreation	2,558,081	6.3%	117,034	4.8%
Interest on long-term debt	11,020	0.0%	(1,923)	-14.9%
TOTAL EXPENSES	\$ 40,571,830	100.0%	\$11,057,903	37.5%



General government expenses increased by \$1.4 million, or 45.0%, primarily due to the increase in the cost of legal services and pension costs. During fiscal year 2022-23, the City’s cost for professional legal services increased significantly because the City increased its prosecution efforts for code enforcement and public safety related matters and incurred additional legal costs associated with labor related matters. In addition, the

increase in general government expenses is also attributed to the impact of non-cash transactions related to the estimated deferred inflows, deferred outflows, and net pension liability as determined by an actuarial valuation report as of June 30, 2022, issued by the California Public Employee's Retirement System.

Public safety expenses increased by \$2.4 million, or 12.7%, during the current fiscal year due to increases of 7.5% in the City's law enforcement contract costs with the County of Orange and 3% in the City's fire protection contract costs with the Orange County Fire Authority. In addition, the City spent \$82,035 during the current fiscal year on a new Homelessness and Public Safety Pilot Program. This program is currently funded through June 30, 2024.

Community development expenses increased by \$3.3 million, or 128.5%, primarily due to a \$2.5 million affordable housing grant provided to JHC-Beach3LLC ("JHC") and the demolition of the building located at 8861 Pacific Avenue. JHC received a grant from the City to acquire and rehabilitate the property that was formerly occupied by Riviera Motel located at 11892 Beach Boulevard in Stanton. The rehabilitated property will be used as a 21-unit affordable residential rental complex and will be operated as permanent supportive housing for individuals making less than or equal to 30% Area Median Income (AMI). During fiscal year 2022-23, the City demolished the building located at 8861 Pacific Avenue. The cost to demolish the building was \$93,800 and resulted in an additional loss on disposal of \$250,185 (the net book value of the assets).

Public works expenses increased by \$3.9 million, or 142.9% due to increased contracted engineering costs and maintenance costs. For example, the City's solid waste consulting contract costs increased from an annual contract cost of approximately \$25,000 to an annual contract cost of approximately \$180,000 to assist the City with its negotiation of a new solid waste franchise agreement with CR&R and to assist the City with its compliance of State law, SB 1383 regarding food waste. Also, during the current fiscal year, the City incurred increased maintenance costs for: repainting the police station; repairing the sewer piping at the police station, contributing the City match to the Orange County Transportation Authority for the Magnolia Street Traffic Signal Synchronization Project, and other minor street repairs (i.e. filling potholes and sidewalk repairs).

Culture and recreation expenses increased by \$117,034, or 4.8% due to increased funding from the American Rescue Plan Act (ARPA) program for a new Summer Camp program and additional hours for mental health counseling services contracted through the Boys and Girls Club of Garden Grove. The temporary funding for these new programs is expected to cease in Fiscal Year 2024-25.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure 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 *spending* resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary spending as this category of fund balance represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

As of June 30, 2023, the City’s governmental funds (as presented in the balance sheet on page 28) reported combined fund balances of \$59.8 million, and increase of \$7.9 million from the prior year balance of \$51.9 million. Approximately, \$19.6 million (32.8%) consists of unassigned fund balance, which is available for spending at the City’s discretion. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is: 1) not in spendable form (\$2.3 million), 2) legally required to be spent on specific uses or maintained intact through a federal, state, or local law or contractual obligation (\$21.3 million), 3) committed for a specific purpose by City Council resolution (\$10.1 million), or 4) assigned for a particular purpose (\$6.5 million). Refer to Note 13 in the Notes to Basic Financial Statements for more detailed information regarding nonspendable, restricted, committed, assigned, and unassigned fund balances.

General Fund. The General Fund is the City’s chief operating fund. As of June 30, 2023, the total fund balance of the General Fund was \$38.5 million, an increase of \$10.0 million, or 35.2%, from the previous fiscal year. During fiscal year 2022-23, revenues increased approximately \$1.5 million, or 5.1%, from the previous fiscal year, due to increased property and sales tax revenues. In addition, the City collected \$998,127 in one-time transaction and use tax (Measure GG) for a business to business transaction. General Fund expenditures were \$4.2 million, or 16.3%, lower in fiscal year 2022-23 than the previous fiscal year, primarily due to the funding of contracted public safety costs by the American Rescue Plan Act (ARPA) Special Revenue Fund.

The table below summarizes the various components of the General Fund’s fund balance.

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Nonspendable	\$ 2,265,236	\$ 2,634,436	\$ (369,200)	-14.0%
Committed	10,105,796	9,856,296	249,500	2.5%
Assigned	6,304,522	169,585	6,134,937	3617.6%
Unassigned - contingency reserve	19,848,555	15,826,042	4,022,513	25.4%
Total	<u>\$ 38,524,109</u>	<u>\$ 28,486,359</u>	<u>\$ 10,037,750</u>	<u>35.2%</u>

The City’s nonspendable fund balance includes prepaid items, advances to other funds, and the noncurrent portion of outstanding notes and loans receivable. Nonspendable fund balance decreased by \$369,200, or 14.0%, from the previous fiscal year due to repayments collected on the loan made to the Lighting and Median Maintenance Special Revenue Fund and reduction (from sales and transaction and use tax revenue) on the economic development loan provided to Rodeo 39 Public Marketplace, LLC.

The City's committed fund balance includes reserves for: emergency equipment and maintenance (\$150,000); technology equipment (\$150,000); emergency disaster contingency (\$3.0 million); and capital improvement (\$5.0 million). In addition, \$1.5 million the City Council committed certain developer contributions through resolution for beautification, neighborhood preservation, and public benefit projects. During fiscal year 2022-23, committed fund balance increased by \$249,500, or 2.5%, due to additional public benefit fees collected from developers during the current fiscal year and an additional \$100,000 committed for the emergency disaster contingency reserve during the current fiscal year.

Assigned fund balance of \$6.3 million as of June 30, 2023, represents an increase of \$6.1 million, or 3617.6%, from the prior fiscal year, primarily due to a number of capital improvement projects and temporary funding for special programs designated by the City during the current fiscal year. Refer to Note 13 for additional information regarding assigned fund balance.

The City's unassigned fund balance increased from \$15.8 million as of June 30, 2022, to \$19.8 million as of June 30, 2023, an increase of \$4.0 million, or 25.4%. This amount includes a \$6.1 million reserve for economic uncertainty.

As a measure of the General Fund's relative fiscal health, it is useful to calculate the General Fund reserve balance as a percentage of total General Fund operating expenditures. For the purposes of this calculation the discretionary fund balance is comprised of the following balances: committed reserves of \$150,000 for emergency equipment and maintenance; \$150,000 for technology equipment; \$3.0 million for emergency contingency; \$5.0 million for capital improvements; and \$15.8 million in unassigned fund balance. This amount represents 93.0% of fiscal year 2023-24 budgeted General Fund operating expenditures.

The City has four other major funds: Housing Authority Special Revenue Fund, Lighting and Median Maintenance Special Revenue Fund; American Rescue Plan Act Special Revenue Fund, and Community Development Block Grant Special Revenue Fund.

Housing Authority Special Revenue Fund. As of June 30, 2023, the Housing Authority Special Revenue Fund reported a restricted fund balance of \$10.9 million, which represents a decrease of \$2.6 million, or 19.2%, from the prior fiscal year. The reduction is primarily due to a \$2.5 million affordable housing grant provided to JHC and the demolition of the building located at 8861 Pacific Avenue.

Lighting and Median Maintenance Special Revenue Fund. As of June 30, 2023, the Lighting and Median Maintenance Special Revenue Fund reported a restricted fund balance of \$1.5 million, which represents an increase of \$607,902, or 67.0%, from the prior fiscal year, primarily due to additional property tax revenue collected during the current fiscal year and a one-time rebate from Southern California Edison as a result of utility savings from the City's LED street light conversion project that was completed a couple years ago.

American Rescue Plan Act (ARPA) Special Revenue Fund. As of June 30, 2023, the ARPA Special Revenue Fund reported a \$0 fund balance. During fiscal year 2022-23, the City spent the balance of its \$7.8 million in ARPA grant funding, including investment income. The funds were primarily spent on public safety contract costs.

Community Development Block Grant (CDBG) Special Revenue Fund As of June 30, 2023, the CDBG Special Revenue Fund reported a deficit fund balance of \$135,113 which represents a reduction of \$346,454, or 163.9%, from the prior fiscal year, primarily due to \$350,000 spent for the Family Resource Center Phase 1 Improvements Project. The deficit fund balance was replenished during fiscal year 2023-24 when the City collected its grant reimbursement from the County of Orange.

Proprietary Funds:

The proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. The City operates one business-type activity for sewer operations.

Sewer Enterprise Fund. The Sewer Enterprise Fund's unrestricted net position at the end of fiscal year 2022-23 was \$6.6 million at June 30, 2023, an increase of \$696,494, or 11.8%, from the previous year. The Sewer Enterprise Fund's total revenues decreased by \$40,644, or 2.8% from the prior fiscal year due to less sewer connection fees collected on behalf of the Orange County Sanitation District (OC San) as a result of less development activity within the City. The City's sewer service charge has been flat since fiscal year 2021-22. A new sewer rate study project will begin pending the completion of the update to the City's Sewer Master Plan during fiscal year 2023-24. The Sewer Enterprise Fund's total expenses decreased by \$10,208, or 1.2% during fiscal year 2022-23, when compared to the previous year.

Internal Service Funds. As of June 30, 2023, the Internal Service Funds reported total unrestricted net position of \$940,676, a reduction of \$962,663 or 50.6%, from the previous year. The City's net pension liability increased from \$1.9 million to \$8.3 million during fiscal year 2022-23 based on the plan information provided by California Public Employees' Retirement System (CalPERS) based on an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022.

GENERAL FUND BUDGETARY HIGHLIGHTS

In preparing the budget, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of revenues to allow for the expansion of existing programs, if required.

For the year ended June 30, 2023, the General Fund reported a net increase in fund balance of \$10.0 million. Actual revenues exceeded final budgeted amounts by \$2.0

million, or 6.9%. The three revenue categories where actual Fiscal year 2022-23 revenues exceeded the budget most significantly include: transaction and use tax revenue, utility user tax revenue (for gas); and investment income. During the last quarter of Fiscal year 2022-23, the City received \$998,127 in one-time transaction and use tax (Measure GG) for a business to business transaction. Utility user tax revenue for gas increased as a result of increased customer rates charged by Southern California Gas Company. Lastly, investment income exceeded the City’s budget due to increased interest rates by the federal government, which increased the interest rates the City earned on many securities in its investment portfolio. Expenditures were less than final budgeted amounts by \$2.0 million, or 8.5%; however, approximately \$1.3 million was re-appropriated to the fiscal year 2023-24 budget for projects that were started, but not completed during fiscal year 2022-23. The remainder of the budget savings were attributed to salary savings from underfilled and vacant positions; contracted law enforcement contract costs (due to vacancy credits); and savings from contracted building inspection services.

CAPITAL ASSET AND LONG-TERM LIABILITIES

Capital Assets

	CAPITAL ASSETS (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Totals		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>% Change</u>
Land	\$ 38,406,365	\$ 38,406,365	\$ -	\$ -	\$ 38,406,365	\$ 38,406,365	0.0%
Construction in progress	1,093,824	426,706	-	-	1,093,824	426,706	61.0%
Buildings and improvements	33,219,618	34,588,473	-	-	33,219,618	34,588,473	-4.0%
Equipment	175,647	58,932	-	-	175,647	58,932	198.1%
Vehicles	187,957	281,767	-	-	187,957	281,767	-33.3%
Sanitary plant	-	-	4,251,464	4,381,841	4,251,464	4,381,841	-3.0%
General plant	-	-	432,196	445,293	432,196	445,293	-2.9%
Infrastructure	16,621,903	16,198,649	-	-	16,621,903	16,198,649	2.6%
Totals	<u>\$ 89,705,314</u>	<u>\$ 89,960,892</u>	<u>\$ 4,683,660</u>	<u>\$ 4,827,134</u>	<u>\$ 94,388,974</u>	<u>\$ 94,788,026</u>	<u>-0.4%</u>

Total capital assets decreased by \$399,052, or 0.4% from the prior fiscal year. Capital assets for business-type activities decreased by \$143,474 or 3.0%, from the previous fiscal year, due to current year depreciation of capital assets. Capital assets for governmental activities decreased by \$255,578, or 0.3%, from the previous fiscal year, primarily due to an increase in construction in progress caused by a number of capital projects in progress as of the end of fiscal year 2022-23, offset by a reduction in capital assets due to current year depreciation.

Additional information on the City’s capital assets can be found in Note 4 in the Notes to the Basic Financial Statements.

Long-Term Liabilities

	LONG-TERM LIABILITIES						%
	Governmental Activities		Business-type Activities		Totals		
	2023	2022	2023	2022	2023	2022	
Net pension liability	\$ 8,333,404	\$ 1,931,124	\$ -	\$ -	\$ 8,333,404	\$ 1,931,124	331.5%
Other post-employment benefits	153,787	-	-	-	153,787	-	100.0%
Compensated absences	309,323	320,149	1,972	768	311,295	320,917	-3.0%
Claims payable	-	13,870	-	-	-	13,870	-100.0%
Totals	\$ 8,796,514	\$ 2,265,143	\$ 1,972	\$ 768	\$ 8,798,486	\$ 2,265,911	288.3%

As of June 30, 2023, the City had total long-term liabilities outstanding of \$8.8 million. During fiscal year 2022-23, total long-term liabilities increased by \$6.5 million, or 288.3%, primarily due to the increase of the City's net pension liability from \$1.9 million as of June 30, 2022, to \$8.3 million as of June 30, 2023. Additional information on the City's long-term liabilities can be found in Notes 7, 11 and 12 in the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Local governments throughout the State of California are challenged with funding increasing costs of operations with constrained resources. The City maintains a conservative approach to budgeting revenues and expenditures. Management takes an active role in monitoring the application of the budget during the fiscal year to apply any necessary changes to projected revenues as well as appropriated expenditures. The budget for fiscal year 2023-24 was projected with a modest revenue growth of 3.0% and expenditure growth of 22.8%. In addition, the City Council funded \$2.5 million in expenditures from assigned fund balance designated for special projects. The General Fund budget was balanced with revenues and funding from the assigned fund balance exceeding appropriations by \$348,480.

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. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Michelle Bannigan, Finance Director, 7800 Katella Avenue, Stanton, California 90680.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF STANTON
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activity	Total
ASSETS AND DEFERRED			
OUTFLOWS OF RESOURCES			
Cash and investments (Note 3)	\$ 57,036,781	\$ 6,575,292	\$ 63,612,073
Restricted cash and investments held in pension trust (Note 3)	4,254,533	-	4,254,533
Receivables	4,118,336	60,300	4,178,636
Due from other governments	1,432,696	-	1,432,696
Prepaid items	331,096	-	331,096
Notes and loans receivable (Note 6)	2,470,575	-	2,470,575
Capital assets: (Note 4)			
Non-depreciable	39,500,189	-	39,500,189
Depreciable, net	50,205,125	4,683,660	54,888,785
Total assets	<u>159,349,331</u>	<u>11,319,252</u>	<u>170,668,583</u>
Deferred pension related items (Note 11)	5,267,680	-	5,267,680
Deferred OPEB related items (Note 12)	459,810	-	459,810
Total deferred outflows of resources	<u>5,727,490</u>	<u>-</u>	<u>5,727,490</u>
LIABILITIES AND DEFERRED			
INFLOWS OF RESOURCES			
Accounts payable	1,971,287	16,840	1,988,127
Accrued liabilities	746,756	-	746,756
Deposits payable	16,900	-	16,900
Unearned revenue	309,306	-	309,306
Long-term liabilities:			
Due within one year (Note 7)	197,923	1,972	199,895
Due within more than one year (Note 7)	111,400	-	111,400
Net pension liability (Note 11)	8,333,404	-	8,333,404
Net OPEB liability (Note 12)	153,787	-	153,787
Total liabilities	<u>11,840,763</u>	<u>18,812</u>	<u>11,859,575</u>
Deferred Pension related items (Note 11)	1,767,139	-	1,767,139
Deferred OPEB related items (Note 12)	116,018	-	116,018
Total deferred inflows of resources	<u>1,883,157</u>	<u>-</u>	<u>1,883,157</u>
NET POSITION			
Net investment in capital assets	89,705,314	4,683,660	94,388,974
Restricted for:			
Low and moderate income housing	10,856,500	-	10,856,500
Public safety	542,287	-	542,287
Community development	276,017	-	276,017
Public works	5,798,614	-	5,798,614
Culture and recreation	4,208,930	-	4,208,930
Unrestricted	39,965,239	6,616,780	46,582,019
Total net position	<u>\$ 151,352,901</u>	<u>\$ 11,300,440</u>	<u>\$ 162,653,341</u>

See accompanying notes to the basic financial statements.

CITY OF STANTON
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,558,241	\$ 548,950	\$ -	\$ -
Public safety	21,009,218	763,622	9,520,673	6,729
Community development	5,882,403	2,358,143	3,546	149,500
Public works	6,552,867	2,769,957	2,927,370	483,377
Culture and recreation	2,558,081	216,125	468,072	240,133
Interest and fiscal charges	<u>11,020</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	40,571,830	6,656,797	12,919,661	879,739
Business-type activities:				
Sewer enterprise	<u>516,366</u>	<u>1,089,667</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 41,088,196</u>	<u>\$ 7,746,464</u>	<u>\$ 12,919,661</u>	<u>\$ 879,739</u>

See accompanying notes to the basic financial statements.

CITY OF STANTON
Statement of Activities (Continued)
For the Year Ended June 30, 2023

Functions/Programs	Net (Expenses) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activity	Total
Governmental activities:			
General government	\$ (4,009,291)	\$ -	\$ (4,009,291)
Public safety	(10,718,194)	-	(10,718,194)
Community development	(3,371,214)	-	(3,371,214)
Public works	(372,163)	-	(372,163)
Culture and recreation	(1,633,751)	-	(1,633,751)
Interest and fiscal charges	(11,020)	-	(11,020)
Total governmental activities	(20,115,633)	-	(20,115,633)
Business-type activities:			
Sewer enterprise	-	573,301	573,301
Total	(20,115,633)	573,301	(19,542,332)
General revenues:			
Taxes:			
Property taxes	8,964,390	194,785	9,159,175
Sales taxes	5,321,610	-	5,321,610
Transactions and use taxes	6,958,521	-	6,958,521
Transient occupancy taxes	671,096	-	671,096
Franchise taxes	1,251,495	-	1,251,495
Utility user taxes	2,504,823	-	2,504,823
Other taxes	55,844	-	55,844
Investment income, unrestricted	878,675	116,944	995,619
Gain on gain of sale of capital assets	12,693	-	12,693
Miscellaneous	80,785	-	80,785
Transfers	332,010	(332,010)	-
Total general revenues and transfers	27,031,942	(20,281)	27,011,661
Change in net position	6,916,309	553,020	7,469,329
Net position - beginning of year, as restated (Note 16)	144,436,592	10,747,420	155,184,012
Net position - end of year	\$ 151,352,901	\$ 11,300,440	\$ 162,653,341

See accompanying notes to the basic financial statements.

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GOVERNMENTAL FUNDS

CITY OF STANTON
Balance Sheet
Governmental Funds
June 30, 2023

	Special Revenue Funds						
	General	Housing	Lighting	American	CDBG	Nonmajor	Total
		Authority	and Median	Rescue		Governmental	Governmental
		Maintenance	Plan Act		Funds	Funds	
ASSETS							
Cash and investments	\$ 34,166,009	\$ 9,850,045	\$ 2,204,702	\$ -	\$ -	\$ 9,080,210	\$ 55,300,966
Receivables:							
Accounts	475,754	2,550	4,980	-	-	-	483,284
Interest	236,844	77,056	14,996	-	405	59,410	388,711
Taxes	3,218,093	-	10,048	-	-	8,844	3,236,985
Prepaid costs	150,708	-	-	-	-	130,388	281,096
Due from other funds (Note 5)	154,260	-	-	-	-	-	154,260
Due from other governments	341,270	-	19,379	-	350,000	660,945	1,371,594
Notes and loans receivable	1,452,575	1,018,000	-	-	-	-	2,470,575
Advance to other funds (note 5)	661,953	-	-	-	-	-	661,953
Total assets	\$ 40,857,466	\$ 10,947,651	\$ 2,254,105	\$ -	\$ 350,405	\$ 9,939,797	\$ 64,349,424
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,435,401	\$ 77,066	\$ 57,075	\$ -	\$ -	\$ 373,801	\$ 1,943,343
Accrued liabilities	746,756	-	-	-	-	-	746,756
Deposits payable	4,000	12,900	-	-	-	-	16,900
Due to other funds (Note 5)	-	-	-	-	135,518	18,742	154,260
Advances from other funds (Note 5)	-	-	661,953	-	-	-	661,953
Unearned revenues	18,702	1,185	-	-	-	289,419	309,306
Total liabilities	2,204,859	91,151	719,028	-	135,518	681,962	3,832,518
Deferred Inflows of Resources:							
Unavailable revenue	128,498	-	19,379	-	350,000	210,557	708,434
Total deferred inflows of resources	128,498	-	19,379	-	350,000	210,557	708,434
Fund Balances: (Note 13)							
Nonspendable	2,265,236	-	-	-	-	-	2,265,236
Restricted	-	10,856,500	1,515,698	-	-	8,988,072	21,360,270
Committed	10,105,796	-	-	-	-	-	10,105,796
Assigned	6,304,522	-	-	-	-	181,951	6,486,473
Unassigned	19,848,555	-	-	-	(135,113)	(122,745)	19,590,697
Total fund balances	38,524,109	10,856,500	1,515,698	-	(135,113)	9,047,278	59,808,472
Total liabilities, deferred inflows of resources and fund balances	\$ 40,857,466	\$ 10,947,651	\$ 2,254,105	\$ -	\$ 350,405	\$ 9,939,797	\$ 64,349,424

See accompanying notes to the basic financial statements.

CITY OF STANTON

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position

June 30, 2023

Total Fund Balances - Total Governmental Funds \$ 59,808,472

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	39,500,189
Depreciable, net of Internal Service Fund of \$187,958	<u>50,017,167</u>
Total capital assets	89,517,356

The net OPEB liability applicable to the City's governmental activities is not due and payable in the current period and accordingly is not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to OPEB are only reported in the Statement of Net Position as the changes in these amounts effects only the government-wide statements for governmental activities.

Deferred Outflows of Resources - OPEB Related	459,810
Deferred Inflows of Resources - OPEB Related	(116,018)
Net OPEB Liability	(153,787)

Internal service funds are used by management to charge the costs of activities involved in rendering services to departments within the City. The assets and liabilities of the internal service funds are included in the statement of net position.

1,128,634

Certain revenues in the governmental funds are deferred inflows of resources because they are not collected within the prescribed time period after year-end. However, these revenues are included in the government-wide statements.

708,434

Net position of governmental activities \$ 151,352,901

CITY OF STANTON
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds						Total Governmental Funds
	General	Housing Authority	Lighting and Median Maintenance	American Rescue Plan Act	CDBG	Nonmajor Governmental Funds	
REVENUES:							
Taxes and assessments	\$ 25,732,481	\$ -	\$ 810,904	\$ -	\$ -	\$ -	\$ 26,543,385
Licenses and permits	1,294,055	-	-	-	-	-	1,294,055
Intergovernmental	543,729	-	-	7,698,966	-	4,599,200	12,841,895
Charges for services	2,405,760	-	229,321	-	-	573,631	3,208,712
Fines and forfeitures	383,517	-	-	-	-	-	383,517
Investment income	556,243	265,277	37,642	108,280	3,546	157,328	1,128,316
Rental income	164,938	671,330	-	-	-	-	836,268
Miscellaneous	43,382	213	134,850	-	-	50,000	228,445
Total revenues	<u>31,124,105</u>	<u>936,820</u>	<u>1,212,717</u>	<u>7,807,246</u>	<u>3,546</u>	<u>5,380,159</u>	<u>46,464,593</u>
EXPENDITURES:							
Current:							
General government	3,632,542	201,254	10,247	178,136	-	-	4,022,179
Public safety	12,371,532	88,181	-	7,084,414	-	1,180,287	20,724,414
Community development	1,468,646	722,906	-	195,226	-	-	2,386,778
Public works	2,532,619	-	538,822	24,752	-	451,951	3,548,144
Culture and recreation	1,293,128	-	-	118,804	-	447,516	1,859,448
Capital outlay	252,541	2,500,218	44,726	7,674	-	3,583,856	6,389,015
Debt service:							
Interest and fiscal charges	-	-	11,020	-	-	-	11,020
Total expenditures	<u>21,551,008</u>	<u>3,512,559</u>	<u>604,815</u>	<u>7,609,006</u>	<u>-</u>	<u>5,663,610</u>	<u>38,940,998</u>
REVENUES OVER (UNDER)							
EXPENDITURES	<u>9,573,097</u>	<u>(2,575,739)</u>	<u>607,902</u>	<u>198,240</u>	<u>3,546</u>	<u>(283,451)</u>	<u>7,523,595</u>
OTHER FINANCING							
SOURCES (USES):							
Transfers in (Note 5)	634,730	-	-	-	-	3,585,706	4,220,436
Transfers out (Note 5)	(170,077)	-	-	(198,240)	(350,000)	(3,170,109)	(3,888,426)
Total other financing sources (uses)	<u>464,653</u>	<u>-</u>	<u>-</u>	<u>(198,240)</u>	<u>(350,000)</u>	<u>415,597</u>	<u>332,010</u>
NET CHANGE IN							
FUND BALANCE	10,037,750	(2,575,739)	607,902	-	(346,454)	132,146	7,855,605
Fund balances, beginning							
of year, as restated (Note 16)	<u>28,486,359</u>	<u>13,432,239</u>	<u>907,796</u>	<u>-</u>	<u>211,341</u>	<u>8,915,132</u>	<u>51,952,867</u>
Fund balances, end of year	<u>\$ 38,524,109</u>	<u>\$ 10,856,500</u>	<u>\$ 1,515,698</u>	<u>\$ -</u>	<u>\$ (135,113)</u>	<u>\$ 9,047,278</u>	<u>\$ 59,808,472</u>

See accompanying notes to the basic financial statements.

CITY OF STANTON

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Governmental-wide Statement of Activities

For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 7,855,605
Governmental activities in the Statement of Activities were reported differently because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation and retirements in the current period.	
Capital asset purchases	2,099,807
Depreciation expenses, less \$93,810 of depreciation in internal service funds	(2,261,576)
Gain on disposition of capital assets	<u>12,693</u>
Total capital assets	(149,076)
OPEB expenditures reported in the governmental funds includes the actuarial determined contributions. In the statement of activities, OPEB expense includes the change in the net OPEB liability (asset) and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.	(59,163)
Internal service funds are used by management to charge the costs of activities involved in rendering services to departments within the City. The net income is reported with governmental activities. The assets and liabilities of the internal service funds are included in the statement of net position.	(1,069,165)
Certain revenues in the governmental funds are unavailable revenues because they are not collected within the prescribed time period after year-end. However, the revenues are included in the government-wide statements.	<u>338,108</u>
Change in net position of governmental activities	<u>\$ 6,916,309</u>

See accompanying notes to the basic financial statements.

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PROPRIETARY FUNDS

CITY OF STANTON
Combining Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activity	Governmental Activities
	Sewer Enterprise Funds	Internal Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 6,575,292	\$ 1,735,815
Restricted cash and investments held in pension trust	-	4,254,533
Receivables:		
Interest	45,413	9,356
Taxes	14,887	-
Prepays	-	50,000
Due from other governments	-	61,102
Total current assets	<u>6,635,592</u>	<u>6,110,806</u>
Noncurrent assets:		
Capital assets - net of accumulated depreciation	4,683,660	187,958
Total noncurrent assets	<u>4,683,660</u>	<u>187,958</u>
Total assets	<u>11,319,252</u>	<u>6,298,764</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount from pension plan	-	5,267,680
Total deferred outflows of resources	<u>-</u>	<u>5,267,680</u>
LIABILITIES		
Current liabilities:		
Accounts payable	16,840	27,944
Compensated absences payable	1,972	197,923
Total current liabilities	<u>18,812</u>	<u>225,867</u>
Noncurrent liabilities:		
Compensated absences payable	-	111,400
Net pension liability	-	8,333,404
Total noncurrent liabilities	<u>-</u>	<u>8,444,804</u>
Total liabilities	<u>18,812</u>	<u>8,670,671</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred amount from pension plan	-	1,767,139
Total deferred inflows of resources	<u>-</u>	<u>1,767,139</u>
NET POSITION		
Net investment in capital assets	4,683,660	187,958
Unrestricted	6,616,780	940,676
Total net position	<u>\$ 11,300,440</u>	<u>\$ 1,128,634</u>

See accompanying notes to the basic financial statements.

CITY OF STANTON
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year ended June 30, 2023

	Business-Type Activity	Governmental Activities
	Sewer Enterprise Funds	Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 1,089,667	\$ 2,191,546
Miscellaneous	-	18,304
	1,089,667	2,209,850
OPERATING EXPENSES:		
Equipment maintenance and operation	130,503	88,539
Depreciation	143,474	93,810
Administrative and personnel services	-	2,994,364
Insurance premiums and claims	-	401,108
Contractual services	242,389	23,625
	516,366	3,601,446
OPERATING INCOME	573,301	(1,391,596)
NON-OPERATING REVENUES (EXPENSES):		
Property taxes	194,785	-
Investment income	116,944	322,431
Gain on sale of capital assets	-	12,693
	311,729	335,124
INCOME BEFORE TRANSFERS	885,030	(1,056,472)
Transfers out (Note 5)	(332,010)	-
	(332,010)	-
Change in net position	553,020	(1,056,472)
Net position, beginning of year	10,747,420	2,185,106
Net position, end of year	\$ 11,300,440	\$ 1,128,634

See accompanying notes to the basic financial statements.

CITY OF STANTON
Statement of Cash Flows
Proprietary Funds
For the Year ended June 30, 2023

	Business-Type Activity	Governmental Activities
	Sewer Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 1,094,787	\$ 2,420,541
Cash paid to other suppliers of goods or services	(370,354)	(457,914)
Cash paid to employees for salaries, wages, and benefits	(129,299)	(1,743,083)
Net cash provided (used by) operating activities	595,134	219,544
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Cash paid to other funds	(332,010)	-
Cash received from property taxes	196,278	-
Net cash provided (used by) non-capital financing activities	(135,732)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	-	12,692
Net cash provided (used by) capital and related financing activities	-	12,692
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income (loss)	80,839	314,797
Net cash provided (used by) investing activities	80,839	314,797
Net increase (decrease) in cash and cash equivalents	540,241	547,033
Cash and equivalents, beginning of year	6,035,051	5,443,315
Cash and equivalents, end of year	\$ 6,575,292	\$ 5,990,348
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED BY) OPERATING ACTIVITIES:		
Operating income (loss)	\$ 573,301	\$ (1,391,596)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	143,474	93,810
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	5,120	-
(Increase) decrease in due from other governments	-	210,691
(Increase) decrease in prepaid expense	-	51,204
(Increase) decrease in deferred outflows of resources	-	(1,366,705)
Increase (decrease) in accounts payable	(127,965)	18,024
Increase (decrease) in claims and judgements	-	(13,870)
Increase (decrease) in compensated absences	1,204	(10,826)
Increase (decrease) in net pension liability	-	6,402,280
Increase (decrease) in deferred inflows of resources	-	(3,773,468)
Total adjustments	21,833	1,611,140
Net cash provided (used) by operating activities	\$ 595,134	\$ 219,544
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION		
Cash and investments	\$ 6,575,292	\$ 1,735,815
Restricted cash and investments held in pension trust	-	4,254,533
Total cash and cash equivalents	\$ 6,575,292	\$ 5,990,348

See accompanying notes to the basic financial statements.

FIDUCIARY FUNDS

CITY OF STANTON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	<u>Private- Purpose Trust Funds</u>
ASSETS	
Current assets:	
Cash and investments (Note 3)	\$ 3,947,226
Prepaid items	142,146
Restricted assets:	
Cash held by fiscal agent (Note 3)	<u>1,743,791</u>
Total assets	<u>5,833,163</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	<u>7,014,435</u>
Total deferred outflow of resources	<u>7,014,435</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	380,922
Interest payable	164,367
Bonds payable - current portion (Note 14)	<u>2,655,000</u>
Total current liabilities	<u>3,200,289</u>
Long-term liabilities:	
Bonds payable (Note 14)	<u>49,832,734</u>
Total long-term liabilities	<u>49,832,734</u>
Total liabilities	<u>53,033,023</u>
 NET POSITION	
Restricted for private purpose	<u>(40,185,425)</u>
Total net position	<u>\$ (40,185,425)</u>

See accompanying notes to the basic financial statements.

CITY OF STANTON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2023

	<u>Private- Purpose Trust Funds</u>
ADDITIONS:	
Taxes	\$ 4,775,978
Investment income	124
Miscellaneous	<u>50</u>
Total additions	<u>4,776,152</u>
DEDUCTIONS:	
Contractual services	46,930
Public safety	2,901,709
Interest and fiscal charges	<u>2,434,481</u>
Total deductions	<u>5,383,120</u>
CHANGE IN NET POSITION	(606,968)
Net position (deficit), beginning of year	<u>(39,578,457)</u>
Net position (deficit), end of year	<u>\$ (40,185,425)</u>

See accompanying notes to the basic financial statements.

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NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Stanton, California (the City), have been prepared in accordance with accounting principles generally accepted in the United States of America (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 more significant City accounting policies are described below.

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the reporting government as a whole, except for its fiduciary activities. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component units for which the primary government is financially accountable. The City has no discretely presented component units.

B. Description of Reporting Entity

The City was incorporated under the general laws of the State of California and enjoys all rights and privileges pertaining to such "general law" cities.

The Housing Authority of the City of Stanton (Housing Authority), a blended component unit, was formed on March 22, 2011, to facilitate the retention and use of transferred properties from the former Redevelopment Agency consistent with the redevelopment plan and for the purposes of ongoing maintenance of completed development projects.

Although the Housing Authority is legally separate from the City, its financial operations are the responsibility of the City. In addition, the City Council has a continuing accountability for fiscal matters of the Housing Authority. Since the City Council acts as the Board of Directors and is able to impose its will on the Housing Authority, the City is considered the primary government and the Housing Authority is a component unit of the City. Additionally, since the governing bodies of the City and the Housing Authority are the same, the financial statements of the City and the component unit are blended. For presentation within the financial statements of the governmental reporting entity, the transactions between the Housing Authority and the City are reported as interfund transactions. The Housing Authority's financial data and activity are presented as a Special Revenue Fund. The Housing Authority issues separate financial statements that can be by sending a request to City Hall at 7800 Katella Avenue, Stanton, CA 90680.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation

Government-Wide Financial Statements

While separate government-wide financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds and internal service funds, while the business-type activity incorporates data from the government's enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the government's sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate financial statements for the government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements even though excluded from the government-wide financial statements, represent private-purpose trust funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law, or contractual agreement to some other fund, are accounted for in this fund. General operating expenses not paid through other funds are paid from this fund.

Housing Authority Special Revenue Fund – To account for the accumulated resources received from the former Redevelopment Agency's Low- and Moderate-Income Housing Special Revenue Fund, rental income, and expenses related to low- and moderate-income housing.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Lighting and Median Maintenance Special Revenue Fund – To account for benefit assessments levied under the 1919 Act Stanton Municipal Lighting District and the Stanton Lighting and Landscaping District No. 1 (Landscaping and Lighting Act of 1972) for street lighting and landscaping maintenance within the City.

American Rescue Plan Act Special Revenue Fund – To account for revenues and expenditures related to funding received by the American Rescue Plan Act of 2021 approved by the federal government on March 11, 2021. These funds can be used to respond to the COVID-19 pandemic response needs, fill revenue shortfalls, and support the communities and populations hardest hit by the COVID-19 crisis.

Community Development Block Grant (CDBG) Special Revenue Fund – To account for grants requiring segregated fund accounting, such as the Community Development Block Grant program.

The City reports the following major enterprise fund:

The Sewer Enterprise Fund is used to account for the operations of the City's sewer system.

Additionally, the City reports the following fund types:

Governmental Funds

The Special Revenue Funds are used to account for the revenues derived from specific revenue sources, which are usually required by law or administrative regulation to be accounted for in separate funds.

The Capital Projects Funds are used to account for financial resources segregated for the development, construction, and improvement of City facilities.

Proprietary Funds

The Internal Service Funds are used to account for the financing of services provided by the following departments to other departments of the City on a cost-reimbursement basis:

- Workers' Compensation
- Liability/Risk Management
- Employee Benefits
- Fleet Maintenance

Fiduciary Funds

The Private-Purpose Trust Funds are used to account for the activities of the Successor Agency to the Stanton Redevelopment Agency and North Orange County Public Safety Collaborative Fund.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Interfund Transactions

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/due to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in the governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included in internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities column are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and private-purpose trust fund financial statements. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statement of net position. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue from property taxes is recognized in the fiscal year that the taxes are levied and collected within 60 days from the end of the fiscal year. Grants and similar items are recognized as revenues as soon as the eligibility requirements imposed by the provider have been satisfied. Unbilled receivables are recorded as revenues when services are provided.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of available spendable resources.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Revenues are recognized as soon as they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition of leases are reported as other financing sources.

Property taxes, sales tax, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue (within 60 days of year-end). Amounts owed to the City, which are not available, are recorded as receivables and deferred inflows of resources. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City's fiduciary funds consist of private-purpose trust funds, which are reported using the economic resources measurement focus and the accrual basis of accounting.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. New Accounting Pronouncements

The City adopted Statement on Governmental Accounting Standards (GASB Statements) No. 91-*Conduit Debt Obligations* and No. 96- *Subscription Based Information Technology Software*. The adoption of the GASB Nos. 91 and 96 did not significantly impact the City.

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until that time. The City has the following items that qualify for reporting in this category:

- Deferred outflows related to pensions equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflows from OPEB resulting from differences between actual and expected experience and changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with retiree healthcare benefits through the plan.
- Deferred outflows from pensions resulting from differences between actual and expected experience and changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflows related to pensions and OPEB resulting from the net differences in projected and actual earnings on investments of the pension and OPEB plans' fiduciary net position. These amounts are amortized over five years.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows related to OPEB for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with retiree healthcare benefits through the plans.
- Deferred inflows from pensions resulting from changes in assumptions and changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows related to leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

G. Assets, Liabilities, Fund Balance and Net Position

Cash and Investments

The City considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents. In addition, cash invested in the City's cash management pool is considered to be cash equivalents. For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool that maintains the general characteristics of a demand deposit account.

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value represented by the external pool (in relation to the amortized cost of that portfolio).

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Fund Balance and Net Position (Continued)

Receivables and Payables

Property, sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and are considered available if received within 60 days of year-end. Federal and state grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue, under the modified accrual basis of accounting, is limited to the amount that is deemed measurable and collectible. Loans extended from other funds are recorded as loans receivable.

Activity between funds, which is representative of lending/borrowing arrangements outstanding at the end of the fiscal year, is referred to as either due to/from other funds or advances to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Acquired assets are recorded at historical cost or estimated historical cost. Donated assets are valued at the acquisition value of the assets on the date on which they were contributed. The costs of normal maintenance and repairs that do not add value to the assets or materially extend the life are not capitalized. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year with the exception of land, structures and improvements, and infrastructure, which have a threshold of \$50,000.

Depreciation is charged to operations using the straight-line method of depreciation over the estimated useful lives of the assets as follows:

Buildings and Improvements	20 - 50 Years
Equipment and Vehicles	5 - 20 Years
Infrastructure	20 - 50 Years

Compensated Absences Payable

Employees can carry forward up to 360 hours of earned, but unused, vacation leave. Upon termination, the City is obligated to compensate employees the earned, but unused, vacation time. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Fund Balance and Net Position (Continued)

Claims and Judgments

The City records a liability for claims, judgments, and litigation when it is probable that a liability has been incurred at year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. City management believes that the aggregate accrual is adequate to cover such losses, including amounts for incurred but not reported claims. Estimated claims payables are recorded in the Workers' Compensation and Liability/Risk Management Internal Service Funds as appropriate.

Property Taxes

The assessment, levy, and collection of property taxes are the responsibility of the County of Orange (the County). The City receives property taxes pursuant to an arrangement with the County known as the Teeter Plan, whereby the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the City. The City records property taxes as revenue when received from the County, except at year-end, when property taxes received within 60 days are accrued as revenue.

Property taxes are assessed and collected according to the following property tax calendar:

Lien Date:	January 1
Levy Date:	July 1 to June 30
Due Dates:	November 1 – First Installment March 1 – Second Installment
Collection Dates:	December 10 – First Installment April 10 – Second Installment

Net Position

The governmental and business-type activities in the government-wide financial statements and proprietary funds utilize a net position presentation. Net position is classified in the following categories:

Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and would be reduced by outstanding debt and capital-related payables that are attributed to the acquisition, construction, or improvement of the assets; however, the City did not have any such debt or liabilities.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of net investment in capital assets or restricted net position.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Fund Balance and Net Position (Continued)

Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balances

The fund balances reported on the fund statements consist of the following categories:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – This classification includes amounts for which the use of such amounts is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City, and the adoption of a formal resolution prior to the end of the fiscal year is required to establish a fund balance commitment. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of resolution) to remove or revise the limitation.

An emergency equipment and maintenance reserve has been established through a resolution approved by the City Council. The reserve may be used to provide funding for nonscheduled capital asset repair and replacement. If used, this reserve will be replenished with future year-end operating surpluses. This emergency equipment and maintenance reserve has a balance of \$150,000 as of June 30, 2023.

A technology equipment reserve has been established through a resolution approved by the City Council. The reserve may be used to provide funding for the timely replacement of technology equipment. If used, this reserve will be replenished with future year-end operating surplus. This technology equipment reserve has a balance of \$150,000 as of June 30, 2023.

An emergency disaster contingency reserve has been established through a resolution approved by the City Council. The reserve is calculated at 10% of General Fund operating expenditures (rounded to the next \$100,000). The reserve may be used to mitigate costs of unforeseeable emergencies, such as natural disasters, catastrophic events, or any situation requiring the declaration of an emergency as

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Fund Balance and Net Position (Continued)

Fund Balances (Continued)

defined by Stanton Municipal Code Section 2.56.050.C. If used, this reserve will be replenished with future year-end operating surpluses. This emergency disaster contingency reserve has a balance of \$3,000,000 as of June 30, 2023.

A capital improvement reserve has been established through a resolution approved by the City Council. This reserve may be used for key infrastructure and capital improvement projects and to provide capital repair and replacement funding. This capital improvement reserve has a balance of \$5,000,000 as of June 30, 2023.

Assigned – This classification includes amounts to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

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 City Manager for that purpose. The City Manager determines the assigned amount based on encumbrances and any future budget deficits.

Unassigned – This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted.

An economic uncertainty reserve has been established through a resolution approved by the City Council. This reserve is calculated as 20% (rounded to the next \$100,000) of the general fund operating expenditures. The reserve may be used to mitigate annual budget revenue shortfalls as a protection from a fluctuating economy, including financial hardship or downturns in the economy. If used or if the City's annual operating budget grows, this reserve will be replenished with future year-end operating surpluses. This economic emergency reserve has a balance of \$6,100,000 as of June 30, 2023.

Spending Policy

When expenditures are incurred for purposes for which all restricted, committed, assigned, and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Program Revenues

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

I. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer fund and internal service funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

J. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the City's OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases Payable and Subscription Agreements Payable

Lessee: The City recognizes a lease or subscription agreements liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease and subscription agreements liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the City initially measures the lease or subscription agreements liability at the present value of payments expected to be made during the lease term. Subsequently, the lease or subscription agreements liability is reduced by the principal portion of lease payments made. The lease and subscription agreements asset is initially measured as the initial amount of the lease and subscription agreements liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease and subscription agreements asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease and subscription agreements liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease and subscription agreements asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease and subscription agreements assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position. Currently, the City has no lease or subscription assets/liabilities that met the City's threshold and/or criteria of GASB No. 87.

Lessor: The City is a lessor for a noncancellable leases of a portion of real property, as well as, building and roof space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases Payable and Subscription Agreements Payable (continued)

Key elements and judgement include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

M. Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the statement of net position date and reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances

The following funds had deficit fund balances at June 30, 2023:

Major Governmental Fund:		
CDBG Special Revenue Fund	\$	(135,113)
Nonmajor Governmental Fund:		
Other Grants Special Revenue Fund	\$	(122,745)

The CDBG and Other Grants Special Revenue Funds have deficit fund balances due to intergovernmental revenues not being collected within the City's period of availability.

B. Excess of Expenditures over Appropriations

The following fund reported expenditures exceeding appropriations at June 30, 2023:

	Final Budget	Actual	Variance with Final Budget
Nonmajor Governmental Fund:			
Protective Services			
Tax Special			
Revenue Fund	\$ 3,000	\$ 3,012	\$ (12)

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 CASH AND INVESTMENTS

Cash and Investments

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

	Government-Wide Statement of Net Position	Fiduciary Statement of Net Position	Total
Unrestricted Assets:			
Cash and Investments:			
City	\$ 63,612,073	\$ -	\$ 63,612,073
Private-Purpose Trust Funds	-	3,947,226	3,947,226
Restricted Assets:			
Cash and Investments Held in Pension Trust:			
City	4,254,533	-	4,254,533
Cash and Investments With Fiscal Agents:			
Private-Purpose Trust Funds	-	1,743,791	1,743,791
Total Cash and Investments	<u>\$ 67,866,606</u>	<u>\$ 5,691,017</u>	<u>\$ 73,557,623</u>

Cash and investments at June 30, 2023, consisted of the following:

Cash in Hand	\$ 600
Deposits With Financial Institutions	4,887,170
Investments	<u>68,669,853</u>
Total Cash and Investments	<u>\$ 73,557,623</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the City's Investment Policy

The City's Investment Policy is reviewed and adopted by the City Council each year. Regarding allowable investment types, the investment policy is more conservative and restrictive than the investment vehicles authorized by Section 53600.5 of the California Government Code. Investment vehicles not specifically mentioned in the City's investment policy are not authorized unless the policy is amended by the City Council or is approved as part of the provisions of the bond indentures. This table does not address investments of debt proceeds held by bond trustees that are governed by provisions of the debt agreements. This table also does not address investments of the pension trust through Public Agency Retirement Services' (PARS) pooled trust, that are governed by the agreement between the City and the trustee. Investments are limited to the following:

<u>Investment Types Authorized by State Law or the City's Investment Policy</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Notes	5 Years	100%	None
United States Government-Sponsored Agency Securities Noncallable	5 Years	100%	25%
United States Government-Sponsored Agency Securities Callable	5 Years	20%	25%
Local Agency Securities	5 Years	100%	5%
Collateralized Time Deposits (Nonnegotiable Certificates of Deposit)	5 Years	20%	None
Banker's Acceptances	180 Days	40%	5%
Commercial Paper	270 Days	25%	5%
Medium-Term Corporate Notes	5 Years	30%	5%
Negotiable Certificates of Deposits	5 Years	30%	5%
Certificate of Deposit Placement Service (CDARS)	5 Years	30%	None
Money Market Mutual Funds	N/A	20%	None
Asset-Backed and Mortgage-Backed Securities	5 Years	20%	5%
Supranational	5 Years	30%	10%
Local Government Investment Pools	N/A	100%	None

* Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

N/A - Not Applicable

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City manages its exposure to interest rate risk by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City'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 as of June 30, 2023:

<u>Investment Type</u>	<u>Remaining Investment Maturities</u>				<u>Total</u>
	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 36 Months</u>	<u>37 to 60 Months</u>	
Local Agency Investment Fund (LAIF)	\$34,920,488	\$ -	\$ -	\$ -	\$34,920,488
U.S. Treasury	537,023	3,131,858	2,475,079	3,486,433	9,630,393
Corporate Notes	-	1,814,769	1,089,733	3,516,077	6,420,579
Federal Agency Securities	635,820	1,276,806	642,023	1,351,851	3,906,500
Collateralized Mortgage Obligations	-	-	333,447	2,255,206	2,588,653
Asset Backed Securities	-	396,472	-	1,844,791	2,241,263
Commercial Paper	246,531	-	-	-	246,531
Money Market Fund	137,033	-	-	-	137,033
Negotiable Certificates of Deposit	2,677,732	956,704	-	-	3,634,436
Municipal Bonds	492,125	197,319	-	-	689,444
Held by Fiscal Agent:					
Pension Trust – Public Agency Retirement Services	<u>4,254,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,254,533</u>
Total	<u>\$43,901,285</u>	<u>\$7,773,928</u>	<u>\$4,540,282</u>	<u>\$12,454,358</u>	<u>\$68,669,853</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy or debt agreements, and the actual rating by Standard & Poor's and Moody's as of year-end for each investment type:

Investment Type	Total as of June 30, 2023	Minimum Legal Rating	S&P Rating	Moody's Rating
Local Agency Investment Fund (LAIF)	\$ 34,920,488	None	Not Rated	Not Rated
U.S. Treasury	9,630,393	None	AA+	Aaa
Corporate Notes	1,115,755	A	A	A1
Corporate Notes	1,256,439	A	A-	A1
Corporate Notes	946,176	A	A+	A1
Corporate Notes	235,215	A	AA	A1
Corporate Notes	727,936	A	A	A2
Corporate Notes	821,668	A	A-	A2
Corporate Notes	236,703	A	A	A3
Corporate Notes	242,278	A	A-	A3
Corporate Notes	362,674	A	A+	A3
Corporate Notes	234,901	A	A	Aa3
Corporate Notes	240,836	A	AA-	Aa3
Federal Agency Securities	3,906,500	None	AA+	Aaa
Collateralized Mortgage Obligations	1,824,426	AA	Not Rated	Not Rated
Collateralized Mortgage Obligations	471,593	AA	AAA	Not Rated
Collateralized Mortgage Obligations	292,632	AA	Not Rated	Aaa
Asset Backed Securities	687,790	AA	AAA	Aaa
Asset Backed Securities	1,304,163	AA	AAA	Not Rated
Asset Backed Securities	249,310	AA	Not Rated	Aaa
Commercial Paper	246,531	A	A-1	P-1
Money Market Fund	137,033	AA2/AAA	AAA	Aaa
Negotiable Certificates of Deposit	3,634,436	A/A2	Not Rated	Not Rated
Municipal Bonds	197,319	A	A	Not Rated
Municipal Bonds	243,408	A	AA	Not Rated
Municipal Bonds	248,717	A	A-	Not Rated
Held by Fiscal Agents:				
Pension Trust-Public Agency				
Retirement Services	4,254,533	None	Not Rated	Not Rated
Total Investments	<u>\$ 68,669,853</u>			

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one nongovernment sponsored issuer (other than external investment pools) that represent 5 % or more of total City investments.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Any deposits in excess of depository insurance limits at the end of the year are collateralized by securities held at the depository financial institution's trust department.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio multiplied by a fair value factor provided by LAIF). The balance available for withdrawal is based on the accounting records maintained by LAIF.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and Investments - Pension Trust

The City established a trust account with the Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in funding future contributions to the City's pension plan. The pension trust's specific cash and investments are managed by a third-party portfolio manager under guidelines approved by the City.

Those guidelines are as follows:

Risk Tolerance: Moderate

Risk Management: The portfolio is constructed to control risk through four layers of diversification - asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value growth), managers, and securities. Disciplined mutual fund selection and monitoring process help to drive return potential while reducing portfolio risk.

Investment Objective: To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.

Strategic Ranges: 0% - 20% Cash
40% - 60% Fixed income
40% - 60% Equity

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted price of similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

Negotiable certificates of deposit, United States Government-Sponsored Agency Securities, and Municipal Bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of June 30, 2023:

	Quoted Prices <u>Level 1</u>	Observable Inputs <u>Level 2</u>	Unobservable Inputs <u>Level 3</u>	<u>Total</u>
U.S. Treasury	\$ -	\$ 9,630,393	\$ -	\$ 9,630,393
Corporate Notes	-	6,420,579	-	6,420,579
Federal Agency Securities	-	3,906,500	-	3,906,500
Collateralized Mortgage Obligations	-	2,588,653	-	2,588,653
Asset Backed Securities	-	2,241,263	-	2,241,263
Commercial Paper	-	246,531	-	246,531
Negotiable Certificates of Deposits	-	3,634,436	-	3,634,436
Municipal Bonds	-	689,444	-	689,444
Total Leveled Investments	<u>\$ -</u>	<u>\$29,357,799</u>	<u>\$ -</u>	<u>29,357,799</u>
Investments Not Subject to Fair Value Hierarchy:				
Local Agency Investment Fund (LAIF)				34,920,488
Money Market Fund				137,033
Held by Fiscal Agent:				
Pension Trust – Public Agency Retirement Services				<u>4,254,533</u>
Total				<u>\$68,669,853</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 CAPITAL ASSETS

Governmental Activities

A summary of changes in governmental activities - capital assets at June 30, 2023, is as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$ 38,406,365	\$ -	\$ -	\$38,406,365
Construction in process	<u>426,706</u>	<u>2,567,377</u>	<u>(1,900,259)</u>	<u>1,093,824</u>
Total non-depreciable	<u>38,833,071</u>	<u>2,567,377</u>	<u>(1,900,259)</u>	<u>39,500,189</u>
Depreciable:				
Buildings and improvements	47,970,032	-	(391,595)	47,578,437
Equipment	893,156	159,787	(204,991)	847,952
Vehicles	959,841	-	(139,243)	820,598
Infrastructure	<u>43,773,464</u>	<u>1,810,596</u>	<u>(1,106,094)</u>	<u>44,477,966</u>
Total depreciable capital assets	<u>93,596,493</u>	<u>1,970,383</u>	<u>(1,841,923)</u>	<u>93,724,953</u>
Less accumulated depreciation for:				
Buildings and improvements	(13,381,559)	(1,118,669)	141,409	(14,358,819)
Equipment	(834,224)	(17,759)	179,678	(672,305)
Vehicles	(678,074)	(93,810)	139,243	(632,641)
Infrastructure	<u>(27,574,815)</u>	<u>(1,125,148)</u>	<u>843,900</u>	<u>(27,856,063)</u>
Total accumulated depreciation	<u>(42,468,672)</u>	<u>(2,355,386)</u>	<u>1,304,230</u>	<u>(43,519,828)</u>
Total depreciable capital assets, net	<u>51,127,821</u>	<u>(385,003)</u>	<u>(537,693)</u>	<u>50,205,125</u>
Total capital assets, net	<u>\$ 89,960,892</u>	<u>\$ 2,182,374</u>	<u>\$(2,437,952)</u>	<u>\$89,705,314</u>

Depreciation expense was charged in the following functions in the Statement of Activities:

General Government	\$ 151,625
Public Safety	181,317
Community Development	272,816
Public Works	1,330,036
Culture and Recreation	<u>419,592</u>
Total	<u>\$2,355,386</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 CAPITAL ASSETS (CONTINUED)

Business-Type Activity

A summary of changes in the business-type activity - capital assets at June 30, 2023, is as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Depreciable:				
Sanitary plant	\$ 6,748,710	\$ -	\$ -	\$6,748,710
General plant	<u>654,840</u>	<u>-</u>	<u>-</u>	<u>654,840</u>
Total depreciable capital assets	<u>7,403,550</u>	<u>-</u>	<u>-</u>	<u>7,403,550</u>
Less accumulated depreciation for:				
Sanitary plant	(2,366,869)	(130,377)	-	(2,497,246)
General plant	<u>(209,547)</u>	<u>(13,097)</u>	<u>-</u>	<u>(222,644)</u>
Total accumulated depreciation	<u>(2,576,416)</u>	<u>(143,474)</u>	<u>-</u>	<u>(2,719,890)</u>
Total depreciable capital assets, net	<u>4,827,134</u>	<u>(143,474)</u>	<u>-</u>	<u>4,683,660</u>
Total capital assets, net	<u>\$ 4,827,134</u>	<u>\$(143,474)</u>	<u>\$ -</u>	<u>\$4,683,660</u>

Depreciation expense of \$143,474 was charged to the sewer function/program.

NOTE 5 INTERFUND TRANSACTIONS

Due From/Due To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total Outstanding</u>
General Fund	CDBG Major Special Revenue Fund	\$135,518
	Nonmajor Governmental Funds	<u>18,742</u>
		<u>\$154,260</u>

The amounts due to the General Fund is a result of short-term cash deficit balances in grant funds that will be remedied when reimbursements are received from granting agencies during the subsequent fiscal year.

Advances To/Advances From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total Outstanding</u>
General Fund	Lighting and Median Maintenance Major Special Revenue Fund	<u>\$661,953</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 INTERFUND TRANSACTIONS (CONTINUED)

Advances To/Advances From Other Funds (CONTINUED)

On March 23, 2021, the City Council authorized a loan from the General Fund to the Lighting Maintenance District Special Revenue Fund in a principal amount not to exceed \$959,440 at an interest rate of 1.5% per year. The loan was formally acknowledged with a promissory note approved by Resolution No. 2021-09 on April 13, 2021. The loan will be repaid in semi-annual payments on June 30, and December of each year, beginning on December 31, 2021, and will mature on June 30, 2028. The proceeds of the loan were used to pay off the City's lease agreement with Bank of the West that was secured to fund the purchase of streetlights from Southern California Edison.

Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2023, is as follows:

<u>Transfers From</u>	<u>Transfers To</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds(7)(8)(9)</u>	
General Fund (1)(2)	\$ -	\$ 170,077	\$ 170,077
ARPA Special Revenue Fund (6)	-	198,240	198,240
CDBG Special Revenue Fund (7)	-	350,000	350,000
Nonmajor Governmental Funds (3)(4)	634,730	2,535,379	3,170,109
Sewer Enterprise Funds (3)(4)	-	332,010	332,010
Total	\$ 634,730	\$3,585,706	\$4,220,436

During the fiscal year ended June 30, 2023, interfund transfers were made for the following purposes:

- (1) \$118,611 was transferred from the General Fund to the Nonmajor Governmental Funds (Families and Communities Together (FaCT) Grant Special Revenue Fund, Senior Transportation Special Revenue Fund, and Stanton Central Park Maintenance Special Revenue Fund) for the difference between program expenditures and the maximum funding provided by grants or donors.
- (2) \$51,466 was transferred from the General Fund to the Nonmajor Governmental Funds (Capital Projects Fund) to provide funding various capital projects.
- (3) \$634,730 was transferred from Nonmajor Governmental Funds (Gas Tax Special Revenue Fund, Protective Services Tax Special Revenue Fund, and Supplemental Law Enforcement Grants Special Revenue Fund) to reimburse the General Fund for street maintenance, law enforcement, and fire protection costs.
- (4) \$3,083,619 was transferred from various Nonmajor Governmental Funds to the Nonmajor Governmental Funds (Capital Projects Fund) to provide funding for various capital projects.
- (5) \$332,010 was transferred from the Sewer Enterprise Fund to Nonmajor Governmental Funds (Capital Projects Fund) to provide funding for the Sewer Master Plan Update project.
- (6) \$198,240 was transferred from the ARPA Special Revenue Fund to Nonmajor Governmental Funds (Capital Projects Fund) to provide funding for the Park Master Plan and Americans with Disabilities Act (ADA) Transition Plan projects.
- (7) \$350,000 was transferred from the CDBG Special Revenue Fund to Nonmajor Governmental Funds (Capital Projects Fund) to provide funding for the Family Resource Improvements (Phase 1) project.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 NOTES AND LOANS RECEIVABLE

The notes and loans receivable balance at June 30, 2023, was as follows:

Rodeo 39 Marketplace LLC	\$ 1,368,147
Stanton Accessible Apartments Construction	398,932
Housing	84,035
First-Time Home Buyer	40,000
Housing Rehabilitation	978,000
Employee Computer	393
Allowance for Doubtful Accounts	<u>(398,932)</u>
Total	<u>\$ 2,470,575</u>

In April 2021, the City entered into a public benefit agreement with Rodeo 39 Marketplace, LLC (“Rodeo 39”) to support and encourage economic and business development in the community with the purpose of generating municipal revenues to provide necessary public services and facilities. The City provided Rodeo 39 with a forgivable loan of \$2,250,000 for the Rodeo 39 Public Market and Shops. The City agreed to credit the outstanding amount due on the loan by 50% of the sales tax, including transaction and use tax, revenue payable to the City that is generated by the Rodeo 39 Public Market (and the Raising Cane’s and In-N-Out restaurants located in its parking lot) from its inception in September 2019 through October 1, 2030. In exchange for providing the economic development subsidy loan, Rodeo 39 is required to operate the site as a commercial retail center for at least ten years. During the fiscal year ended June 30, 2023, the City reduced the amount due on the loan by \$151,254 to account for 50% of the sales tax and transaction and use tax revenue that was generated by the Rodeo 39 Public Market and Shops. As of June 30, 2023, the outstanding balance on the loan was \$1,368,147.

In November 2004, the former Redevelopment Agency entered into a Residual Receipts Promissory Note with Stanton Accessible Apartments Construction. Under the terms of the agreement, the former Redevelopment Agency loaned \$258,261 to Stanton Accessible Apartments Construction. The note commenced on May 5, 2005, and bears interest at 3% per year. The note was transferred to the Housing Authority on February 1, 2012. The total amount outstanding, including accrued interest at June 30, 2023, was \$398,932, with an allowance for the forgivable amount of \$398,932.

Housing loans receivable of \$84,035 consists of various low-interest home loans made to low-income families and funded from small cities housing monies.

The First Time Home Buyer Assistance Program, or HOMES, was created by the former Redevelopment Agency in order to help existing and new residents purchase their first home. The HOMES program provides up to \$40,000 in down payment assistance for eligible first-time home buyers of low to moderate income. Assistance is in the form of a 45-year loan with interest and payments deferred for the first 10 years of the loan. The HOMES loan is secured by a second trust deed in conjunction with a first mortgage offered by a participating lender. The loan was transferred to the Housing Authority on February 1, 2012. The total amount outstanding at June 30, 2023, was \$40,000.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 NOTES AND LOANS RECEIVABLE (CONTINUED)

The Housing Rehabilitation Loan Program offers loans of up to \$50,000 for newer homes and up to \$75,000 for pre-1960 homes to low- and moderate-income households. The purpose of the program is to assist Stanton’s homeowners with addressing code violations and eliminating blighted, unsafe, unsanitary, and deteriorating living conditions. The loans are interest free with deferred payments until the property is sold, refinanced, or a change in title occurs. The loans were transferred to the Housing Authority on February 1, 2012. The total amount outstanding at June 30, 2023, was \$978,000.

Employees have the opportunity to purchase a personal computer with an interest-free two-year loan from the City. Full-time employees, who have completed the one-year probationary period, or part-time employees, who have been employed with the City for over one year, are eligible to participate in this program. The total amount outstanding at June 30, 2023, was \$393.

NOTE 7 LONG-TERM LIABILITIES

Governmental Activities

The following is a summary of long-term liability transactions as of June 30, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due within One Year
Claims payable	\$ 13,870	\$ -	\$(13,870)	\$ -	\$ -
Compensated absences	<u>320,149</u>	<u>216,266</u>	<u>(227,092)</u>	<u>309,323</u>	<u>197,923</u>
Total	<u>\$ 334,019</u>	<u>\$216,266</u>	<u>\$(240,962)</u>	<u>\$309,323</u>	<u>\$197,923</u>

Claims Payable

The amount of claims payable for governmental activities at June 30, 2023, was \$0. This liability is being liquidated in the Workers’ Compensation and Liability/Risk Management Internal Service Funds.

Compensated Absences

The City’s liability for vested and unpaid compensated absences (accrued vacation and compensation time pay) in the governmental activities has been accrued and amounted to \$309,323 at June 30, 2023. This liability is being liquidated in the Employee Benefits Internal Service Fund.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activity

The following is a summary of long-term debt transactions of the business-type activity as of June 30, 2023:

	Beginning			Ending	Amounts
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>Due within</u>
					<u>One Year</u>
Compensated absences	\$ 768	\$ 1,396	\$ (192)	\$1,972	\$1,972
Total	\$ 768	\$ 1,396	\$ (192)	\$1,972	\$1,972

In proprietary funds, the liability for vested and unpaid compensated absences (accrued vacation and compensation time pay) is reported in the sewer enterprise fund as the benefits are vested and earned. The compensated absences accrued in the Sewer Enterprise Fund amounted to \$1,972 at June 30, 2023

NOTE 8 RISK MANAGEMENT

Risk Pool Membership

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The Authority arranges and administers programs for the pooling of self-insured losses, purchases excess insurance and reinsurance, and arranges for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Authority's Board of Directors. The Board operates through a nine-member Executive Committee.

Excess Liability Program

Liability coverage includes auto liability, employment practices liability, public officials' errors and omissions, bodily injury, personal injury, third-party property damage, advertising injury, and employee benefit administration liability. The City has a retained limit of \$100,000 per occurrence. The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Excess Workers' Compensation Program

The City has a retained limit of \$100,000 per occurrence for workers' compensation claims. The Authority's pooled retention is \$1 million per occurrence with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

The City also participates in the following coverage programs provided by the Authority:

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 RISK MANAGEMENT (CONTINUED)

(A) All-Risk Property Protection Program. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. The total insured value of scheduled City property is \$42,836,816. There is a \$10,000 deductible per occurrence except for nonemergency vehicle insurance which has a \$2,500 deductible.

(B) Earthquake and Flood Insurance. This coverage is part of the Property Protection Program. The City has total insured values of \$19,599,700 scheduled for coverage under this program. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

(C) Pollution Legal Liability Insurance Program. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

(D) Crime Insurance Program. Formerly called Blanket Fidelity Bond, this policy covers faithful performance, depositor's forgery, theft of money and securities, and computer fraud related to the transfer of money. The policy limit is \$3,000,000, and the deductible is \$2,500.

(E) Special Event Tenant User Liability Insurance. This coverage protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on City property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays the insurance broker and/or carrier. The insurance is facilitated by the Authority.

Claims Activity and Adequacy of Protection

Claim expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. As of June 30, 2023, the amount of these liabilities was \$0. This liability is the City's best estimate based on available information.

During the past three fiscal (claims) years, none of the above programs for protection have experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2022-2023.

A summary of the changes in claims liabilities for the past two fiscal years is as follows:

Year Ended June 30.	Claims Payable July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
2022	\$ 203,214	\$ 13,870	\$ (203,214)	\$ 13,870
2023	13,870	-	(13,870)	-

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 COMMITMENTS

On September 15, 1994, the former Redevelopment Agency entered into a Revenue Sharing Agreement with the City of Anaheim related to the development and operation of an automobile recycling facility by Pick Your Part. The location of the project is equally split between the cities of Stanton and Anaheim. All sales tax revenue for the project is collected in Stanton. Additionally, the City receives a recycling fee equal to \$5 per automobile recycled by Pick Your Part at the project site. Under the terms of the agreement, the City of Anaheim will be compensated so as to mitigate the environmental impacts under CEQA associated with the project. Sales tax revenue generated by the project has been determined to be an appropriate measure of the impacts associated with the project. The City will pay to the City of Anaheim a portion of the recycling fee revenue equal to one-half of the sales tax revenue received by the City for the project on a calendar-year basis. In accordance with the agreement, the City paid the City of Anaheim \$41,906 during the fiscal year ended June 30, 2023.

NOTE 10 ORANGE COUNTY FIRE AUTHORITY – JOINT VENTURE

In January 1995, the City entered into a joint powers agreement with 18 other cities and the County to create the Orange County Fire Authority (Fire Authority). 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, as well as providing facilities and personnel for such services. The Fire Authority's governing board consists of one representative from each member city and two from the County. The operations of the Fire Authority are funded with structural fire fees collected by the County through 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, 2023, the City paid \$5,263,154 to the Fire Authority.

No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2023. Upon dissolution of the Fire Authority, all surplus money and property of the Fire Authority will be conveyed or distributed to each member in proportion to all funds provided to the Fire Authority by that member or by the County on behalf of that member during its membership. Complete financial statements may be obtained from the Orange County Fire Authority, 1 Fire Authority Road, Irvine, CA 92602.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 RETIREMENT PLANS

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety and Miscellaneous (all other) Employee Pension Plans which are cost-sharing multiple-employer defined benefit pension plans administered by CalPERS. Benefit provisions under the plans are established by state statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website at <https://www.calpers.ca.gov/page/employers/actuarial-resources/gasb>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least five years of services. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for nonduty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost-of-living adjustments for each plan are applied as specified by the California Public Employees' Retirement Law.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 RETIREMENT PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

The plans' provisions and benefits in effect at the measurement date ended June 30, 2022, are summarized as follows:

	Miscellaneous		
	Tier I On or Prior to August 27, 2011	Tier II After August 27, 2011	Tier III - PEPRA On or After January 1, 2013
Hire Date			
Benefit Formula	2%@55	2%@60	2%@62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	50 - 67	50 - 67	52 - 67
Monthly Benefits, as a % of Eligible Compensation	1.426% to 2.418%	1.092% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates	7.000%	7.000%	6.750%
Required Employer Contribution Rates:			
Normal Cost Rate	10.870%	8.630%	7.470%
Payment of Unfunded Liability and Extra Payments	\$ 595,521	\$ 2,784	\$ 6,286
		Safety	
Hire Date		Closed	
Benefit Formula		1/2%@55	
Benefit Vesting Schedule		5 Years of Service	
Benefit Payments		Monthly for Life	
Retirement Age		50 - 65	
Monthly Benefits, As A % Of Eligible Compensation		1.783% to 2.5%	
Required Employee Contribution Rates (1)		0%	
Required Employer Contribution		\$ 173,625	

(1) The City currently outsources the safety function to the County. There are no members of the safety plan that are active employees of the city. Therefore, there are no required employee contribution rates. Instead, the required employer contribution is a dollar amount provided by CalPERS.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 RETIREMENT PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Contributions (Continued)

The total plan contributions are determined through CalPERS's annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. The City made contributions of \$843,262 and \$173,625 to the Miscellaneous and Safety Plans, respectively, in the current fiscal year.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

The City's balances for the miscellaneous and safety plans are shown in the statement of net position as follows:

	Governmental <u>Activities</u>
Deferred Outflows of Resources:	
Miscellaneous Plan	\$3,021,044
Safety Plan	<u>2,246,636</u>
Total Deferred Outflows of Resources	<u>\$5,267,680</u>
Deferred Inflows of Resources:	
Miscellaneous Plan	\$ 568,039
Safety Plan	<u>1,199,100</u>
Total Deferred Inflows of Resources	<u>\$1,767,139</u>
Net Pension Liability (Asset):	
Miscellaneous Plan	\$7,023,242
Safety Plan	<u>1,310,162</u>
Total Net Pension Liability (Asset)	<u>\$8,333,404</u>
Pension Expense (Credit):	
Miscellaneous Plan	\$ (140,801)
Safety Plan	<u>2,420,857</u>
Total Pension Expense (Credit)	<u>\$ 2,280,056</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

As of June 30, 2023, the City reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension <u>Liability (Asset)</u>
Miscellaneous	\$ 7,023,242
Safety	<u>1,310,162</u>
Total Net Pension Liability	<u>\$ 8,333,404</u>

The City's net pension liability for each plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the plans is measured as of June 30, 2022, and the total pension liability for each plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The City's proportionate share of the net pension liability 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 for each plan as of the measurement date ended June 30, 2021 and 2022, was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2021	0.18344%	(0.04423)%
Proportion - June 30, 2022	0.15009%	0.01907%
Change - Increase (Decrease)	(0.03335)%	0.06330%

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 843,262	\$ -
Change in proportion	30,592	(180,921)
Difference in actual contributions vs. proportionate share of contributions	-	(292,655)
Difference between expected and actual experience	141,040	(94,463)
Differences between projected and actual earnings on plan investments	1,286,472	-
Change in assumptions	719,678	-
Total	\$3,021,044	\$ (568,039)

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 173,625	\$ -
Change in proportion	1,679,792	-
Difference in actual contributions vs. proportionate share of contributions	-	(1,184,873)
Difference between expected and actual experience	54,223	(14,227)
Differences between projected and actual earnings on plan investments	206,893	-
Change in assumptions	132,103	-
Total	\$ 2,246,636	\$ (1,199,100)

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The amount of \$843,262 and \$173,625 in the miscellaneous and safety plans, respectively, which is reported as deferred outflows of resources related to contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Miscellaneous	Safety
2024	\$ 348,700	\$ 194,879
2025	306,310	332,860
2026	167,883	219,966
2027	<u>786,850</u>	<u>126,207</u>
	<u>\$1,609,743</u>	<u>\$ 873,912</u>

Actuarial Assumptions

The total pension liability was based on the following assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.50%	2.50%
Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
Postretirement Benefit Increase	(3)	(3)

- (1) Varies by entry age and service.
- (2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and postretirement mortality rates includes: 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017, that can be found on the CalPERS website.
- (3) The less of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations, as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (b) (c)</u>
Public Equity	18.00%	4.50%
Fixed Income	45.00%	1.40%
TIPS	20.00%	0.50%
Commodities	3.00%	1.10%
REITs	14.00%	3.70%
Total	<u>100.00%</u>	

(a) Commodities and REITs are included in Public Equity; TIPS are included in fixed Income.

(b) An expected inflation of 2.3% used for this period.

(c) Figures are based on the 2021-22 Asset Liability Management study.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for each 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 one percentage point lower or one percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 10,596,672	\$ 3,462,430
Current Discount Rate	6.90%	6.90%
Net Pension Liability (Asset)	\$ 7,023,242	\$ 1,310,162
1% Increase	7.90%	7.90%
Net Pension Liability (Asset)	\$ 4,083,195	\$ (448,832)

Pension Plans Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plans

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

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

A. General Information about the OPEB Plan

The City provides postretirement medical benefits to retirees under CalPERS and the California Public Employees Medical and Hospital Care Act (PEMHCA). The City has entered into an agreement with California Employers' Retiree Benefit Trust (CERBT) to prefund the City's net OPEB liability. The program is an agent multiple-employer defined benefit health-care plan that provides health-care insurance for eligible retirees. To be eligible for postretirement benefits, employees must complete at least five years of continuous service and be a minimum of 50 years of age. The plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan. Those reports may be obtained by writing or calling the plans at the following address or telephone number: CalPERS Member Services Division; P.O. Box 942704, Sacramento, CA 94229-2704; 1-888-225-7377.

Employees Covered

As of the measurement date of June 30, 2022, the following current and former employees were covered by the benefit terms under the plan:

Active employees	41
Inactive employees or beneficiaries currently receiving benefits	<u>19</u>
Total	<u>60</u>

Benefits

The City pays the greater of \$215 per month or the PEMHCA minimum. The PEMHCA minimum was \$149 and \$151 for 2022 and 2023, respectively.

Contributions

Contribution requirements are established by City policy and may be amended by the City Council through negotiations with the respective unions. For the fiscal year ended June 30, 2023, the City made contributions of \$38,485, which represents the implicit subsidy. The fiduciary net position of the plan was utilized to meet the remaining contribution requirements.

B. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	2.50%
Projected Salary Increase	2.75% Per Year
Expected Long-Term Investment Rate of Return	6.25%
Health-Care Cost Trend Rates	4.00% Per Year
Pre-Retirement Turnover	Derived from 2017 CalPERS turnover for miscellaneous employees
Mortality	Derived from 2017 CalPERS active mortality for miscellaneous employees and 2017 CalPERS mortality for retired safety employees

The actuarial assumptions used in the June 30, 2021 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

Long-Term Expected Rate of Return

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The asset class percentages are taken from the current composition of CERBT, and the expected yields are taken from a recent CalPERS publication for the pension fund:

Asset Class	Percentage of Portfolio	Long-Term Expected Real Rate of Return
All Equities	40.00%	7.545%
All Fixed Income	43.00%	4.250%
Real Estate Investment Trusts	8.00%	7.250%
All Commodities	4.00%	7.545%
Treasury Inflation Protected Securities	5.00%	3.000%
Total	100.00%	

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

B. Net OPEB Liability (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. This is the expected long-term rate of return on City assets using investment strategy 2 within CERBT. The rate used for a funded plan is the real rate of return expected for plan assets plus long-term inflation assumption. This method was used to determine the discount rate assuming that the City's contributions will be made on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 33 years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on the plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in the Net OPEB Liability

The changes in the net OPEB liability (asset) are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (c)=(a)-(b)
Balance at Fiscal Year Ending 6/30/21 <i>Measurement Date 6/30/21</i>	\$ 979,040	\$1,013,692	\$ (34,652)
Changes During the Period:			
Service Cost	34,727	-	34,727
Interest Cost	59,894	-	59,894
Expected Investment Income	-	62,004	(62,004)
Employer Contributions	-	25,495	(25,495)
Changes of Benefit Terms	-	-	-
Administrative Expenses	-	(258)	258
Actual minus expected benefit payments	(7,697)	-	(7,697)
Benefit Payments	(68,495)	(68,495)	-
Assumption Changes	-	-	-
Plan Experience	-	-	-
Investment Experience	-	(188,756)	188,756
Recognized Deferred Resources	-	-	-
Employer Contributions Subsequent to Measurement Date	-	-	-
Net Changes in Fiscal Year 2021-22	18,429	(170,010)	188,439
Balance at Fiscal Year Ending 6/30/22 <i>Measurement Date 6/30/22</i>	\$ 997,469	\$ 843,682	\$ 153,787

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

C. Changes in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

1% Decrease Net OPEB Liability	5.25% \$267,627
Current Discount Rate Net OPEB Liability (Asset)	6.25% \$153,787
1% Increase Net OPEB Liability (Asset)	7.25% \$ 59,470

Sensitivity of the Net OPEB Liability to Changes in Health-Care Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using health-care cost trend rates that are one percentage point lower or one percentage point higher than the current health-care cost trend rates:

1% Decrease Net OPEB Liability	Trend 1% Lower \$ 79,373
Current Trend Net OPEB Liability (Asset)	Valuation Trend \$153,787
1% Increase Net OPEB Liability (Asset)	Trend 1% Higher \$244,505

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$84,658. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 91,563	\$ (116,018)
Change of assumptions	285,626	-
Net difference between projected and actual earnings on investments	82,621	-
Total	\$ 459,810	\$ (116,018)

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows and deferred inflows of resources will be recognized as OPEB expense as follows:

Year Ended June 30	
2024	\$ 51,584
2025	52,531
2026	50,906
2027	74,464
2028	36,716
Thereafter	<u>77,591</u>
	<u>\$343,792</u>

E. Payable to the OPEB Plan

The City had no outstanding amount of contributions to the OPEB plan as required for the year ended June 30, 2023.

NOTE 13 CLASSIFICATION OF FUND BALANCES

The City has adopted the provisions of GASB Statement No. 54, *Fund Balance and Governmental Fund Type Definitions*. GASB 54 establishes fund balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The governmental funds statements conform to this classification. The various fund balance classifications established as of June 30, 2023, were as follows:

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13 CLASSIFICATION OF FUND BALANCES (CONTINUED)

	General Fund	Housing Authority Special Revenue Fund	Lighting and Median Maint Special Revenue Fund	CDBG	Nonmajor Governmental Funds	Total
Nonspendable:						
Prepaid items	\$ 150,708	\$ -	\$ -	\$ -	\$ -	\$ 150,708
Notes and loans receivable	1,452,575	-	-	-	-	1,452,575
Advances to other funds	661,953	-	-	-	-	661,953
Total nonspendable	<u>2,265,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,265,236</u>
Restricted for:						
Low-and moderate income housing	-	10,856,500	-	-	-	10,856,500
Park projects	-	-	-	-	3,955,968	3,955,968
Street lighting and median maintenance	-	-	1,515,698	-	-	1,515,698
Streets and roads						
Maintenance and capital projects	-	-	-	-	4,018,547	4,018,547
Public safety programs	-	-	-	-	292,352	292,352
Traffic signal projects	-	-	-	-	1,295	1,295
Pollution remediation	-	-	-	-	242,042	242,042
New community center	-	-	-	-	176,828	176,828
New police services facility	-	-	-	-	159,775	159,775
Fire protection	-	-	-	-	4,001	4,001
Senior mobility program	-	-	-	-	76,134	76,134
Disability access program	-	-	-	-	61,130	61,130
Total restricted	<u>-</u>	<u>10,856,500</u>	<u>1,515,698</u>	<u>-</u>	<u>8,988,072</u>	<u>21,360,270</u>
Committed for:						
Emergency equipment and maintenance	150,000	-	-	-	-	150,000
Technology equipment	150,000	-	-	-	-	150,000
Emergency disaster contingency	3,000,000	-	-	-	-	3,000,000
Capital improvement	5,000,000	-	-	-	-	5,000,000
Beautification projects	190,000	-	-	-	-	190,000
Neighborhood preservation projects	108,000	-	-	-	-	108,000
Other public benefit projects	1,507,796	-	-	-	-	1,507,796
Total committed	<u>10,105,796</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,105,796</u>
Assigned for:						
Capital improvement projects	3,438,563	-	-	-	181,951	3,620,514
Information technology Upgrades and projects	399,016	-	-	-	-	399,016
Mental health counseling Program	158,180	-	-	-	-	158,180
Summer camp program	56,400	-	-	-	-	56,400
Temporary staff	1,565,625	-	-	-	-	1,565,625
City rebrand and implementation	80,200	-	-	-	-	80,200
Public Safety Pilot program	505,251	-	-	-	-	505,251
2020 Town Center Specific plan	48,905	-	-	-	-	48,905
Other purposes	52,382	-	-	-	-	52,382
Total assigned	<u>6,304,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,951</u>	<u>6,486,473</u>
Unassigned for:						
Economic uncertainty	6,100,000	-	-	-	-	6,100,000
Unassigned	13,748,555	-	-	-	(122,745)	13,490,697
Total unassigned	<u>19,848,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122,745)</u>	<u>19,590,697</u>
	<u>\$38,524,109</u>	<u>\$10,856,500</u>	<u>\$ 1,515,698</u>	<u>\$(135,113)</u>	<u>\$ 9,047,278</u>	<u>\$59,808,472</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 SUCCESSOR AGENCY DISCLOSURES

The assets and liabilities of the former Redevelopment Agency (Agency) were transferred to the Successor Agency to the City of Stanton Redevelopment Agency on February 1, 2012, as a result of the dissolution of the Agency. The City is acting in a fiduciary capacity for the assets and liabilities. Disclosures related to notes receivable and long-term liabilities are stated below:

Long-Term Liabilities

Long-term liability transactions for the year ended June 30, 2023, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Bonds Payable					
Tax Allocation Bonds					
(TAB) 2016 Series A	\$ 5,440,000	\$ -	\$ (380,000)	\$ 5,060,000	\$ 300,000
Add Bond Premium	366,753	-	(30,563)	336,190	-
TAB, 2016 Series B	10,055,000	-	(690,000)	9,365,000	575,000
Less Issuance					
Discounts	(62,857)	-	5,238	(57,619)	-
TAB, 2016 Series C	9,695,000	-	-	9,695,000	-
Add Bond Premium	644,643	-	(35,813)	608,830	-
TAB, 2016 Series D	20,540,000	-	(1,205,000)	19,335,000	1,240,000
Less Issuance					
Discounts	(404,613)	-	22,479	(382,134)	-
TAB, 2020-A Payable	7,670,000	-	(360,000)	7,310,000	540,000
Add Bond Premium	<u>1,417,026</u>	<u>-</u>	<u>(199,559)</u>	<u>1,217,467</u>	<u>-</u>
Total	<u>\$55,360,952</u>	<u>\$ -</u>	<u>\$(2,873,218)</u>	<u>\$52,487,734</u>	<u>\$2,655,000</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Tax Allocation Refunding Bonds, 2016 Series A

On February 2, 2016, the Agency issued Tax Allocation Refunding Bonds, 2016 Series A, in the amount of \$7,115,000. The purpose of the bonds was to refinance certain outstanding obligations of the Agency and provide for the costs of issuing the bonds.

The bonds bear interest rates between 2.00% to 5.00%, are due June 1 and December 1 of each year, and mature December 1, 2035. The bonds maturing on or after December 1, 2027, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2027, as a whole or in part at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Tax revenues are pledged for the payment of principal and interest on the bonds until the bonds and any parity debt have been paid or until monies have been set aside irrevocably for that purpose. With the issuance of the bonds, a municipal bond insurance policy was issued, which guarantees the scheduled payment of principal and interest on the bonds when due. This insurance policy serves as the reserve account.

The outstanding balance of the bonds was \$5,060,000 at June 30, 2023.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 300,000	\$ 185,275	\$ 485,275
2025	310,000	170,025	480,025
2026	325,000	154,150	479,150
2027	345,000	137,400	482,400
2028	360,000	119,775	479,775
2029-2033	2,045,000	369,381	2,414,381
2034-2036	<u>1,375,000</u>	<u>64,094</u>	<u>1,439,094</u>
Total	<u>\$ 5,060,000</u>	<u>\$ 1,200,100</u>	<u>\$ 6,260,100</u>

Taxable Tax Allocation Refunding Bonds, 2016 Series B

On February 2, 2016, the Agency issued Taxable Tax Allocation Refunding Bonds, 2016 Series B, in the amount of \$13,220,000. The purpose of the bonds was to refinance certain outstanding obligations of the Agency and provide for the costs of issuing the bonds.

The bonds bear interest rates between 1.00% to 3.50%, are due June 1 and December 1 of each year, and mature December 1, 2035. The bonds maturing on or after December 1, 2027, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2027, as a whole or in part at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The bonds are subject to mandatory sinking account redemption in amounts ranging from \$655,000 to \$900,000 as outlined in the official statements.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Taxable Tax Allocation Refunding Bonds, 2016 Series B (CONTINUED)

Tax revenues are pledged for the payment of principal and interest on the bonds until the bonds and any parity debt have been paid or until monies have been set aside irrevocably for that purpose. With the issuance of the Bonds, a municipal bond insurance policy was issued, which guarantees the scheduled payment of principal and interest on the bonds when due. This insurance policy serves as the reserve account.

The outstanding balance of the bonds was \$9,365,000 at June 30, 2023.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 575,000	\$ 351,500	\$ 926,500
2025	595,000	333,578	928,578
2026	615,000	314,288	929,288
2027	630,000	293,269	923,269
2028	655,000	269,144	924,144
2029-2033	3,700,000	921,719	4,621,719
2034-2036	<u>2,595,000</u>	<u>163,453</u>	<u>2,758,453</u>
Total	<u>\$ 9,365,000</u>	<u>\$ 2,646,951</u>	<u>\$ 12,011,951</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Tax Allocation Refunding Bonds, 2016 Series C

On December 15, 2016, the Agency issued Tax Allocation Refunding Bonds, 2016 Series C, in the amount of \$10,030,000. The purpose of the bonds was to refinance certain outstanding obligations of the Agency and provide for the costs of issuing the bonds. The 2010 Series A have been partially paid off as of June 30, 2019.

The bonds bear interest rates between 2.00% to 5.00%, are due June 1 and December 1 of each year, and mature December 1, 2040. The bonds maturing on or after December 1, 2026, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2026, as a whole or in part at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Tax revenues are pledged for the payment of principal and interest on the bonds until the bonds and any parity debt have been paid or until monies have been set-aside irrevocably for that purpose. With the issuance of the bonds, a municipal bond insurance policy was issued, which guarantees the scheduled payment of principal and interest on the bonds when due. This insurance policy serves as the reserve account.

The outstanding balance of the bonds was \$9,695,000 at June 30, 2023.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 484,750	\$ 484,750
2025	-	484,750	484,750
2026	-	484,750	484,750
2027	-	484,750	484,750
2028	-	484,750	484,750
2029-2033	-	2,423,750	2,423,750
2034-2038	3,595,000	2,246,375	5,841,375
2039-2040	<u>6,100,000</u>	<u>467,500</u>	<u>6,567,500</u>
Total	<u>\$ 9,695,000</u>	<u>\$ 7,561,375</u>	<u>\$ 17,256,375</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Tax Allocation Refunding Bonds, 2016 Series D

On December 15, 2016, the Agency issued Tax Allocation Refunding Bonds, 2016 Series D, in the amount of \$26,080,000. The purpose of the bonds was to refinance certain outstanding obligations of the Agency and provide for the costs of issuing the bonds.

The bonds bear interest rates between 2.00% to 5.00%, are due June 1 and December 1 of each year, and mature December 1, 2040. The bonds maturing on or after December 1, 2026, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2026, as a whole or in part at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Tax revenues are pledged for the payment of principal and interest on the bonds until the bonds and any parity debt have been paid or until monies have been set aside irrevocably for that purpose. With the issuance of the bonds, a municipal bond insurance policy was issued, which guarantees the scheduled payment of principal and interest on the bonds when due. This insurance policy serves as the reserve account.

The outstanding balance of the bonds was \$19,335,000 at June 30, 2023.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,240,000	\$ 725,775	\$ 1,965,775
2025	1,280,000	687,175	1,967,175
2026	1,320,000	645,725	1,965,725
2027	1,360,000	601,325	1,961,325
2028	1,410,000	550,175	1,960,175
2029-2033	6,505,000	1,898,575	8,403,575
2034-2038	4,080,000	840,850	4,920,850
2039-2040	<u>2,140,000</u>	<u>136,638</u>	<u>2,276,638</u>
Total	<u>\$ 19,335,000</u>	<u>\$ 6,086,238</u>	<u>\$ 25,421,238</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Taxable Tax Allocation Refunding Bonds, 2020 Series A

In August 2020, the Agency issued 2020A Tax Allocation Refunding Bonds in the amount of \$7,935,000 to refund the 2010A Tax Allocation Bonds and provide for the costs of issuing the bonds.

The bonds bear interest at a rate of 4% that is payable on a semi-annual basis beginning June 1, 2021. Principal is payable December 1 of each year with a maturity date of December 1, 2035. The bonds maturing on or after December 1, 2030, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2030, as a whole or in part at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Tax revenues are pledged for the payment of principal and interest on the bonds until the bonds and any parity debt have been paid or until monies have been set aside irrevocably for that purpose. With the issuance of the bonds, a municipal bond insurance policy was issued, which guarantees the scheduled payment of principal and interest on the bonds when due. This insurance policy serves as the reserve account.

The outstanding balance of the bonds was \$7,310,000 at June 30, 2023.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 540,000	\$ 281,600	\$ 821,600
2025	560,000	259,600	819,600
2026	580,000	236,800	816,800
2027	605,000	213,100	818,100
2028	635,000	188,300	823,300
2029-2033	2,925,000	559,100	3,484,100
2034-2036	1,465,000	89,300	1,554,300
Total	<u>\$ 7,310,000</u>	<u>\$ 1,827,800</u>	<u>\$ 9,137,800</u>

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 15 CONTINGENT LIABILITIES

Lawsuits

The City is a defendant in certain legal actions arising in the normal course of operations. In the opinion of management and legal counsel, any liability resulting from these actions will not result in a material adverse effect on the City's financial position.

Federal and State Grant Programs

The City has received federal grants for specific purposes that are subject to review and audit by the federal government. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material.

NOTE 16 PRIOR PERIOD ADJUSTMENT

During June 20, 2023, two revenue recognition errors resulted in adjustment to and restatements of beginning net position and fund balance as follows:

	Governmental Activities	Total Governmental Funds
	<hr/>	<hr/>
Net position and fund balance at July 1, 2022, as originally reported	\$144,644,665	\$52,160,940
Gas Tax Nonmajor Governmental Special Revenue Fund was restated to correct revenue recognized in the wrong accounting period.	(92,166)	(92,166)
Public Safety Task (PSTF) Nonmajor Governmental Special Revenue Fund was restated to correct revenue recognized in the wrong accounting period.	(115,907)	(115,907)
	<hr/>	<hr/>
Net position and fund balance at July 1, 2022, as restated	<u>\$144,436,592</u>	<u>\$51,952,867</u>

NOTE 17 SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 14, 2024 which is the date the financial statements were available to be issued, and has determined that there are no transactions that will have a significant impact on the City.

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**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

CITY OF STANTON
Schedule of Proportionate Share of the Net Pension Liability - CalPERS Miscellaneous Pension Plan
**Last 10 Fiscal Years *
Year Ended June 30, 2023**

Fiscal year ended June 30	2023	2022	2021	2020	2019
Measurement period June 30	2022	2021	2020	2019	2018
Proportion of the net pension liability	0.15009%	0.18344%	0.14298%	0.13918%	0.13424%
Proportionate share of the net pension liability	\$ 7,023,242	\$ 3,483,253	\$ 6,031,096	\$ 5,573,525	\$ 5,059,084
Covered payroll	\$ 3,562,190	\$ 3,145,319	\$ 2,740,004	\$ 2,544,215	\$ 2,644,646
Proportionate Share of the net pension liability as percentage of covered payroll	197.16%	110.74%	220.11%	219.07%	191.30%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	73.21%	85.91%	74.82%	76.17%	75.26%

Notes to schedule:

Benefit changes:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2021:

There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

The discount rate was reduced from 7.15% to 6.90%.

* - Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

CITY OF STANTON
Schedule of Proportionate Share of the Net Pension Liability - CalPERS Miscellaneous Pension Plan
Last 10 Fiscal Years * (Continued)
Year Ended June 30, 2023

Fiscal year ended June 30	2018	2017	2016	2015
Measurement period June 30	2017	2016	2015	2014
Proportion of the net pension liability	0.13038%	0.12626%	0.11916%	0.14740%
Proportionate share of the net pension liability	\$ 5,139,562	\$ 4,386,167	\$ 3,269,137	\$ 3,642,924
Covered payroll	\$ 2,188,343	\$ 2,097,117	\$ 1,968,200	\$ 1,884,740
Proportionate Share of the net pension liability as percentage of covered payroll	234.86%	209.15%	166.10%	193.29%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	73.31%	74.06%	82.31%	80.06%

CITY OF STANTON
Schedule of Contributions - CalPERS Miscellaneous Pension Plan
**Last 10 Fiscal Years *
Year Ended June 30, 2023**

Fiscal year ended June 30	2023	2022	2021	2020	2019
Contractually required contribution (actuarially determined)	\$ 843,262	\$ 740,035	\$ 645,052	\$ 601,444	\$ 469,444
Contributions in relation to the actuarially determined contributions	<u>(893,262)</u>	<u>(841,240)</u>	<u>(695,052)</u>	<u>(601,444)</u>	<u>(469,444)</u>
Contribution deficiency (excess)	<u>\$ (50,000)</u>	<u>\$ (101,205)</u>	<u>\$ (50,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,914,558	\$ 3,562,190	\$ 3,145,319	\$ 2,740,004	\$ 2,544,215
Contributions as a percentage of covered payroll	22.82%	23.62%	22.10%	21.95%	18.45%

Notes to schedule:

Valuation date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
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Methods and assumptions used to
determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)

Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.500%	2.625%	2.750%
Salary increases	2.75% (2)	(2)	(2)	(2)	(2)
Investment rate of return	7.00% (3)	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 for all plans with exception of 52 for Miscellaneous 2% @62
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* - Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

CITY OF STANTON
Schedule of Contributions - CalPERS Miscellaneous Pension Plan
Last 10 Fiscal Years * (Continued)
Year Ended June 30, 2023

Fiscal year ended June 30	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 402,799	\$ 327,584	\$ 288,043	\$ 745,208
Contributions in relation to the actuarially determined contributions	<u>(402,799)</u>	<u>(327,584)</u>	<u>(288,043)</u>	<u>(745,208)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,644,646	\$ 2,188,343	\$ 2,097,117	\$ 1,968,200
Contributions as a percentage of covered payroll	15.23%	14.97%	13.74%	37.86%

Notes to schedule:

Valuation date	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and assumptions used to
determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)
				15 Year Smoothed Fair Value
Asset valuation method	Fair Value	Fair Value	Fair Value	Method
Inflation	2.750%	2.750%	2.750%	2.750%
Salary increases	(2)	(2)	(2)	(2)
Investment rate of return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

CITY OF STANTON
Schedule of Proportionate Share of the Net Pension Liability - CalPERS Safety Pension Plan
**Last 10 Fiscal Years *
Year Ended June 30, 2023**

Fiscal year ended June 30	2023	2022	2021	2020	2019
Measurement period June 30	2022	2021	2020	2019	2018
Proportion of the net pension liability	0.01907%	-0.04423%	0.00935%	0.00763%	0.09504%
Proportionate share of the net pension liability (asset)	\$ 1,310,162	\$ (1,552,129)	\$ 622,970	\$ 476,073	\$ 5,576,370
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Proportionate Share of the net pension liability as percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability (Asset)	91.58%	-109.72%	96.21%	97.30%	68.32%

Notes to schedule:

Benefit changes:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2021:

There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

The discount rate was reduced from 7.15% to 6.90%.

* - Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

CITY OF STANTON
Schedule of Proportionate Share of the Net Pension Liability - CalPERS Safety Pension Plan
Last 10 Fiscal Years * (Continued)
Year Ended June 30, 2023

Fiscal year ended June 30	2018	2017	2016	2015
Measurement period June 30	2017	2016	2015	2014
Proportion of the net pension liability	0.09231%	0.09501%	0.09572%	0.08756%
Proportionate share of the net pension liability	\$ 5,515,903	\$ 4,920,618	\$ 3,944,111	\$ 3,284,432
Covered payroll	\$ -	\$ -	\$ -	\$ -
Proportionate Share of the net pension liability as percentage of covered payroll	0.00%	0.00%	0.00%	0.00%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	68.32%	71.79%	77.44%	81.42%

CITY OF STANTON
Schedule of Contributions - CalPERS Safety Pension Plan
Last 10 Fiscal Years *
Year Ended June 30, 2023

Fiscal year ended June 30	2023	2022	2021	2020	2019
Contractually required contribution (actuarially determined)	\$ 173,625	\$ 103,850	\$ 80,284	\$ -	\$ 559,861
Contributions in relation to the actuarially determined contributions	<u>(173,625)</u>	<u>(103,850)</u>	<u>(80,284)</u>	<u>-</u>	<u>(5,540,542)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,980,681)</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to schedule:

Valuation date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)

Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.500%	2.625%	2.750%
Salary increases	2.75% (2)	(2)	(2)	(2)	(2)
Investment rate of return	7.00% (3)	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 for all plans with exception of 52 for Miscellaneous 2% @62
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* - Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

CITY OF STANTON
Schedule of Contributions - CalPERS Safety Pension Plan
Last 10 Fiscal Years * (Continued)
Year Ended June 30, 2023

Fiscal year ended June 30	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 469,366	\$ 226,818	\$ 188,537	\$ 157,551
Contributions in relation to the actuarially determined contributions	<u>(469,366)</u>	<u>(226,818)</u>	<u>(188,537)</u>	<u>(157,551)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

Notes to schedule:

Valuation date	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and assumptions used to

determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)
Asset valuation method	Fair Value	Fair Value	Fair Value	15 Year Fair Value Method
Inflation	2.750%	2.750%	2.750%	2.750%
Salary increases	(2)	(2)	(2)	(2)
Investment rate of return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

CITY OF STANTON
Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios
Last 10 Fiscal Years *
Year Ended June 30, 2023

Fiscal Year End	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability					
Service cost	\$ 34,727	\$ 20,853	\$ 20,295	\$ 11,308	\$ 11,005
Interest on the total OPEB Liability	59,894	64,483	64,039	33,517	33,513
Actual and expected experience difference	(7,697)	(110,610)	-	124,860	-
Changes in assumptions	-	61,360	-	353,544	-
Actual minus expected benefit payment	-	(6,685)	(659)	14,271	-
Benefit payments	(68,495)	(70,646)	(77,577)	(52,347)	(51,136)
Net change in total OPEB liability	18,429	(41,245)	6,098	485,153	(6,618)
Total OPEB liability - beginning	979,040	1,020,285	1,014,187	529,034	535,652
Total OPEB liability - ending (a)	<u>\$ 997,469</u>	<u>\$ 979,040</u>	<u>\$ 1,020,285</u>	<u>\$ 1,014,187</u>	<u>\$ 529,034</u>
Plan Fiduciary Net Position					
Contribution - employer	\$ 25,495	\$ 26,356	\$ 25,640	\$ -	\$ -
Net investment income (loss)	(126,752)	173,850	47,942	60,321	54,438
Benefit payments	(68,495)	(70,646)	(77,577)	(52,347)	(51,136)
Administrative expense	(258)	(322)	(437)	(189)	(1,623)
Net change in plan fiduciary net position	(170,010)	129,238	(4,432)	7,785	1,679
Plan fiduciary net position - beginning	1,013,692	884,454	888,886	881,101	879,422
Plan fiduciary net position - ending (b)	<u>\$ 843,682</u>	<u>\$ 1,013,692</u>	<u>\$ 884,454</u>	<u>\$ 888,886</u>	<u>\$ 881,101</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ 153,787</u>	<u>\$ (34,652)</u>	<u>\$ 135,831</u>	<u>\$ 125,301</u>	<u>\$ (352,067)</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	84.58%	103.54%	86.69%	87.65%	166.55%
Employee payroll	\$ 3,562,190	\$ 3,145,319	\$ 2,740,004	\$ 2,544,215	\$ 2,664,646
Net OPEB liability (asset) as a percentage of employee payroll	4.32%	-1.10%	4.96%	4.92%	-13.21%

Notes to Schedule

Changes in assumptions:

There were no significant changes in assumptions for the measurement dates June 30, 2017 and 2018.

The following were the significant changes in assumptions for the measurement date June 30, 2019:

The implicit rate subsidy that includes using the claims or age-adjusted premiums approximating claims costs to determine that plan's liability was utilized for the measurement date June 30, 2019, and was not included.

* - Fiscal year 2017-18 was the 1st year of implementation, therefore only six years are shown.

CITY OF STANTON
Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios
Last 10 Fiscal Years * (Continued)
Year Ended June 30, 2023

Fiscal Year End	<u>6/30/2018</u>
Measurement Date	<u>6/30/2017</u>
Total OPEB Liability	
Service cost	\$ 10,710
Interest on the total OPEB Liability	33,968
Actual and expected experience difference	-
Changes in assumptions	-
Actual minus expected benefit payment	-
Benefit payments	<u>(52,812)</u>
Net change in total OPEB liability	(8,134)
Total OPEB liability - beginning	<u>543,786</u>
Total OPEB liability - ending (a)	<u>\$ 535,652</u>
Plan Fiduciary Net Position	
Contribution - employer	\$ 52,812
Net investment income (loss)	59,303
Benefit payments	(52,812)
Administrative expense	<u>(432)</u>
Net change in plan fiduciary net position	58,871
Plan fiduciary net position - beginning	<u>820,551</u>
Plan fiduciary net position - ending (b)	<u>\$ 879,422</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ (343,770)</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	164.18%
Employee payroll	\$ 2,188,343
Net OPEB liability (asset) as a percentage of employee payroll	-15.71%

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes and assessments	\$ 23,817,650	\$ 24,386,160	\$ 25,732,481	\$ 1,346,321
Licenses and permits	1,119,400	1,109,900	1,294,055	184,155
Intergovernmental	357,200	514,550	543,729	29,179
Charges for services	2,270,455	2,270,564	2,405,760	135,196
Fines and forfeitures	351,700	351,700	383,517	31,817
Investment income	228,020	228,020	556,243	328,223
Rental income	93,335	99,335	164,938	65,603
Miscellaneous	163,460	166,960	43,382	(123,578)
	<u>28,401,220</u>	<u>29,127,189</u>	<u>31,124,105</u>	<u>1,996,916</u>
EXPENDITURES				
Current:				
General government	3,383,960	3,908,127	3,632,542	275,585
Public safety	18,949,930	12,806,134	12,371,532	434,602
Community development	2,013,895	2,186,417	1,468,646	717,771
Public works	2,635,195	2,734,333	2,532,619	201,714
Culture and recreation	1,283,290	1,619,149	1,293,128	326,021
Capital outlay	330,340	291,378	252,541	38,837
	<u>28,596,610</u>	<u>23,545,538</u>	<u>21,551,008</u>	<u>1,994,530</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(195,390)</u>	<u>5,581,651</u>	<u>9,573,097</u>	<u>3,991,446</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	737,000	744,730	634,730	(110,000)
Transfers out	(296,715)	(1,202,095)	(170,077)	1,032,018
	<u>440,285</u>	<u>(457,365)</u>	<u>464,653</u>	<u>922,018</u>
Net change in fund balance	<u>\$ 244,895</u>	<u>\$ 5,124,286</u>	10,037,750	<u>\$ 4,913,464</u>
Fund balance, beginning of year			<u>28,486,359</u>	
Fund balance, end of year			<u>\$ 38,524,109</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Housing Authority Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Investment income	\$ 25,000	\$ 25,000	\$ 265,277	\$ 240,277
Rental income	560,000	610,000	671,330	61,330
Miscellaneous	1,000	1,000	213	(787)
Total revenues	<u>586,000</u>	<u>636,000</u>	<u>936,820</u>	<u>300,820</u>
EXPENDITURES				
Current:				
General government	431,975	434,725	201,254	233,471
Public safety	104,055	103,385	88,181	15,204
Community development	739,865	833,665	722,906	110,759
Capital outlay	-	2,500,220	2,500,218	2
Total expenditures	<u>1,275,895</u>	<u>3,871,995</u>	<u>3,512,559</u>	<u>359,436</u>
Net change in fund balance	<u>\$ (689,895)</u>	<u>\$ (3,235,995)</u>	(2,575,739)	<u>\$ 660,256</u>
Fund balance, beginning of year			<u>13,432,239</u>	
Fund balance, end of year			<u>\$ 10,856,500</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Lighting and Median Maintenance Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes and assessments	\$ 654,000	\$ 751,200	\$ 810,904	\$ 59,704
Charges for services	208,000	217,650	229,321	11,671
Investment income	8,000	8,000	37,642	29,642
Miscellaneous	-	129,870	134,850	4,980
	<u>870,000</u>	<u>1,106,720</u>	<u>1,212,717</u>	<u>105,997</u>
EXPENDITURES				
Current:				
General government	9,500	9,500	10,247	(747)
Public works	731,500	746,150	538,822	207,328
Capital outlay	75,000	75,000	44,726	30,274
Debt service:				
Principal retirement	133,460	133,460	-	133,460
Interest and fiscal charges	11,020	11,020	11,020	-
	<u>960,480</u>	<u>975,130</u>	<u>604,815</u>	<u>370,315</u>
Net change in fund balance	<u>\$ (90,480)</u>	<u>\$ 131,590</u>	607,902	<u>\$ 476,312</u>
Fund balance, beginning of year			<u>907,796</u>	
Fund balance, end of year			<u>\$ 1,515,698</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
American Rescue Plan Act (ARPA) Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 4,561,830	\$ 5,664,981	\$ 7,698,966	\$ 2,033,985
Investment income	-	-	108,280	108,280
Total revenues	<u>4,561,830</u>	<u>5,664,981</u>	<u>7,807,246</u>	<u>2,142,265</u>
EXPENDITURES				
Current:				
General government	217,495	178,130	178,136	(6)
Public safety	615,520	7,084,414	7,084,414	-
Community development	224,115	195,226	195,226	-
Public works	51,185	24,752	24,752	-
Culture and recreation	71,545	118,811	118,804	7
Capital outlay	-	7,674	7,674	-
Total expenditures	<u>1,179,860</u>	<u>7,609,007</u>	<u>7,609,006</u>	<u>1</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,381,970</u>	<u>(1,944,026)</u>	<u>198,240</u>	<u>2,142,266</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(198,240)	(198,240)	-
Total other financing sources (uses)	<u>-</u>	<u>(198,240)</u>	<u>(198,240)</u>	<u>-</u>
Net change in fund balance	<u>\$ 3,381,970</u>	<u>\$ (2,142,266)</u>	-	<u>\$ 2,142,266</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Community Development Block Grant (CDBG) Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 850,000	\$ -	\$ (850,000)
Investment income	<u>5,000</u>	<u>5,000</u>	<u>3,546</u>	<u>(1,454)</u>
Total revenues	<u>5,000</u>	<u>855,000</u>	<u>3,546</u>	<u>(851,454)</u>
EXPENDITURES				
Current:				
Community development	<u>13,290</u>	<u>13,290</u>	<u>-</u>	<u>13,290</u>
Total expenditures	<u>13,290</u>	<u>13,290</u>	<u>-</u>	<u>13,290</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,290)</u>	<u>841,710</u>	<u>3,546</u>	<u>(838,164)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>(850,000)</u>	<u>(350,000)</u>	<u>500,000</u>
Total other financing sources (uses)	<u>-</u>	<u>(850,000)</u>	<u>(350,000)</u>	<u>500,000</u>
Net change in fund balance	<u><u>\$ (8,290)</u></u>	<u><u>\$ (8,290)</u></u>	<u>(346,454)</u>	<u><u>\$ (338,164)</u></u>
Fund balance, beginning of year			<u>211,341</u>	
Fund balance (deficit), end of year			<u><u>\$ (135,113)</u></u>	

**CITY OF STANTON
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 BUDGET AND BUDGETARY ACCOUNTING

The City adopts an annual budget prepared on the modified accrual basis for all of its governmental funds. The City Manager is required, under City Code Section 2.08.050, to prepare and submit to the City Council the annual budget of the City and administer it after adoption. Legally, expenditures may not exceed total appropriations at the fund level. The City Manager is authorized to transfer budgeted amounts within the accounts of any fund; however, any revisions between funds must be approved by the City Council. Prior-year appropriations lapse, unless they are encumbered at year-end, and reappropriated through the formal budget process.

The budgetary information shown for revenues and expenditures represent the original adopted budget adjusted for any changes made by the City Council or City Manager.

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SUPPLEMENTARY INFORMATION

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GENERAL FUND

CITY OF STANTON
DESCRIPTION OF GENERAL FUNDS
JUNE 30, 2023

General – The main operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund.

Transaction and Use Tax – To account for sales taxes provided by Measure GG, which imposes an additional 1% sales tax available for general purposes.

Expendable Deposits Fund – To account for refundable deposits collected from developers to fund developer funded activities.

CITY OF STANTON
Combining Balance Sheet
General Fund
June 30, 2023

	General	Transaction and Use Tax	Expendable Deposits	Total General Fund
ASSETS				
Cash and investments	\$ 34,995,723	\$ (794,992)	\$ (34,722)	\$ 34,166,009
Receivables:				
Accounts	412,497	-	63,257	475,754
Interest	236,844	-	-	236,844
Taxes	1,234,120	1,983,973	-	3,218,093
Prepaid costs	150,708	-	-	150,708
Due from other funds	154,260	-	-	154,260
Due from other governments	341,270	-	-	341,270
Notes and loans receivable	1,452,575	-	-	1,452,575
Advances to other funds	661,953	-	-	661,953
Total assets	<u>\$ 39,639,950</u>	<u>\$ 1,188,981</u>	<u>\$ 28,535</u>	<u>\$ 40,857,466</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,114,462	\$ 320,725	\$ 214	\$ 1,435,401
Accrued liabilities	746,756	-	-	746,756
Deposits payable	4,000	-	-	4,000
Unearned revenue	18,702	-	-	18,702
Total liabilities	<u>1,883,920</u>	<u>320,725</u>	<u>214</u>	<u>2,204,859</u>
Deferred inflows of resources:				
Unavailable revenue	90,249	-	38,249	128,498
Total deferred inflows of resources	<u>90,249</u>	<u>-</u>	<u>38,249</u>	<u>128,498</u>
Fund Balances (Deficits):				
Nonspendable	2,265,236	-	-	2,265,236
Committed	10,105,796	-	-	10,105,796
Assigned	6,304,522	-	-	6,304,522
Unassigned	18,990,227	868,256	(9,928)	19,848,555
Total fund balances	<u>37,665,781</u>	<u>868,256</u>	<u>(9,928)</u>	<u>38,524,109</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 39,639,950</u>	<u>\$ 1,188,981</u>	<u>\$ 28,535</u>	<u>\$ 40,857,466</u>

CITY OF STANTON
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
General Fund
For the Year Ended June 30, 2023

	General	Transaction and Use Tax	Expendable Deposits	Eliminations	Total General Fund
REVENUES					
Taxes and assessments	\$ 18,773,960	\$ 6,958,521	\$ -	\$ -	\$ 25,732,481
Licenses and permits	1,294,055	-	-	-	1,294,055
Intergovernmental	543,729	-	-	-	543,729
Charges for services	2,273,405	-	132,355	-	2,405,760
Fines and forfeitures	383,517	-	-	-	383,517
Investment income	556,243	-	-	-	556,243
Rental income	164,938	-	-	-	164,938
Miscellaneous	43,382	-	-	-	43,382
	<u>24,033,229</u>	<u>6,958,521</u>	<u>132,355</u>	<u>-</u>	<u>31,124,105</u>
EXPENDITURES					
Current:					
General government	3,508,647	4,511	119,384	-	3,632,542
Public safety	6,044,232	6,327,300	-	-	12,371,532
Community development	1,468,646	-	-	-	1,468,646
Public works	2,532,619	-	-	-	2,532,619
Culture and recreation	1,293,128	-	-	-	1,293,128
Capital outlay	252,541	-	-	-	252,541
	<u>15,099,813</u>	<u>6,331,811</u>	<u>119,384</u>	<u>-</u>	<u>21,551,008</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>8,933,416</u>	<u>626,710</u>	<u>12,971</u>	<u>-</u>	<u>9,573,097</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	913,919	-	-	(279,189)	634,730
Transfers out	(170,077)	(279,189)	-	279,189	(170,077)
	<u>743,842</u>	<u>(279,189)</u>	<u>-</u>	<u>-</u>	<u>464,653</u>
Net change in fund balance	9,677,258	347,521	12,971	-	10,037,750
Fund balance (deficit), beginning of year	<u>27,988,523</u>	<u>520,735</u>	<u>(22,899)</u>	<u>-</u>	<u>28,486,359</u>
Fund balance (deficit), end of year	<u>\$ 37,665,781</u>	<u>\$ 868,256</u>	<u>\$ (9,928)</u>	<u>\$ -</u>	<u>\$ 38,524,109</u>

NONMAJOR GOVERNMENTAL FUNDS

CITY OF STANTON
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

SPECIAL REVENUE FUNDS

Gas Tax – To account for the receipts and expenditures of money apportioned under the Streets and Highways Code Sections 2103, 2105, 2106, 2017, and 2017.5 of the State of California. These funds are earmarked for maintenance, rehabilitation or improvement of public streets.

Protective Services Tax – To account for a special tax approved by the voters in August 1985 for fire protection and prevention services.

Supplemental Law Enforcement Grant – To account for revenues and expenditures related to funding received under the State Citizens Option for Public Safety (COPS) program.

Air Quality Improvement Program – To account for the City's share of additional motor vehicle registration fees, imposed by the South Coast Air Quality Management District, to finance the implementation of mobile source emission reduction programs and the provisions of the California Clean Air Act.

Families and Communities Together (FaCT) Grant – To account for revenues and expenditures related to funding received by the County of Orange, through the federal government, for the Family Preservation and Support Program.

Other Grants – To account for revenues and expenditures associated with project-specific grants. The use of the revenues is restricted according to the terms of the grant agreement and/or program.

Senior Transportation – To account for the City's share of funds identified as 1% of Renewed Measure M (M2) net sales tax revenue to be allocated to all local jurisdictions based upon the City's respective percentage of senior population for the entire County of Orange.

Measure M – 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.

Public Safety Task Force (PSTF) – To account for funds used for the purpose of violence prevention and intervention activities.

Development Impact Fees – To account for street, traffic signal, community center, and police services impact fees.

Road Maintenance and Rehabilitation Account (RMRA) – 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 (SB1). Funds are restricted for maintenance, rehabilitation or improvement of streets, freeways, bridges and other transit related improvements.

CITY OF STANTON
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023

SPECIAL REVENUE FUNDS (CONTINUED)

Stanton Central Park Maintenance – To account for donations received for maintenance of the central park.

Justice Assistant Grant (JAG) – To account for proceeds received from the United States Department of Justice for the Edward Byrne Memorial Justice Assistance Grant Program to fund the Homeless Outreach and Proactive Engagement Center (HOPE Center) to align homeless outreach and engagement in the North Orange County area

Certified Access Specialist Program (CASP) – To account for the state-mandated \$4 fee that is required by Senate Bill 1186 to be collected with each business license issued by the City in order to fund certified access specialist programs.

CAPITAL PROJECTS FUNDS

Capital Improvements – To account for financial resources segregated for the acquisition of major general City capital facilities, other than those financed by Proprietary or Special Revenue Funds.

Park in Lieu Fees – To account for the financial resources segregated for park or recreational purposes, pursuant to Stanton Municipal Code Section 19.42.090.

CITY OF STANTON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Special Revenue Funds

	Gas Tax	Protective Services Tax	Supplemental Law Enforcement Grant	Air Quality Improvement Program	FaCT Grant
ASSETS					
Cash and investments	\$ 1,799,122	\$ -	\$ 290,295	\$ 227,459	\$ -
Receivables:					
Interest	11,432	-	2,057	1,484	-
Taxes	-	8,844	-	-	-
Prepaid costs	-	-	-	-	-
Due from other governments	87,506	-	86,159	13,099	33,738
Total assets	<u>\$ 1,898,060</u>	<u>\$ 8,844</u>	<u>\$ 378,511</u>	<u>\$ 242,042</u>	<u>\$ 33,738</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 46,738	\$ -	\$ -	\$ -	\$ 19,839
Unearned revenues	-	-	-	-	-
Due to other funds	-	4,843	-	-	13,899
Total liabilities	<u>46,738</u>	<u>4,843</u>	<u>-</u>	<u>-</u>	<u>33,738</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	86,159	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>86,159</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):					
Restricted	1,851,322	4,001	292,352	242,042	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>1,851,322</u>	<u>4,001</u>	<u>292,352</u>	<u>242,042</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,898,060</u>	<u>\$ 8,844</u>	<u>\$ 378,511</u>	<u>\$ 242,042</u>	<u>\$ 33,738</u>

CITY OF STANTON
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

Special Revenue Funds

	Other Grants	Senior Transportation	Measure M	PSTF	Development Impact Fees
ASSETS					
Cash and investments	\$ 81,083	\$ 68,080	\$ 922,123	\$ 83,000	\$ 444,439
Receivables:					
Interest	2,591	484	6,049	-	3,015
Taxes	-	-	-	-	-
Prepaid costs	-	-	-	-	-
Due from other governments	124,398	7,570	115,050	-	-
Total assets	<u>\$ 208,072</u>	<u>\$ 76,134</u>	<u>\$ 1,043,222</u>	<u>\$ 83,000</u>	<u>\$ 447,454</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenues	206,419	-	-	83,000	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>206,419</u>	<u>-</u>	<u>-</u>	<u>83,000</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue	124,398	-	-	-	-
Total deferred inflows of resources	<u>124,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):					
Restricted	-	76,134	1,043,222	-	447,454
Assigned	-	-	-	-	-
Unassigned	(122,745)	-	-	-	-
Total fund balances	<u>(122,745)</u>	<u>76,134</u>	<u>1,043,222</u>	<u>-</u>	<u>447,454</u>
Total liabilities, deferred inflows and fund balance:	<u>\$ 208,072</u>	<u>\$ 76,134</u>	<u>\$ 1,043,222</u>	<u>\$ 83,000</u>	<u>\$ 447,454</u>

CITY OF STANTON
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	RMRA	Stanton Central Park Maintenance	JAG Grant	CASP
ASSETS				
Cash and investments	\$ 855,373	\$ 5,679	\$ -	\$ 61,130
Receivables:				
Interest	5,482	-	-	-
Taxes	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	153,592	-	39,833	-
Total assets	<u>\$ 1,014,447</u>	<u>\$ 5,679</u>	<u>\$ 39,833</u>	<u>\$ 61,130</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 5,679	\$ 39,833	\$ -
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>5,679</u>	<u>39,833</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):				
Restricted	1,014,447	-	-	61,130
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>1,014,447</u>	<u>-</u>	<u>-</u>	<u>61,130</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,014,447</u>	<u>\$ 5,679</u>	<u>\$ 39,833</u>	<u>\$ 61,130</u>

CITY OF STANTON
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	<u>Capital Projects Fund</u>		
	Capital Improvements	Park in Lieu Fees	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 313,275	\$ 3,929,152	\$ 9,080,210
Receivables:			
Interest	-	26,816	59,410
Taxes	-	-	8,844
Prepaid costs	130,388	-	130,388
Due from other governments	-	-	660,945
Total assets	<u>\$ 443,663</u>	<u>\$ 3,955,968</u>	<u>\$ 9,939,797</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 261,712	\$ -	\$ 373,801
Unearned revenues	-	-	289,419
Due to other funds	-	-	18,742
Total liabilities	<u>261,712</u>	<u>-</u>	<u>681,962</u>
Deferred inflows of resources:			
Unavailable revenue	-	-	210,557
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>210,557</u>
Fund Balances (Deficits):			
Restricted	-	3,955,968	8,988,072
Assigned	181,951	-	181,951
Unassigned	-	-	(122,745)
Total fund balances	<u>181,951</u>	<u>3,955,968</u>	<u>9,047,278</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 443,663</u>	<u>\$ 3,955,968</u>	<u>\$ 9,939,797</u>

CITY OF STANTON
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds				
	Gas Tax	Protective Services Tax	Supplemental Law Enforcement Grant	Air Quality Improvement Program	FaCT Grant
REVENUES:					
Intergovernmental	\$ 999,436	\$ -	\$ 165,271	\$ 64,861	\$ 352,031
Charges for services	-	389,013	-	-	-
Investment income	31,620	-	7,673	3,876	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>1,031,056</u>	<u>389,013</u>	<u>172,944</u>	<u>68,737</u>	<u>352,031</u>
EXPENDITURES:					
Current:					
Public safety	-	3,012	99,100	-	-
Public works	316,036	-	-	-	-
Culture and recreation	-	-	-	-	407,460
Capital outlay	49,716	-	-	4,752	-
Total expenditures	<u>365,752</u>	<u>3,012</u>	<u>99,100</u>	<u>4,752</u>	<u>407,460</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>665,304</u>	<u>386,001</u>	<u>73,844</u>	<u>63,985</u>	<u>(55,429)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	55,429
Transfers out	(198,243)	(389,730)	(150,000)	-	-
Total other financing sources (uses)	<u>(198,243)</u>	<u>(389,730)</u>	<u>(150,000)</u>	<u>-</u>	<u>55,429</u>
NET CHANGE IN FUND BALANCES	467,061	(3,729)	(76,156)	63,985	-
Fund balances, beginning of year, as restated	<u>1,384,261</u>	<u>7,730</u>	<u>368,508</u>	<u>178,057</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ 1,851,322</u>	<u>\$ 4,001</u>	<u>\$ 292,352</u>	<u>\$ 242,042</u>	<u>\$ -</u>

CITY OF STANTON
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

Special Revenue Funds

	Other Grants	Senior Transportation	Measure M	PSTF	Development Impact Fees
REVENUES:					
Intergovernmental	\$ 314,437	\$ 46,851	\$ 701,618	\$ 32,907	\$ -
Charges for services	-	-	-	-	15,168
Investment income	8,457	1,244	14,036	-	7,979
Miscellaneous	-	-	-	-	-
Total revenues	<u>322,894</u>	<u>48,095</u>	<u>715,654</u>	<u>32,907</u>	<u>23,147</u>
EXPENDITURES:					
Current:					
Public safety	-	-	-	32,907	-
Public works	29,503	-	-	-	-
Culture and recreation	-	40,056	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>29,503</u>	<u>40,056</u>	<u>-</u>	<u>32,907</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>293,391</u>	<u>8,039</u>	<u>715,654</u>	<u>-</u>	<u>23,147</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	6,769	-	-	-
Transfers out	(354,726)	-	(813,510)	-	-
Total other financing sources (uses)	<u>(354,726)</u>	<u>6,769</u>	<u>(813,510)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(61,335)	14,808	(97,856)	-	23,147
Fund balances, beginning of year, as restated	<u>(61,410)</u>	<u>61,326</u>	<u>1,141,078</u>	<u>-</u>	<u>424,307</u>
Fund balances (deficits), end of year	<u>\$ (122,745)</u>	<u>\$ 76,134</u>	<u>\$ 1,043,222</u>	<u>\$ -</u>	<u>\$ 447,454</u>

CITY OF STANTON
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
		Stanton Central Park	JAG Grant	CASP
	RMRA	Maintenance	Grant	CASP
REVENUES:				
Intergovernmental	\$ 876,520	\$ -	\$ 1,045,268	\$ -
Charges for services	-	-	-	7,933
Investment income	11,267	-	-	-
Miscellaneous	-	50,000	-	-
Total revenues	<u>887,787</u>	<u>50,000</u>	<u>1,045,268</u>	<u>7,933</u>
EXPENDITURES:				
Current:				
Public safety	-	-	1,045,268	-
Public works	-	106,412	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>106,412</u>	<u>1,045,268</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>887,787</u>	<u>(56,412)</u>	<u>-</u>	<u>7,933</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	56,412	-	-
Transfers out	<u>(1,079,603)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,079,603)</u>	<u>56,412</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(191,816)	-	-	7,933
Fund balances, beginning of year, as restated	<u>1,206,263</u>	<u>-</u>	<u>-</u>	<u>53,197</u>
Fund balances (deficits), end of year	<u>\$ 1,014,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,130</u>

CITY OF STANTON
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects Fund		
	Capital Improvements	Park in Lieu Fees	Total Nonmajor Governmental Funds
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ 4,599,200
Charges for services	-	161,517	573,631
Investment income	-	71,176	157,328
Miscellaneous	-	-	50,000
Total revenues	-	232,693	5,380,159
EXPENDITURES:			
Current:			
Public safety	-	-	1,180,287
Public works	-	-	451,951
Culture and recreation	-	-	447,516
Capital outlay	3,529,388	-	3,583,856
Total expenditures	3,529,388	-	5,663,610
REVENUES OVER (UNDER) EXPENDITURES	(3,529,388)	232,693	(283,451)
OTHER FINANCING SOURCES (USES):			
Transfers in	3,467,096	-	3,585,706
Transfers out	-	(184,297)	(3,170,109)
Total other financing sources (uses)	3,467,096	(184,297)	415,597
NET CHANGE IN FUND BALANCES	(62,292)	48,396	132,146
Fund balances, beginning of year, as restated	244,243	3,907,572	8,915,132
Fund balances (deficits), end of year	\$ 181,951	\$ 3,955,968	\$ 9,047,278

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 1,097,170	\$ 1,015,130	\$ 999,436	\$ (15,694)
Investment income	<u>5,000</u>	<u>5,000</u>	<u>31,620</u>	<u>26,620</u>
Total revenues	<u>1,102,170</u>	<u>1,020,130</u>	<u>1,031,056</u>	<u>10,926</u>
EXPENDITURES				
Current:				
Public works	268,265	351,265	316,036	35,229
Capital outlay	<u>-</u>	<u>50,000</u>	<u>49,716</u>	<u>284</u>
Total expenditures	<u>268,265</u>	<u>401,265</u>	<u>365,752</u>	<u>35,513</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>833,905</u>	<u>618,865</u>	<u>665,304</u>	<u>46,439</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(232,763)</u>	<u>(614,704)</u>	<u>(198,243)</u>	<u>416,461</u>
Total other financing sources (uses)	<u>(232,763)</u>	<u>(614,704)</u>	<u>(198,243)</u>	<u>416,461</u>
Net change in fund balance	<u>\$ 601,142</u>	<u>\$ 4,161</u>	467,061	<u>\$ 462,900</u>
Fund balance, beginning of year, as restated			<u>1,384,261</u>	
Fund balance, end of year			<u>\$ 1,851,322</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Protective Services Tax Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	\$ 385,000	\$ 385,000	\$ 389,013	\$ 4,013
Total revenues	<u>385,000</u>	<u>385,000</u>	<u>389,013</u>	<u>4,013</u>
EXPENDITURES				
Current:				
Public safety	<u>3,000</u>	<u>3,000</u>	<u>3,012</u>	<u>(12)</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>3,012</u>	<u>(12)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>382,000</u>	<u>382,000</u>	<u>386,001</u>	<u>4,001</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(382,000)</u>	<u>(389,730)</u>	<u>(389,730)</u>	<u>-</u>
Total other financing sources (uses)	<u>(382,000)</u>	<u>(389,730)</u>	<u>(389,730)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (7,730)</u>	(3,729)	<u>\$ 4,001</u>
Fund balance, beginning of year			<u>7,730</u>	
Fund balance, end of year			<u>\$ 4,001</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Supplemental Law Enforcement Grant Special Revenue Fund
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 150,000	\$ 160,000	\$ 165,271	\$ 5,271
Investment income	<u>-</u>	<u>-</u>	<u>7,673</u>	<u>7,673</u>
Total revenues	<u>150,000</u>	<u>160,000</u>	<u>172,944</u>	<u>12,944</u>
EXPENDITURES				
Current:				
Public safety	<u>123,300</u>	<u>123,300</u>	<u>99,100</u>	<u>24,200</u>
Total expenditures	<u>123,300</u>	<u>123,300</u>	<u>99,100</u>	<u>24,200</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>26,700</u>	<u>36,700</u>	<u>73,844</u>	<u>37,144</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (123,300)</u></u>	<u><u>\$ (113,300)</u></u>	<u>(76,156)</u>	<u><u>\$ 37,144</u></u>
Fund balance, beginning of year			<u>368,508</u>	
Fund balance, end of year			<u><u>\$ 292,352</u></u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Air Quality Improvement Program Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 64,861	\$ 19,861
Investment income	2,000	2,000	3,876	1,876
Total revenues	<u>47,000</u>	<u>47,000</u>	<u>68,737</u>	<u>21,737</u>
EXPENDITURES				
Current:				
General government	1,000	1,000	-	1,000
Public works	5,000	245	-	245
Capital outlay	<u>90,000</u>	<u>134,755</u>	<u>4,752</u>	<u>130,003</u>
Total expenditures	<u>96,000</u>	<u>136,000</u>	<u>4,752</u>	<u>131,248</u>
Net change in fund balance	<u><u>\$ (49,000)</u></u>	<u><u>\$ (89,000)</u></u>	63,985	<u><u>\$ 152,985</u></u>
Fund balance, beginning of year			<u>178,057</u>	
Fund balance, end of year			<u><u>\$ 242,042</u></u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Families and Communities Together (FaCT) Grant Special Revenue Fund
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 300,000	\$ 370,800	\$ 352,031	\$ (18,769)
Total revenues	<u>300,000</u>	<u>370,800</u>	<u>352,031</u>	<u>(18,769)</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>346,470</u>	<u>417,270</u>	<u>407,460</u>	<u>9,810</u>
Total expenditures	<u>346,470</u>	<u>417,270</u>	<u>407,460</u>	<u>9,810</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(46,470)</u>	<u>(46,470)</u>	<u>(55,429)</u>	<u>(8,959)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>46,470</u>	<u>46,470</u>	<u>55,429</u>	<u>8,959</u>
Total other financing sources (uses)	<u>46,470</u>	<u>46,470</u>	<u>55,429</u>	<u>8,959</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Grants Special Revenue Fund
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 1,107,976	\$ 9,319,894	\$ 314,437	\$ (9,005,457)
Investment income	<u>-</u>	<u>8,455</u>	<u>8,457</u>	<u>2</u>
Total revenues	<u>1,107,976</u>	<u>9,328,349</u>	<u>322,894</u>	<u>(9,005,455)</u>
EXPENDITURES				
Current:				
Public works	<u>-</u>	<u>34,519</u>	<u>29,503</u>	<u>5,016</u>
Total expenditures	<u>-</u>	<u>34,519</u>	<u>29,503</u>	<u>5,016</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,107,976</u>	<u>9,293,830</u>	<u>293,391</u>	<u>(9,000,439)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,107,976)</u>	<u>(9,232,421)</u>	<u>(354,726)</u>	<u>8,877,695</u>
Total other financing sources (uses)	<u>(1,107,976)</u>	<u>(9,232,421)</u>	<u>(354,726)</u>	<u>8,877,695</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 61,409</u>	(61,335)	<u>\$ (122,744)</u>
Fund balance (deficit), beginning of year			<u>(61,410)</u>	
Fund balance (deficit), end of year			<u>\$ (122,745)</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Senior Transportation Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 25,430	\$ 25,430	\$ 46,851	\$ 21,421
Investment income	500	500	1,244	744
	<u>25,930</u>	<u>25,930</u>	<u>48,095</u>	<u>22,165</u>
Total revenues				
EXPENDITURES				
Current:				
Culture and recreation	57,725	57,725	40,056	17,669
	<u>57,725</u>	<u>57,725</u>	<u>40,056</u>	<u>17,669</u>
Total expenditures				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(31,795)</u>	<u>(31,795)</u>	<u>8,039</u>	<u>39,834</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,045	11,045	6,769	(4,276)
	<u>11,045</u>	<u>11,045</u>	<u>6,769</u>	<u>(4,276)</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ (20,750)</u>	<u>\$ (20,750)</u>	14,808	<u>\$ 35,558</u>
Fund balance, beginning of year			<u>61,326</u>	
Fund balance, end of year			<u>\$ 76,134</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure M Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 675,000	\$ 690,000	\$ 701,618	\$ 11,618
Investment income	5,000	5,000	14,036	9,036
Total revenues	<u>680,000</u>	<u>695,000</u>	<u>715,654</u>	<u>20,654</u>
EXPENDITURES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>680,000</u>	<u>695,000</u>	<u>715,654</u>	<u>20,654</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,064,239)</u>	<u>(1,720,284)</u>	<u>(813,510)</u>	<u>906,774</u>
Total other financing sources (uses)	<u>(1,064,239)</u>	<u>(1,720,284)</u>	<u>(813,510)</u>	<u>906,774</u>
Net change in fund balance	<u>\$ (384,239)</u>	<u>\$ (1,025,284)</u>	(97,856)	<u>\$ 927,428</u>
Fund balance, beginning of year			<u>1,141,078</u>	
Fund balance, end of year			<u>\$ 1,043,222</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Public Safety Task Force (PSTF) Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 32,907	\$ 32,907
Total revenues	<u>-</u>	<u>-</u>	<u>32,907</u>	<u>32,907</u>
EXPENDITURES				
Current:				
Public safety	-	115,907	32,907	83,000
Total expenditures	<u>-</u>	<u>115,907</u>	<u>32,907</u>	<u>83,000</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ (115,907)</u></u>	<u>-</u>	<u><u>\$ 115,907</u></u>
Fund balance, beginning of year, as restated			<u>-</u>	
Fund balance, end of year			<u><u>\$ -</u></u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Development Impact Fees Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	\$ 30,000	\$ 30,000	\$ 15,168	\$ (14,832)
Investment income	2,000	2,000	7,979	5,979
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>23,147</u>	<u>(8,853)</u>
EXPENDITURES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 32,000</u>	<u>\$ 32,000</u>	23,147	<u>\$ (8,853)</u>
Fund balance, beginning of year			<u>424,307</u>	
Fund balance, end of year			<u>\$ 447,454</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Road Maintenance and Rehabilitation Account (RMRA) Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 876,310	\$ 851,805	\$ 876,520	\$ 24,715
Investment income	<u>5,000</u>	<u>5,000</u>	<u>11,267</u>	<u>6,267</u>
Total revenues	<u>881,310</u>	<u>856,805</u>	<u>887,787</u>	<u>30,982</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>881,310</u>	<u>856,805</u>	<u>887,787</u>	<u>30,982</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,011,998)</u>	<u>(2,063,068)</u>	<u>(1,079,603)</u>	<u>983,465</u>
Total other financing sources (uses)	<u>(1,011,998)</u>	<u>(2,063,068)</u>	<u>(1,079,603)</u>	<u>983,465</u>
Net change in fund balance	<u>\$ (130,688)</u>	<u>\$ (1,206,263)</u>	(191,816)	<u>\$ 1,014,447</u>
Fund balance, beginning of year			<u>1,206,263</u>	
Fund balance, end of year			<u>\$ 1,014,447</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Stanton Central Park Maintenance Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Miscellaneous	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
EXPENDITURES				
Current:				
Public works	<u>109,200</u>	<u>109,200</u>	<u>106,412</u>	<u>2,788</u>
Total expenditures	<u>109,200</u>	<u>109,200</u>	<u>106,412</u>	<u>2,788</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(59,200)</u>	<u>(59,200)</u>	<u>(56,412)</u>	<u>2,788</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>59,200</u>	<u>59,200</u>	<u>56,412</u>	<u>(2,788)</u>
Total other financing sources (uses)	<u>59,200</u>	<u>59,200</u>	<u>56,412</u>	<u>(2,788)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
JAG Grant Special Revenue Fund
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ -	\$ 5,008,940	\$ 1,045,268	\$ (3,963,672)
Total revenues	<u>-</u>	<u>5,008,940</u>	<u>1,045,268</u>	<u>(3,963,672)</u>
EXPENDITURES				
Current:				
Public safety	<u>-</u>	<u>5,008,940</u>	<u>1,045,268</u>	<u>3,963,672</u>
Total expenditures	<u>-</u>	<u>5,008,940</u>	<u>1,045,268</u>	<u>3,963,672</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u><u>\$ -</u></u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Certified Access Specialist Program (CASP) Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	\$ 10,000	\$ 10,000	\$ 7,933	\$ (2,067)
Total revenues	10,000	10,000	7,933	(2,067)
EXPENDITURES				
Current:				
Public safety	5,000	5,000	-	5,000
Total expenditures	5,000	5,000	-	5,000
Net change in fund balance	\$ 5,000	\$ 5,000	7,933	\$ 2,933
Fund balance, beginning of year			53,197	
Fund balance, end of year			\$ 61,130	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Improvements Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES				
Current:				
Culture and recreation	-	2,000	-	2,000
Capital outlay	<u>4,541,690</u>	<u>17,595,027</u>	<u>3,529,388</u>	<u>14,065,639</u>
Total expenditures	<u>4,541,690</u>	<u>17,597,027</u>	<u>3,529,388</u>	<u>14,067,639</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,541,690)	(17,597,027)	(3,529,388)	(14,067,639)
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>4,475,690</u>	<u>17,358,102</u>	<u>3,467,096</u>	<u>(13,891,006)</u>
Total other financing sources (uses)	<u>4,475,690</u>	<u>17,358,102</u>	<u>3,467,096</u>	<u>(13,891,006)</u>
Net change in fund balance	<u><u>\$ (66,000)</u></u>	<u><u>\$ (238,925)</u></u>	(62,292)	<u><u>\$ (27,958,645)</u></u>
Fund balance, beginning of year			<u>244,243</u>	
Fund balance, end of year			<u><u>\$ 181,951</u></u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Park in Lieu Fees Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	\$ 50,000	\$ 50,000	\$ 161,517	\$ 111,517
Investment income	10,000	10,000	71,176	61,176
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>232,693</u>	<u>172,693</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	60,000	60,000	232,693	172,693
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(533,714)</u>	<u>(978,794)</u>	<u>(184,297)</u>	<u>794,497</u>
Total other financing sources (uses)	<u>(533,714)</u>	<u>(978,794)</u>	<u>(184,297)</u>	<u>794,497</u>
Net change in fund balance	<u>\$ (473,714)</u>	<u>\$ (918,794)</u>	48,396	<u>\$ 967,190</u>
Fund balance, beginning of year			<u>3,907,572</u>	
Fund balance, end of year			<u>\$ 3,955,968</u>	

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INTERNAL SERVICE FUNDS

CITY OF STANTON
DESCRIPTION OF INTERNAL REVENUE FUNDS
JUNE 30, 2023

Workers' Compensation - To account for the City's workers' compensation insurance, including claims, legal, and other expenses.

Liability/Risk Management - To account for the City's general liability insurance, including claims, legal, and other expenses.

Employee Benefits - To account for the employee benefits costs, including vacation, sick, and holiday hours.

Fleet Maintenance - To account for costs related to operations and fleet maintenance for the City's vehicles.

CITY OF STANTON
Combining Statement of Net Position
All Internal Service Funds
June 30, 2023

	Workers' Compensation	Liability/ Risk Management	Employee Benefits	Fleet Maintenance	Total
ASSETS					
Current assets:					
Cash and investments	\$ 822,988	\$ 32,711	\$ 370,568	\$ 509,548	\$ 1,735,815
Restricted cash and investments held in pension trust	-	-	4,254,533	-	4,254,533
Receivables:					
Interest	5,556	378	-	3,422	9,356
Prepays	-	-	50,000	-	50,000
Due from other governments	-	21,914	39,188	-	61,102
Total current assets	<u>828,544</u>	<u>55,003</u>	<u>4,714,289</u>	<u>512,970</u>	<u>6,110,806</u>
Noncurrent assets:					
Capital assets - net of accumulated depreciation	-	-	-	187,958	187,958
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,958</u>	<u>187,958</u>
Total assets	<u>828,544</u>	<u>55,003</u>	<u>4,714,289</u>	<u>700,928</u>	<u>6,298,764</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount from pension plan	-	-	5,267,680	-	5,267,680
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>5,267,680</u>	<u>-</u>	<u>5,267,680</u>
LIABILITIES					
Current liabilities:					
Accounts payable	744	4,654	19,097	3,449	27,944
Compensated absences payable	-	-	196,983	940	197,923
Total current liabilities	<u>744</u>	<u>4,654</u>	<u>216,080</u>	<u>4,389</u>	<u>225,867</u>
Noncurrent liabilities:					
Compensated absences payable	-	-	111,400	-	111,400
Net pension liability	-	-	8,333,404	-	8,333,404
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>8,444,804</u>	<u>-</u>	<u>8,444,804</u>
Total liabilities	<u>744</u>	<u>4,654</u>	<u>8,660,884</u>	<u>4,389</u>	<u>8,670,671</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amount from pension plan	-	-	1,767,139	-	1,767,139
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,767,139</u>	<u>-</u>	<u>1,767,139</u>
NET POSITION					
Net investment in capital assets	-	-	-	187,958	187,958
Unrestricted	827,800	50,349	(446,054)	508,581	940,676
Total net position	<u>\$ 827,800</u>	<u>\$ 50,349</u>	<u>\$ (446,054)</u>	<u>\$ 696,539</u>	<u>\$ 1,128,634</u>

CITY OF STANTON
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the year ended June 30, 2023

	Workers' Compensation	Liability/ Risk Management	Employee Benefits	Fleet Maintenance	Elimination	Total
OPERATING REVENUES:						
Charges for services	\$ 96,024	\$ 245,108	\$ 1,729,212	\$ 168,022	\$ (46,820)	\$ 2,191,546
Miscellaneous	-	-	-	18,304	-	18,304
Total operating revenues	<u>96,024</u>	<u>245,108</u>	<u>1,729,212</u>	<u>186,326</u>	<u>(46,820)</u>	<u>2,209,850</u>
OPERATING EXPENSES:						
Equipment maintenance and operation	-	-	-	88,539	-	88,539
Depreciation	-	-	-	93,810	-	93,810
Administrative and personnel services	-	-	3,032,721	8,463	(46,820)	2,994,364
Insurance premiums and claims	83,598	317,510	-	-	-	401,108
Contractual services	-	-	23,625	-	-	23,625
Total operating expenses	<u>83,598</u>	<u>317,510</u>	<u>3,056,346</u>	<u>190,812</u>	<u>(46,820)</u>	<u>3,601,446</u>
OPERATING INCOME	<u>12,426</u>	<u>(72,402)</u>	<u>(1,327,134)</u>	<u>(4,486)</u>	<u>-</u>	<u>(1,391,596)</u>
NON-OPERATING REVENUES (EXPENSES):						
Investment income	14,130	1,495	297,971	8,835	-	322,431
Gain on sale of capital assets	-	-	-	12,693	-	12,693
Total non-operating revenues (expenses)	<u>14,130</u>	<u>1,495</u>	<u>297,971</u>	<u>21,528</u>	<u>-</u>	<u>335,124</u>
Change in net position	26,556	(70,907)	(1,029,163)	17,042	-	(1,056,472)
Net position, beginning of year	<u>801,244</u>	<u>121,256</u>	<u>583,109</u>	<u>679,497</u>	<u>-</u>	<u>2,185,106</u>
Net position (deficit), end of year	<u>\$ 827,800</u>	<u>\$ 50,349</u>	<u>\$ (446,054)</u>	<u>\$ 696,539</u>	<u>\$ -</u>	<u>\$ 1,128,634</u>

CITY OF STANTON
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2023

	Workers' Compensation	Liability/ Risk Management	Employee Benefits	Fleet Maintenance	Elimination	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 324,817	\$ 223,194	\$ 1,733,024	\$ 186,326	\$ (46,820)	\$ 2,420,541
Cash paid to other suppliers of goods or services	(83,154)	(326,726)	46,676	(94,710)	-	(457,914)
Cash paid to employees for salaries, wages, and benefits	-	-	(1,780,826)	(9,077)	46,820	(1,743,083)
Net cash provided (used by) operating activities	<u>241,663</u>	<u>(103,532)</u>	<u>(1,126)</u>	<u>82,539</u>	<u>-</u>	<u>219,544</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from sale of capital assets	-	-	-	12,692	-	12,692
Net cash provided (used by) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,692</u>	<u>-</u>	<u>12,692</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income (loss)	9,469	1,313	297,971	6,044	-	314,797
Net cash provided (used by) investing activities	<u>9,469</u>	<u>1,313</u>	<u>297,971</u>	<u>6,044</u>	<u>-</u>	<u>314,797</u>
Net increase (decrease) in cash and cash equivalents	251,132	(102,219)	296,845	101,275	-	547,033
Cash and equivalents, beginning of year	571,856	134,930	4,328,256	408,273	-	5,443,315
Cash and equivalents, end of year	<u>\$ 822,988</u>	<u>\$ 32,711</u>	<u>\$ 4,625,101</u>	<u>\$ 509,548</u>	<u>\$ -</u>	<u>\$ 5,990,348</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED BY) OPERATING ACTIVITIES:						
Operating income (loss)	\$ 12,426	\$ (72,402)	\$ (1,327,134)	\$ (4,486)	\$ -	\$ (1,391,596)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	-	-	-	93,810	-	93,810
Changes in operating assets and liabilities:						
(Increase) decrease in due from other governments	228,793	(21,914)	3,812	-	-	210,691
(Increase) decrease in prepaid expense	-	-	51,204	-	-	51,204
(Increase) decrease in deferred outflows of resources	-	-	(1,366,705)	-	-	(1,366,705)
Increase (decrease) in accounts payable	444	4,654	19,097	(6,171)	-	18,024
Increase (decrease) in claims and judgements	-	(13,870)	-	-	-	(13,870)
Increase (decrease) in compensated absences	-	-	(10,212)	(614)	-	(10,826)
Increase (decrease) in net pension liability	-	-	6,402,280	-	-	6,402,280
Increase (decrease) in deferred inflows of resources	-	-	(3,773,468)	-	-	(3,773,468)
Total adjustments	<u>229,237</u>	<u>(31,130)</u>	<u>1,326,008</u>	<u>87,025</u>	<u>-</u>	<u>1,611,140</u>
Net cash provided (used) by operating activities	<u>\$ 241,663</u>	<u>\$ (103,532)</u>	<u>\$ (1,126)</u>	<u>\$ 82,539</u>	<u>\$ -</u>	<u>\$ 219,544</u>

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PRIVATE-PURPOSE TRUST FUNDS

CITY OF STANTON
DESCRIPTION OF PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2023

Successor Agency to the Stanton Redevelopment Agency Fund - To account for the receipt of property tax revenues pursuant to the Dissolution Act and the value of assets transferred from the Former Redevelopment Agency. The fund accounts for the expenses incurred during the reporting year pursuant to the Recognized Obligation Payment Schedules (ROPS) approved by the State Department of Finance under the Dissolution Act (Assembly Bill 26 - Section 34177).

North Orange County Public Safety Collaborative Fund - To account for activities with other governmental agencies related to the North Orange County Public Safety Collaborative to address youth violence prevention and intervention in K-12 schools, promote and enhance successful re-entry of offenders into the community, and address homeless outreach and intervention efforts.

CITY OF STANTON
Combining Statement of Net Position
All Private-Purpose Trust Funds
June 30, 2023

	<u>Successor Agency to the Stanton Redevelopment Agency Private-Purpose Trust Fund</u>	<u>NOCPSC Private- Purpose Trust Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and investments	\$ 3,362,301	\$ 584,925	\$ 3,947,226
Prepaid items	-	142,146	142,146
Restricted assets:			
Cash held by fiscal agent	<u>1,743,791</u>	<u>-</u>	<u>1,743,791</u>
Total assets	<u>5,106,092</u>	<u>727,071</u>	<u>5,833,163</u>
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	<u>7,014,435</u>	<u>-</u>	<u>7,014,435</u>
Total deferred outflow of resources	<u>7,014,435</u>	<u>-</u>	<u>7,014,435</u>
 LIABILITIES			
Current liabilities:			
Accounts payable	-	380,922	380,922
Interest payable	164,367	-	164,367
Bonds payable - current portion	<u>2,655,000</u>	<u>-</u>	<u>2,655,000</u>
Total current liabilities	<u>2,819,367</u>	<u>380,922</u>	<u>3,200,289</u>
Long-term liabilities:			
Bonds payable	<u>49,832,734</u>	<u>-</u>	<u>49,832,734</u>
Total long-term liabilities	<u>49,832,734</u>	<u>-</u>	<u>49,832,734</u>
Total liabilities	<u>52,652,101</u>	<u>380,922</u>	<u>53,033,023</u>
 NET POSITION			
Restricted for private purpose	<u>(40,531,574)</u>	<u>346,149</u>	<u>(40,185,425)</u>
Total net position (deficit)	<u>\$ (40,531,574)</u>	<u>\$ 346,149</u>	<u>\$ (40,185,425)</u>

CITY OF STANTON
Combining Statement of Changes in Net Position
All Private-Purpose Trust Funds
For the year ended June 30, 2023

	Successor Agency to the Stanton Redevelopment Agency Private-Purpose Trust Fund	NOCPSC Private- Purpose Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS:			
Taxes	\$ 4,775,978	\$ -	\$ 4,775,978
Investment income	124	-	124
Miscellaneous	50	-	50
	<u>4,776,152</u>	<u>-</u>	<u>4,776,152</u>
Total additions	<u>4,776,152</u>	<u>-</u>	<u>4,776,152</u>
DEDUCTIONS:			
Contractual services	46,930	-	46,930
Public safety	-	2,901,709	2,901,709
Interest and fiscal charges	2,434,481	-	2,434,481
	<u>2,481,411</u>	<u>2,901,709</u>	<u>5,383,120</u>
Total deductions	<u>2,481,411</u>	<u>2,901,709</u>	<u>5,383,120</u>
CHANGE IN NET POSITION	2,294,741	(2,901,709)	(606,968)
Net position (deficit), beginning of year	<u>(42,826,315)</u>	<u>3,247,858</u>	<u>(39,578,457)</u>
Net position (deficit), end of year	<u>\$ (40,531,574)</u>	<u>\$ 346,149</u>	<u>\$ (40,185,425)</u>

STATISTICAL SECTION (UNAUDITED)

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CITY OF STANTON
STATISTICAL SECTION (UNAUDITED)
June 30, 2023

This section of the City of Stanton’s Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health. The statistical information presented herein is un-audited.

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Financial Trends - *These schedules contain information to help the reader to understand how the City's financial performance and well-being have changed over time.*

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3	Fund Balances of Governmental Funds	164
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Revenue Capacity - *These schedules contain information to help the reader assess the City's most significant own-source revenue.*

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Debt Capacity - *These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*

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Demographic and Economic Information - *These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

14	Demographic and Economic Statistics	180
15	Principal Employers	181

Operating Information - *These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.*

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17	Operating Indicators by Functions	184
18	Capital Asset Statistics by Function	190

CITY OF STANTON
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013-14	2014-15	2015-16	2016-17
Governmental activities:				
Net investment in capital assets	\$ 87,225,759	\$ 79,209,329	\$ 88,342,750	\$ 87,079,003
Restricted	22,114,070	20,219,980	19,166,303	23,062,147
Unrestricted	22,726,068	14,875,639	15,861,417	12,719,777
Total governmental activities net position	132,065,897	114,304,948	123,370,470	122,860,927
Business-type activities:				
Net investment in capital assets	5,238,330	5,135,853	5,003,312	4,877,897
Unrestricted	2,308,704	2,604,629	3,216,884	3,666,352
Total business-type activities net position	7,547,034	7,740,482	8,220,196	8,544,249
Primary government:				
Net investment in capital assets	92,464,089	84,345,182	93,346,062	91,956,900
Restricted	22,114,070	20,219,980	19,166,303	23,062,147
Unrestricted	25,034,772	17,480,268	19,078,301	16,386,129
Total primary government net position	<u>\$ 139,612,931</u>	<u>\$ 122,045,430</u>	<u>\$ 131,590,666</u>	<u>\$ 131,405,176</u>

* Certain amounts presented in the prior year financial statements have been reclassified in order to be consistent with the current year's presentation and/or to reflect prior period adjustments for correction of errors.

Source: City Finance Department

Fiscal Year					
2017-18	2018-19	2019-20*	2020-21	2021-22	2022-23
\$ 88,374,103	\$ 88,077,568	\$ 96,374,328	\$ 92,106,906	\$ 89,960,892	\$ 89,705,314
27,536,678	28,086,476	22,693,282	21,411,322	23,551,709	21,682,348
13,014,515	17,774,619	21,403,422	25,179,797	31,132,064	39,965,239
128,925,296	133,938,663	140,471,032	138,698,025	144,644,665	151,352,901
5,250,434	5,107,553	4,964,679	4,970,607	4,827,134	4,683,660
3,595,542	4,064,319	4,398,961	5,193,357	5,920,286	6,616,780
8,845,976	9,171,872	9,363,640	10,163,964	10,747,420	11,300,440
93,624,537	93,185,121	101,339,007	97,077,513	94,788,026	94,388,974
27,536,678	28,086,476	22,693,282	21,411,322	23,551,709	21,682,348
16,610,057	21,838,938	25,802,383	30,373,154	37,052,350	46,582,019
<u>\$ 137,771,272</u>	<u>\$ 143,110,535</u>	<u>\$ 149,834,672</u>	<u>\$ 148,861,989</u>	<u>\$ 155,392,085</u>	<u>\$ 162,653,341</u>

CITY OF STANTON
CHANGES IN NET POSITION-EXPENSES AND PROGRAM REVENUES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013-14*	2014-15*	2015-16*	2016-17*
Expenses:				
Governmental activities:				
General government	\$ 2,976,011	\$ 3,043,005	\$ 3,468,099	\$ 3,726,949
Public safety	12,390,690	13,460,725	15,831,683	16,162,642
Community development	1,818,001	1,709,355	1,747,416	2,083,114
Health and welfare	4,265	3,476	3,512	67,305
Public works	2,358,073	1,762,185	1,235,617	1,598,743
Culture and recreation	1,198,807	1,162,126	1,592,769	2,030,052
Interest and fiscal charges	-	-	-	-
Transfer of land to successor agency	10,192,858	-	-	-
Total governmental activities expenses	<u>30,938,705</u>	<u>21,140,872</u>	<u>23,879,096</u>	<u>25,668,805</u>
Business-type activities:				
Sewer	862,865	839,850	643,739	737,939
Total business-type activities expenses	<u>862,865</u>	<u>839,850</u>	<u>643,739</u>	<u>737,939</u>
Total primary government expenses	<u>31,801,570</u>	<u>21,980,722</u>	<u>24,522,835</u>	<u>26,406,744</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	433,374	458,286	488,128	527,561
Public safety	882,480	896,383	913,203	1,375,973
Community development	1,240,666	1,254,023	1,198,820	1,244,909
Public works	14,966	11,608	10,032	-
Culture and recreation	448,528	417,748	357,585	95,746
Operating grants and contributions	2,960,253	3,058,470	2,961,296	2,876,853
Capital grants and contributions	316,226	294,210	2,350,764	-
Total governmental activities program revenues	<u>6,296,493</u>	<u>6,390,728</u>	<u>8,279,828</u>	<u>6,121,042</u>
Business-type activities:				
Charges for services:				
Sewer	1,108,357	1,075,714	1,016,363	935,798
Total business-type activities program revenues	<u>1,108,357</u>	<u>1,075,714</u>	<u>1,016,363</u>	<u>935,798</u>
Total primary government program revenues	<u>7,404,850</u>	<u>7,466,442</u>	<u>9,296,191</u>	<u>7,056,840</u>

Note:

* Certain amounts presented in the prior year financial statements have been reclassified in order to be consistent with the current year's presentation and/or to reflect prior period adjustments for correction of errors.

Source: City Finance Department

Fiscal Year					
2017-18*	2018-19*	2019-20*	2020-21*	2021-22*	2022-23
\$ 3,135,756	\$ 1,666,776	\$ 3,739,756	\$ 4,848,332	\$ 3,144,556	\$ 4,558,241
17,294,863	21,730,025	18,712,309	21,046,456	18,643,242	21,009,218
4,746,591	1,235,126	3,000,334	3,696,528	2,574,453	5,882,403
37,250	16,795	-	-	-	-
1,870,833	1,299,051	2,404,139	4,652,371	2,697,686	6,552,867
1,933,953	1,181,246	2,120,218	2,301,778	2,441,047	2,558,081
-	-	24,223	25,823	12,943	11,020
-	-	-	-	-	-
<u>29,019,246</u>	<u>27,129,019</u>	<u>30,000,979</u>	<u>36,571,288</u>	<u>29,513,927</u>	<u>40,571,830</u>
<u>926,631</u>	<u>1,152,003</u>	<u>1,436,274</u>	<u>1,531,447</u>	<u>839,808</u>	<u>516,366</u>
<u>926,631</u>	<u>1,152,003</u>	<u>1,436,274</u>	<u>1,531,447</u>	<u>839,808</u>	<u>516,366</u>
<u>29,945,877</u>	<u>28,281,022</u>	<u>31,437,253</u>	<u>38,102,735</u>	<u>30,353,735</u>	<u>41,088,196</u>
345,485	487,870	359,865	85,717	627,458	548,950
1,751,036	1,754,200	1,899,756	2,088,690	908,006	763,622
2,116,525	3,283,119	3,908,877	5,107,540	1,772,601	2,358,143
47,389	48,076	59,849	68,258	2,486,467	2,769,957
571,210	550,144	1,428,477	1,565,463	141,312	216,125
3,383,242	3,586,655	4,655,790	5,697,844	4,991,957	12,919,661
1,353,727	-	3,423,482	35,081	1,060,782	879,739
<u>9,568,614</u>	<u>9,710,064</u>	<u>15,736,096</u>	<u>14,648,593</u>	<u>11,988,583</u>	<u>20,456,197</u>
<u>1,052,745</u>	<u>1,267,440</u>	<u>1,305,410</u>	<u>2,235,352</u>	<u>1,312,065</u>	<u>1,089,667</u>
<u>1,052,745</u>	<u>1,267,440</u>	<u>1,305,410</u>	<u>2,235,352</u>	<u>1,312,065</u>	<u>1,089,667</u>
<u>10,621,359</u>	<u>10,977,504</u>	<u>17,041,506</u>	<u>16,883,945</u>	<u>13,300,648</u>	<u>21,545,864</u>

**CITY OF STANTON
CHANGES IN NET POSITION-GENERAL REVENUES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013-14*	2014-15*	2015-16*	2016-17*
Net revenues (expenses)				
Governmental activities	(24,642,212)	(14,750,144)	(15,599,268)	(19,547,763)
Business activities	245,492	235,864	372,624	197,859
Total net revenues (expenses)	<u>(24,396,720)</u>	<u>(14,514,280)</u>	<u>(15,226,644)</u>	<u>(19,349,904)</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 5,613,269	\$ 5,314,329	\$ 5,507,417	\$ 5,435,415
Sales taxes	3,925,839	4,012,917	4,169,215	4,152,378
Transactions and use taxes	-	792,300	3,591,594	4,105,593
Transient occupancy taxes	323,938	375,876	437,676	512,550
Franchise taxes	1,031,034	964,450	1,011,630	992,798
Utility users taxes	2,189,068	2,177,807	2,015,948	1,980,854
Other taxes	308,544	413,999	487,593	461,745
Investment earnings (loss), unrestricted	199,807	132,205	227,705	119,772
Miscellaneous	744,002	725,215	714,613	1,277,115
Gain on sale of capital assets	-	475,282	-	-
Transfers in	-	-	-	-
Extraordinary item ⁽¹⁾	-	-	6,501,399	-
Special item ⁽²⁾	-	(3,393,141)	-	-
Total governmental activities	<u>14,335,501</u>	<u>11,991,239</u>	<u>24,664,790</u>	<u>19,038,220</u>
Business-type activities:				
Taxes:				
Property taxes	105,749	90,282	90,532	99,852
Investment earnings (loss)	7,760	10,430	16,558	26,342
Miscellaneous	-	-	-	-
Transfers out	-	-	-	-
Total business-type activities	<u>113,509</u>	<u>100,712</u>	<u>107,090</u>	<u>126,194</u>
Total primary government	<u>14,449,010</u>	<u>12,091,951</u>	<u>24,771,880</u>	<u>19,164,414</u>
Changes in net position				
Governmental activities	(10,306,711)	(2,758,905)	9,065,522	(509,543)
Business-type activities	359,001	336,576	479,714	324,053
Total primary government	<u>\$ (9,947,710)</u>	<u>\$ (2,422,329)</u>	<u>\$ 9,545,236</u>	<u>\$ (185,490)</u>

Notes:

⁽¹⁾ FY 15/16 extraordinary gain relates to payment of bond proceeds to the City from the Successor Agency for building Stanton Central Park.

⁽²⁾ FY 18/19 special item relates to reinstatement of a General Fund loan to the Successor Agency; FY 14/15 special item relates to write-down of land held for resale by Housing Authority to net realizable value.

* Certain amounts presented in the prior year financial statements have been reclassified in order to be consistent with the current year's presentation and/or to reflect prior period adjustments for correction of errors.

Fiscal Year					
2017-18*	2018-19*	2019-20*	2020-21*	2021-22*	2022-23
(19,450,632)	(17,418,955)	(14,264,883)	(21,922,695)	(17,525,344)	(20,115,633)
126,114	115,437	(130,864)	703,905	472,257	573,301
<u>(19,324,518)</u>	<u>(17,303,518)</u>	<u>(14,395,747)</u>	<u>(21,218,790)</u>	<u>(17,053,087)</u>	<u>(19,542,332)</u>
\$ 6,071,733	\$ 6,433,535	\$ 6,816,387	\$ 7,561,831	\$ 8,512,488	\$ 8,964,390
4,204,519	4,327,842	4,278,141	4,682,029	5,414,556	5,321,610
4,122,756	4,057,037	4,537,734	4,991,100	5,993,735	6,958,521
514,102	483,233	512,492	569,293	660,504	671,096
1,088,226	1,026,619	1,055,791	1,105,276	1,180,487	1,251,495
1,986,236	1,850,880	1,791,516	1,990,690	2,122,661	2,504,823
524,570	433,541	364,751	345,315	45,717	55,844
135,059	1,325,735	1,167,877	959,781	(956,855)	878,675
649,678	413,900	272,563	95,045	49,013	80,785
6,000,100	-	-	-	430,902	12,693
-	-	-	81,616	18,776	332,010
-	-	-	-	-	-
-	2,080,000	-	-	-	-
<u>25,296,979</u>	<u>22,432,322</u>	<u>20,797,252</u>	<u>22,381,976</u>	<u>23,471,984</u>	<u>27,031,942</u>
124,950	131,641	147,159	165,692	188,097	194,785
50,663	78,818	167,573	12,343	(58,122)	116,944
-	-	7,900	-	-	-
-	-	-	(81,616)	(18,776)	(332,010)
<u>175,613</u>	<u>210,459</u>	<u>322,632</u>	<u>96,419</u>	<u>111,199</u>	<u>(20,281)</u>
<u>25,472,592</u>	<u>22,642,781</u>	<u>21,119,884</u>	<u>22,478,395</u>	<u>23,583,183</u>	<u>27,011,661</u>
5,846,347	5,013,367	6,532,369	459,281	5,946,640	6,916,309
301,727	325,896	191,768	800,324	583,456	553,020
<u>\$ 6,148,074</u>	<u>\$ 5,339,263</u>	<u>\$ 6,724,137</u>	<u>\$ 1,259,605</u>	<u>\$ 6,530,096</u>	<u>\$ 7,469,329</u>

CITY OF STANTON
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013-14*	2014-15*	2015-16*	2016-17*
General Fund:				
Nonspendable	\$ 8,379,173	\$ 6,730,051	\$ 5,398,081	\$ 3,992,852
Restricted	-	-	-	3,065,186
Committed	3,965,209	4,317,883	4,677,019	11,150,000
Assigned	38,751	-	7,200	-
Unassigned	8,181,723	9,391,105	11,811,587	4,566,919
Total General Fund	\$ 20,564,856	\$ 20,439,039	\$ 21,893,887	\$ 22,774,957
All other governmental funds:				
Restricted	\$ 22,118,786	\$ 20,232,644	\$ 19,166,303	\$ 19,996,961
Assigned	683,276	756,521	790,528	682,470
Unassigned	(51,385)	(526,651)	(790,292)	(303,957)
Total all other governmental funds	\$ 22,750,677	\$ 20,462,514	\$ 19,166,539	\$ 20,375,474

Note:

* Certain amounts presented in the prior year financial statements have been reclassified in order to be consistent with the current year's presentation and/or to reflect prior period adjustments for correction of errors.

Source: City Finance Department

Fiscal Year					
2017-18*	2018-19*	2019-20	2020-21	2021-22	2022-23
\$ 1,387,690	\$ 1,806,958	\$ 146,069	\$ 2,488,780	\$ 2,634,436	\$ 2,265,236
3,501,556	3,735,741	-	-	-	-
12,022,695	13,261,735	10,074,410	8,661,735	9,856,296	10,105,796
-	-	123,935	356,687	169,585	6,304,522
5,895,617	3,509,177	10,277,670	12,691,577	15,826,042	19,848,555
<u>\$ 22,807,558</u>	<u>\$ 22,313,611</u>	<u>\$ 20,622,084</u>	<u>\$ 24,198,779</u>	<u>\$ 28,486,359</u>	<u>\$ 38,524,109</u>
\$ 24,035,122	\$ 24,350,735	\$ 22,636,555	\$ 21,212,537	\$ 23,491,748	\$ 21,360,270
908,996	1,117,693	320,739	278,929	244,243	181,951
(27,464)	(29,247)	(41,723)	-	(61,410)	(257,858)
<u>\$ 24,916,654</u>	<u>\$ 25,439,181</u>	<u>\$ 22,915,571</u>	<u>\$ 21,491,466</u>	<u>\$ 23,674,581</u>	<u>\$ 21,284,363</u>

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

	Fiscal Year			
	2013-14*	2014-15*	2015-16*	2016-17*
Revenues:				
Taxes and assessments	\$ 14,062,751	\$ 14,730,740	\$ 17,838,271	\$ 18,697,469
Licenses and permits	419,298	417,780	357,381	321,935
Intergovernmental	2,765,837	1,916,432	4,844,423	2,772,489
Charges for services*	2,363,378	2,349,520	2,361,663	2,190,769
Fines and forfeitures	279,542	292,505	296,607	360,662
Interest income (loss)	202,857	195,526	227,707	119,771
Rental income	700,811	706,265	619,977	605,377
Gain on sale of land held for resale	-	-	-	-
Miscellaneous	55,883	17,955	71,754	684,711
Contribution from Successor Agency	-	-	-	-
Total Revenues	20,850,357	20,626,723	26,617,783	25,753,183
Expenditures:				
Current:				
General government	2,461,666	2,615,927	2,900,169	2,879,492
Public safety	12,047,794	13,176,004	15,453,062	15,597,673
Community development	1,475,104	1,424,634	1,368,795	1,518,145
Public works	2,098,897	1,548,644	951,650	1,175,017
Culture and recreation	921,302	948,585	1,331,178	1,606,326
Health and welfare	4,265	3,476	3,512	67,305
Capital outlay	475,187	1,131,626	10,951,943	819,220
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	19,484,215	20,848,896	32,960,309	23,663,178
Excess (Deficiency) of Revenues Over (Under Expenditures)	1,366,142	(222,173)	(6,342,526)	2,090,005
Other financing sources (Uses):				
Proceeds from long-term debt	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	1,884,218	624,942	599,348	633,550
Transfers out	(611,924)	(824,942)	(599,348)	(633,550)
Total other financing sources (uses)	1,272,294	(200,000)	-	-
Net change in fund balance before special/extraordinary item	2,638,436	(422,173)	(6,342,526)	2,090,005
Special/Extraordinary items ⁽¹⁾	-	(2,082,812)	6,501,399	-
Net change in fund balances	\$ 2,638,436	\$ (2,504,985)	\$ 158,873	\$ 2,090,005
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%

Notes:

* Certain amounts presented in the prior year financial statements have been reclassified in order to be consistent with the current year's presentation and/or to reflect prior period adjustments for correction of errors.

⁽¹⁾ Reinstatement of advance to Successor Agency

Source: City Finance Department

Fiscal Year						
2017-18*	2018-19*	2019-20*	2020-21	2021-22	2022-23	
\$ 19,821,063	\$ 20,541,371	\$ 21,167,374	\$ 23,160,509	\$ 25,471,470	\$ 26,543,385	
664,964	714,474	1,132,116	2,091,517	1,037,171	1,294,055	
2,691,518	1,815,443	3,462,782	3,992,601	4,811,604	12,841,895	
3,182,541	3,438,846	4,444,656	5,015,265	3,737,992	3,208,712	
460,794	410,443	411,644	524,705	468,222	383,517	
116,130	2,026,619	1,565,134	151,183	(516,680)	1,128,316	
589,631	624,406	637,676	579,024	700,487	836,268	
6,000,100	-	-	-	-	-	
70,083	286,946	211,217	96,605	101,787	228,445	
-	-	3,377,369	-	-	-	
<u>33,596,824</u>	<u>29,858,548</u>	<u>36,409,968</u>	<u>35,611,409</u>	<u>35,812,053</u>	<u>46,464,593</u>	
2,535,059	2,605,958	2,706,193	4,367,607	3,715,597	4,022,179	
16,894,400	22,350,545	18,023,261	20,682,528	18,732,182	20,724,414	
4,346,128	1,855,646	2,303,811	3,168,880	2,838,526	2,386,778	
1,570,486	1,714,628	1,477,485	1,835,882	1,738,520	3,548,144	
1,760,921	1,646,637	1,603,432	1,721,498	2,458,165	1,859,448	
37,250	16,795	-	-	-	-	
1,878,799	1,719,759	11,829,522	882,099	489,773	6,389,015	
-	-	55,754	1,069,246	-	-	
-	-	14,906	35,140	12,943	11,020	
<u>29,023,043</u>	<u>31,909,968</u>	<u>38,014,364</u>	<u>33,762,880</u>	<u>29,985,706</u>	<u>38,940,998</u>	
<u>4,573,781</u>	<u>(2,051,420)</u>	<u>(1,604,396)</u>	<u>1,848,529</u>	<u>5,826,347</u>	<u>7,523,595</u>	
-	-	1,125,000	-	-	-	
-	-	-	210,100	756,902	-	
828,000	757,400	604,623	1,985,777	2,336,767	4,220,436	
(828,000)	(757,400)	(4,340,364)	(1,904,161)	(2,449,321)	(3,888,426)	
-	-	(2,610,741)	291,716	644,348	332,010	
4,573,781	(2,051,420)	(4,215,137)	2,140,245	6,470,695	7,855,605	
-	2,080,000	-	-	-	-	
<u>\$ 4,573,781</u>	<u>\$ 28,580</u>	<u>\$ (4,215,137)</u>	<u>\$ 2,140,245</u>	<u>\$ 6,470,695</u>	<u>\$ 7,855,605</u>	
0%	0%	0.2%	3.3%	0.0%	0.0%	

CITY OF STANTON
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year Ended June 30	City				Redevelopment Agency ⁽²⁾		
	Secured	Unsecured	SBE Nonunitary	Taxable Assessed Value ⁽¹⁾	Secured	Unsecured	Incremental Assessed Value
2014	\$ 2,071,296	\$ 74,078	\$ 684	\$ 2,146,058	\$ 2,039,488	\$ 72,219	\$ 2,111,707
2015	2,214,413	83,904	684	2,299,001	2,179,143	83,691	2,262,834
2016	2,350,787	81,734	684	2,433,205	2,309,529	82,056	2,391,585
2017	2,479,654	85,974	684	2,566,312	1,569,439	20,147	1,589,586
2018	2,602,487	75,735	684	2,678,906	1,677,650	7,246	1,684,896
2019	2,747,552	85,798	1,255	2,834,605	1,816,986	17,805	1,834,791
2020	2,921,963	91,619	1,255	3,014,837	1,988,330	23,148	2,011,478
2021	3,094,828	90,155	109,371	3,294,354	2,266,923	29,439	2,296,362
2022	3,330,318	166,399	130,955	3,627,672	2,522,570	105,282	2,627,852
2023	3,611,586	95,824	134,405	3,841,815	2,799,849	32,313	2,832,162

Notes:

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 the property may be increased by an inflation factor (limited to a maximum of 2%). With few exceptions, property is only reassessed at the time it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

⁽¹⁾ City amounts include the Redevelopment Agency assessed values.

⁽²⁾ The State of California dissolved Redevelopment Agencies effective January 31, 2012.

Sources: Orange County Auditor-Controller
HdL, Coren & Cone

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**CITY OF STANTON
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)**

	Fiscal Year .		
	2013-14	2014-15	2015-16
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000
Overlapping Rates ⁽²⁾ :			
Anaheim Union High School District	0.02620	0.02412	0.04948
Coast Community College District	0.02899	0.03015	0.03092
Garden Grove Unified School District	0.03703	0.04148	0.04656
Magnolia Elementary School District	0.02737	0.02497	0.02349
Metropolitan Water District	0.00350	0.00350	0.00350
North Orange County Community College District	0.01704	0.01758	0.03043
Savanna School District	0.05557	0.05443	0.05501
Total Direct and Overlapping Tax Rates	1.19570	1.19623	1.23939
City's Share of 1% Levy Per Prop 13 ⁽³⁾	0.10940	0.10940	0.10940
Redevelopment Rate ⁽⁴⁾	0.00000	0.00000	0.00000
Total Direct Rate ⁽⁵⁾	0.13707	0.13703	0.13701

Notes:

⁽¹⁾ In 1978, the voters of the State of California passed Proposition 13, which limited property taxes to a total maximum rate of 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within.

⁽²⁾ Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

⁽³⁾ The City's share of the 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's levy has been subtracted where known.

⁽⁴⁾ The Redevelopment Rate is based on the largest RDA tax rate area and only includes rates(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only in incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012-13 and years thereafter.

⁽⁵⁾ Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013-14, the Total Direct Rate no longer includes revenues derived from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during fiscal year 2012-13. For the purposes of this report, residual revenue is assumed to be distributed to City/Agency in the same proportions as general fund revenue.

							Fiscal Year
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	
0.04259	0.02211	0.04244	0.03968	0.03971	0.03804	0.03016	
0.03116	0.03145	0.03052	0.03100	0.03181	0.03119	0.03102	
0.04487	0.07454	0.06848	0.06922	0.06956	0.07408	0.06329	
0.02552	0.02849	0.02859	0.02722	0.02714	0.02619	0.02634	
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	
0.02885	0.02927	0.02829	0.02409	0.03198	0.02877	0.02778	
0.05948	0.06115	0.06086	0.06132	0.06481	0.07355	0.04731	
<u>1.23597</u>	<u>1.25051</u>	<u>1.26268</u>	<u>1.25603</u>	<u>1.26851</u>	<u>1.27532</u>	<u>1.22940</u>	
0.10940	0.13645	0.13645	0.13645	0.13645	0.13645	0.13645	
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
0.13698	0.13695	0.13994	0.13991	0.14007	0.14002	0.14013	

**CITY OF STANTON
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2022-23 Assessed Valuation			2013-14 Assessed Valuation		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Stanton Energy Reliability Center LLC	\$ 132,900,000	1	3.46%	\$ -	-	-
Continental Gardens LP	82,641,182	2	2.15%	16,532,803	6	0.77%
CR&R, Inc.	58,844,360	3	1.53%	44,328,490	1	2.07%
Briarwood Square LP	46,287,427	4	1.20%	28,472,224	2	1.33%
Fernwood Western LLC	32,640,000	5	0.85%	-	-	-
Arrowhead Apartment Investments LLC	31,550,258	6	0.82%	23,933,091	3	1.12%
Garden Terrace MHC LLC	21,858,649	7	0.57%	-	-	-
Stanton Capital LP	20,637,101	8	0.54%	-	-	-
Icon Owner Pool 1 LA Business Parks LLC	19,832,870	9	0.52%	-	-	-
Kurt Raymer Shuman Trust	19,413,852	10	0.51%	-	-	-
CP Briarwood LLC	-	-	-	-	-	-
Shapell Social Rental Properties LLC	-	-	-	22,895,203	4	1.07%
Walton CWCA Hoover 52 LLC	-	-	-	19,459,562	5	0.91%
Faircrest, Inc.	-	-	-	12,839,527	7	0.60%
Gilbert R Shuman Trust Plaza on the Blvd	-	-	-	12,808,696	8	0.60%
Mideb Nominees, Inc.	-	-	-	12,803,674	9	0.60%
G6 Hospitality Property	-	-	-	12,713,078	10	0.59%
Total Top 10 Taxpayers	\$ 466,605,699		12.15%	\$ 206,786,348		9.64%

Note:

Excludes government and tax-exempt property owners. Changes in name or ownership of property are not considered for purposes of this schedule.

Source: HdL, Coren & Cone

**CITY OF STANTON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Collected Amount</u>	<u>Percent of Levy⁽¹⁾</u>
2014	\$ 1,014,799	\$ 1,014,799	100%
2015	1,028,726	1,028,726	100%
2016	1,039,132	1,039,132	100%
2017	1,040,976	1,040,976	100%
2018	1,061,452	1,061,452	100%
2019	1,070,983	1,070,983	100%
2020	1,075,724	1,075,724	100%
2021	1,079,894	1,079,894	100%
2022	1,079,628	1,079,628	100%
2023	1,092,184	1,092,184	100%

Note:

⁽¹⁾ Beginning with FY 1994-95, the City of Stanton elected the Teeter Plan for property tax distribution in which the City receives the entire secured levy in the current fiscal year, whether paid or not, and the County retains the penalties and interest on delinquent taxes.

Source: Orange County Auditor-Controller

**CITY OF STANTON
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Allocation Bonds ⁽¹⁾	Leases	Total Primary Government	% of Personal Income ⁽²⁾	Per Capita ⁽²⁾
2013-14	\$ -	\$ -	\$ -	0.00%	\$ -
2014-15	-	-	-	0.00%	-
2015-16	-	-	-	0.00%	-
2016-17	-	-	-	0.00%	-
2017-18	-	-	-	0.00%	-
2018-19	-	-	-	0.00%	-
2019-20	-	1,069,246	1,069,246	0.00%	-
2020-21	-	-	-	0.00%	-
2021-22	-	-	-	0.00%	-
2022-23	-	-	-	0.00%	-

Notes:

⁽¹⁾ The Stanton Redevelopment Agency was dissolved on February 1, 2012. As a result, the tax allocation bonds are not debt of the primary government.

⁽²⁾ Refer to the Schedule of Demographic and Economic Statistics for personal income and population data.

Source: City Finance Department

CITY OF STANTON
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
YEAR ENDED JUNE 30, 2023

2022-23 Assessed Valuation	<u>\$3,847,720,685</u>		
	Total Debt		City's Share of
	6/30/23	% Applicable ⁽¹⁾	Debt 6/30/23
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 19,215,000	0.105%	\$ 20,176
Coast Community College District	920,781,084	0.528%	4,861,724
North Orange County Joint Community College District	324,914,503	1.827%	5,936,188
Anaheim Union High School District	245,578,955	3.477%	8,538,780
Garden Grove Unified School District	524,835,000	5.846%	30,681,854
Magnolia School District	18,728,305	17.696%	3,314,161
Savanna School District	38,250,262	33.530%	<u>12,825,313</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 66,178,196</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	\$451,165,000	0.531%	\$ 2,395,686
Orange County Board of Education General Fund Obligations	10,860,000	0.531%	57,667
Coast Community College District General Fund Obligations	1,480,000	0.528%	7,814
Coast Community College District Pension Obligation Bonds	1,380,000	0.528%	7,286
Anaheim Union High School District Certificates of Participation	29,580,000	3.477%	1,028,497
Magnolia School District General Fund Obligations	12,501,268	17.696%	2,212,224
North Orange County Regional Occupation Program Certificates of Participation	7,790,000	1.243%	96,830
City of Stanton	-	100%	<u>-</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 5,806,004</u>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u>	\$50,765,000	100.000%	50,765,000
TOTAL DIRECT DEBT			\$ -
TOTAL OVERLAPPING DEBT			<u>122,749,200</u>
COMBINED TOTAL DEBT			<u>\$ 122,749,200</u> ⁽²⁾

Notes:

⁽¹⁾ The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.72%
Total Direct Debt	0.00%
Total Combined Debt	3.19%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,832,162,461):

Total Overlapping Tax Increment Debt	1.79%
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Source: California Municipal Statistics, Inc.

**CITY OF STANTON
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2013-14	2014-15	2015-16	2016-17
Assessed valuation	\$ 2,146,057,305	\$ 2,299,000,205	\$ 2,433,204,888	\$ 2,566,311,820
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	536,514,326	574,750,051	608,301,222	641,577,955
Debt limit percentage	15%	15%	15%	15%
Debt limit	80,477,149	86,212,508	91,245,183	96,236,693
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 80,477,149</u>	<u>\$ 86,212,508</u>	<u>\$ 91,245,183</u>	<u>\$ 96,236,693</u>
Total net debt applicable to limit as percentage of debt limit	0%	0%	0%	0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments.

Sources: City Finance Department
HdL Coren & Cone

Fiscal Year					
2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
\$ 2,678,905,775	\$ 2,834,604,233	\$ 3,014,836,696	\$ 3,294,354,368	\$ 3,627,670,751	\$ 3,841,815,515
25%	25%	25%	25%	25%	25%
669,726,444	708,651,058	753,709,174	823,588,592	906,917,688	960,453,879
15%	15%	15%	15%	15%	15%
100,458,967	106,297,659	113,056,376	123,538,289	136,037,653	144,068,082
-	-	-	-	-	-
<u>\$ 100,458,967</u>	<u>\$ 106,297,659</u>	<u>\$ 113,056,376</u>	<u>\$ 123,538,289</u>	<u>\$ 136,037,653</u>	<u>\$ 144,068,082</u>
0%	0%	0%	0%	0%	0%

**CITY OF STANTON
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Increment	Tax Allocation Bonds, 2005 Series A		Tax Allocation Bonds, 2005 Series B		Tax Allocation Bonds, 2010 Series A		Tax Allocation Bonds, 2011 Series A	
		Debt Service ⁽¹⁾		Debt Service ⁽¹⁾		Debt Service ⁽¹⁾		Debt Service ⁽¹⁾	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013-14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

Note:

⁽¹⁾ The liabilities for these outstanding bonds were transferred to the Successor Agency to the Stanton Redevelopment Agency on February 1, 2012, and are no longer debt of the primary government.

Source: City Finance Department

Tax Allocation Bonds, 2011 Series B		Tax Allocation Bonds, 2016 Series A		Tax Allocation Bonds, 2016 Series B		Tax Allocation Bonds, 2020 Series A		Coverage
Debt Service (1)		Debt Service (1)		Debt Service (1)		Debt Service (1)		
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%

**CITY OF STANTON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population	Median Age	Median Housing Price	Total Personal Income (in thousands)	Per Capital Personal Income	Unemployment Rate
2013	38,963	33.6	\$ 345,000	\$ 779,377	\$ 20,003	8.2%
2014	38,954	33.7	383,000	757,616	19,449	7.2%
2015	39,751	34.3	430,000	725,662	18,255	5.9%
2016	39,611	33.5	412,500	729,707	18,422	5.3%
2017	39,470	34.4	450,000	747,172	18,930	4.1%
2018	39,307	34.5	432,000	781,143	19,873	3.2%
2019	39,077	34.5	445,000	825,807	21,133	3.1%
2020	39,573	34.9	470,000	900,452	22,754	10.7%
2021	39,275	35.7	550,000	1,017,211	25,899	7.1%
2022	39,084	36.0	665,000	1,143,896	29,267	3.2%

Source: HdL Coren & Coren

**CITY OF STANTON
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2022-23			2013-14		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Rowntree Gardens (formerly Quaker Gardens)	314	1	1.71%	312	1	1.67%
Home Depot	161	2	0.88%	144	5	0.77%
Super King Market	150	3	0.82%	-	-	-
CR&R, Inc.	122	4	0.66%	190	4	1.02%
Walmart Market #4134	119	5	0.65%	-	-	-
Custom Pipe & Fabrication Inc.	119	6	0.65%	75	8	0.40%
Adventure City	112	7	0.61%	100	7	0.53%
Raising Cane's Chicken Fingers Restaurant	111	8	0.60%	-	-	-
All Metals Processing of Orange County, LLC	102	9	0.55%	127	6	0.68%
Food 4 Less	71	10	0.39%	68	9	0.36%
Sam's Club	-	-	-	200	2	1.07%
USS Cal Builders	-	-	-	200	3	1.07%
Cameron Welding Supply	-	-	-	52	10	0.28%
Total Top 10 Employers	1,381		7.51%	1,468		7.85%
Total City Labor Force	18,400			18,700		

Notes:

Excludes employers not required to obtain a City business license (i.e. government agencies).

Sources: City business license database

Fiscal Year 2013-14 Annual Comprehensive Financial Report

Employment Development Department (for City Labor Force data)

CITY OF STANTON
FULL-TIME EQUIVALENT CITY EMPLOYEES BY DEPARTMENT
LAST TEN FISCAL YEARS

Department	Fiscal Year			
	2013-14	2014-15	2015-16	2016-17
Administration	4.00	4.00	4.00	4.50
Community Development ⁽¹⁾	7.50	7.50	8.50	8.50
Community Services	3.00	3.00	6.00	6.00
Finance	4.00	4.00	5.00	5.13
Public Safety ⁽¹⁾	0.00	0.00	0.00	0.00
Public Works	6.50	6.50	6.00	6.38
Total	25.00	25.00	29.50	30.51

Note:

⁽¹⁾ Code Enforcement and Parking Control were transferred to the Public Safety Department in Fiscal Year 2018-19.

Source: City Finance Department

Fiscal Year					
2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
4.50	4.50	4.50	5.50	6.50	6.50
9.00	6.00	6.00	6.50	8.50	10.00
6.00	16.00	16.00	17.00	17.00	17.00
5.25	6.75	6.75	6.00	7.00	7.50
0.50	8.00	9.00	9.50	11.00	11.50
6.75	8.75	8.75	9.50	10.50	10.50
32.00	50.00	51.00	54.00	60.50	63.00

**CITY OF STANTON
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Department	Fiscal Year			
	2013-14	2014-15	2015-16	2016-17
City Council				
Public Meetings held	31	39	35	37
Ordinances adopted	10	7	13	14
Resolutions adopted	51	47	46	41
City Attorney				
Ordinances prepared	10	7	13	15
Resolutions prepared	51	47	46	41
Contracts prepared	50	75	86	88
City Clerk				
Public Meetings held	36	39	35	37
Ordinances processed and published	10	7	13	14
Resolutions processed and published	51	47	46	41
Public Records Requests processed	217	301	300	278
Contracts Processed	50	75	86	88
City Manager				
City Council meetings attended	31	39	35	36
Finance				
Cash Receipts processed	7,001	7,572	8,961	10,260
Warrants processed	2,219	2,333	2,490	2,559
Payroll checks processed	1,365	1,141	1,613	1,769
Journal entries processed	252	296	247	281
Business licenses processed	1,788	1,974	2,197	2,946
Police Services				
Cases assigned to general crime investigators	1,283	1,421	835	1,582
Directed enforcement shifts deployed each week	1.5	3	5	5
Average response time in minutes to emergency life threatening calls	3:53	4:03	3:50	4:03
Shifts of traffic enforcement in high accident and residential areas per week	0.17	1	4	4
Schools receiving school programs	2	2	1	n/a

Note:

n/a - Information not available

Fiscal Year						
2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	
36	34	37	55	38	25	
12	8	14	8	10	9	
48	39	60	45	54	30	
12	8	14	8	10	9	
48	39	60	45	54	30	
90	84	90	94	98	115	
36	34	37	55	38	25	
12	8	14	8	10	9	
48	39	60	45	54	30	
280	159	170	180	182	195	
90	84	90	94	98	115	
35	34	37	55	37	24	
6,854	5,512	5,690	4,109	4,102	3,940	
2,462	2,405	2,182	2,057	1,809	2,076	
1,819	1,800	1,804	1,806	1,001	1,966	
234	287	344	1,493	694	662	
3,304	3,126	2,649	2,577	2,481	2,388	
964	737	856	1,068	1,138	1,127	
5	5	5	5	5	5	
4:05	4:21	3:50	4:17	4:14	4:17	
4	4	4	4	4	4	
n/a	n/a	n/a	n/a	2	2	

CITY OF STANTON
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

Department	Fiscal Year			
	2013-14	2014-15	2015-16	2016-17
Fire Protection				
Paramedic calls responded to	2,283	2,540	2,659	2,192
Fire calls responded to	38	41	54	37
Other calls responded to	558	532	699	1042
Fire inspections made	485	505	602	524
Students receiving fire safety education programs	145	175	490	370
Adults receiving fire safety education programs	60	75	220	240
Plan checks completed	57	48	51	72
Planning				
Administrative permits	5	5	7	4
Preliminary plan review	0	3	3	2
Entitlements	11	13	29	29
Environmental	16	13	26	29
Home Occupation permits	27	17	50	21
Land divisions	3	1	5	4
Landscape plan checks	2	0	4	-
Sign permits	42	48	23	26
Plan Checks (Over-the-Counter)	31	74	68	70
Building				
Building plan reviews	148	108	101	101
Building permits	283	314	264	254
Electrical permits	197	229	233	214
Mechanical permits	119	132	120	112
Plumbing permits	139	134	150	124
Inspections for compliance	0	0	0	0
Parking Control				
Citations	6,335	6,361	6,843	8,039
Vehicles towed	242	220	299	440
Engineering				
Value of capital projects initiated	\$0.9M	\$11M	\$1M	\$1M
Engineering plan checks	15	17	7	7
Permits issued	111	95	132	132
Value of competitive grants obtained	\$0.4M	\$0.1M	\$0.3M	\$0.3M
Capital projects administered	4	7	3	3
Public Facilities				
Service requests	199	232	87	277
Unscheduled repairs	60	171	68	92

Fiscal Year					
2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
2,627	2,794	6,307	3,323	3,724	3,887
42	55	222	182	196	194
611	494	647	205	206	255
612	674	15	0	514	581
200	250	4	61	3	3
456	250	4	132	10	0
83	87	n/a	224	187	219
7	6	5	3	4	13
6	1	5	3	6	1
32	18	35	17	13	18
21	12	1	1	0	0
117	11	26	27	10	31
6	3	6	5	1	1
3	6	3	3	3	9
32	25	27	8	19	17
147	93	103	112	109	0
138	94	82	121	672	875
368	358	450	535	495	477
242	239	307	398	151	45
145	156	219	223	50	41
194	174	275	253	52	46
0	0	0	0	0	0
8,049	7,937	5,765	9,073	8,269	7,649
574	451	347	179	236	173
\$2.6M	\$3.0M	\$3.2M	\$1.47M	\$9.38M	\$3.55M
10	8	15	4	10	4
135	204	102	100	165	234
\$0.2M	\$0	\$0	\$0	\$8.13M	\$576K
7	7	8	7	10	15
504	475	682	1,134	1,586	1,353
73	64	173	146	78	67

CITY OF STANTON
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

Department	Fiscal Year			
	2013-14	2014-15	2015-16	2016-17
Buildings/Grounds Maintenance				
No. of service requests	70	112	57	64
HVAC service calls	14	7	4	3
Parks Maintenance				
Service requests	65	112	61	72
Unscheduled repairs	10	8	25	17
Street Maintenance				
Potholes repaired	17	15	10	43
Service requests	799	815	201	227
Tonnage of asphalt placed	6	8	6	6
Storm drain inlets cleaned	183	183	183	183
Service calls for drainage issues	6	2	1	3
Community Services				
Senior clients served	2,800	2,425	2,450	2,600
Commission meetings	0	11	10	9
After school program participation	312	210	220	250
Info & referral inquires answered	2,250	2,210	2,230	2,500
Sports facility usage (revenue)	\$7,000	\$1,500	\$3,120	\$13,760

Fiscal Year						
2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	
64	120	189	1,134	1,586	1,336	
3	13	17	8	11	15	
226	229	478	2,298	1,723	1,568	
32	68	83	103	67	57	
14	35	66	87	79	130	
702	698	872	2,830	1,720	1,460	
6	3	2.5	3	3	3	
183	183	183	183	183	183	
3	5	16	8	4	8	
3,600	4,000	8,271	15,613	15,882	12,887	
9	9	7	7	8	8	
133	115	318	134	154	543	
2,051	2,216	1,945	1,097	1,156	1,330	
\$15,080	\$12,600	\$12,417	\$23,141	\$21,540	\$26,910	

**CITY OF STANTON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year			
	2013-14	2014-15	2015-16	2016-17
Public Works				
Streets (miles)	44	44	44	44
Alleys (square feet)	326,000	326,000	326,000	326,000
Curbs and gutters (linear feet)	439,736	439,736	441,200	441,200
Sidewalks (square feet)	2,339,372	2,339,372	2,341,000	2,341,000
Streetlights	1,295	1,295	1,295	1,295
Traffic signals	15	15	16	16
Storm drain system (linear feet)	26,889	26,889	26,889	26,889
Parks and Recreation				
Parks	8	8	9	9
Community Center	2	2	3	3
Sewer				
Sewer lines (miles)	40	40	40.5	40.5

Source: City Finance Department

Fiscal Year

2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
44	44	44	44.1	44.1	44.1
326,000	324,185	324,185	324,185	324,185	324,185
441,200	441,200	441,445	441,445	441,445	441,445
2,341,000	2,341,000	2,343,100	2,343,100	2,343,100	2,343,100
1,295	1,295	1,295	1,295	1,295	1,295
16	16	16	16	16	16
26,889	26,889	26,889	26,889	26,889	26,889
9	9	9	9	9	9
3	3	3	3	3	3
40.5	40.5	40.5	40.5	40.5	40.5

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**STANTON HOUSING AUTHORITY
(A COMPONENT UNIT OF
THE CITY OF STANTON)**

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

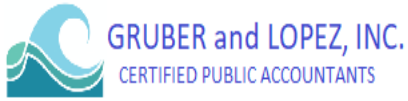
**STANTON HOUSING AUTHORITY
(A COMPONENT UNIT OF
THE CITY OF STANTON)**

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

STANTON HOUSING AUTHORITY
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Board of Directors
City of Stanton, California
Stanton, California

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund Stanton Housing Authority, a component unit of the City of Stanton, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Stanton Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund Stanton Housing Authority, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Stanton Housing Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Stanton Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Board of Directors
City of Stanton, California

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Stanton Housing Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Stanton Housing Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of proportionate share of the net pension liability and the schedules of contributions for the CalPERS miscellaneous plan, and the budgetary comparison schedule for the Stanton Housing Authority, identified as Required Supplementary Information (RSI) in the accompanying table of contents, 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 RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of the Stanton Housing Authority'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 of Stanton'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 Stanton Housing Authority's internal control over financial reporting and compliance.

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, California

December 6 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Stanton Housing Authority (Housing Authority), we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended June 30, 2023. Please read it in conjunction with the accompanying transmittal letter at the front of this report, and the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Housing Authority exceeded its liabilities and deferred inflows of resources on June 30, 2023, by \$31.3 million. This amount is referred to as the net position of the Housing Authority. Of this amount, \$10.2 million is restricted net position and may be used for the Housing Authority's affordable housing programs.
- During fiscal year 2022-23, the Housing Authority's overall net position decreased by \$3.1 million, primarily due to a \$2.5 million affordable housing grant provided to JHC-Beach3LLC ("JHC"), and the demolition of the building located at 8861 Pacific Avenue.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also consists of required supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Housing Authority's finances, in a manner similar to a private-sector business. There are two government-wide financial statements: the Statement of Net Position and the Statement of Activities. They present information for the government as a whole and present a longer-term view of the Housing Authority's finances. These two statements help to answer the question: "Is the Housing Authority as a whole better off or worse off as a result of this year's activities?"

The *Statement of Net Position* presents information on all of the Housing Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Housing Authority is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected rent and earned but unused vacation leave).

The governmental activities of the Housing Authority are primarily funded by rental income from the Housing Authority's Tina Pacific properties include the following functions: general government, community development, public safety, and public works.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Housing Authority's activities are reported in the General Fund.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances on spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Notes to Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Housing Authority's budgetary policies and supplementary information on the Housing Authority's defined benefit plans.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Housing Authority, assets and deferred outflows exceeded liabilities by \$31.3 million as of June 30, 2023. In comparison, total net position was \$34.4 million as of June 30, 2022.

The largest portion of the Housing Authority's net position at June 30, 2023, (\$20.6 million or 65.7% of total net position), reflects its investment in capital assets (e.g., land and buildings). The Housing Authority's capital assets are currently used for affordable housing programs, primarily the Tina Pacific affordable housing project.

The remaining \$10.7 million is restricted net position, representing resources that are subject to external restrictions or enabling legislation on how they may be used. The Housing Authority's restricted net position is restricted for low- and moderate-income housing programs.

A summary of the government-wide *Statement of Net Position* follows:

	<u>2023</u>	<u>2022</u>	<u>% Change</u>
Current and other assets	\$ 10,947,651	\$ 14,212,674	-23.0%
Capital assets	<u>20,558,771</u>	<u>21,081,772</u>	-2.5%
Total assets	<u>31,506,422</u>	<u>35,294,446</u>	-10.7%
Deferred outflows of resources	<u>89,121</u>	<u>36,347</u>	145.2%
Long-term liabilities	207,186	102,756	101.6%
Other liabilities	<u>91,151</u>	<u>780,435</u>	-88.3%
Total liabilities	<u>298,337</u>	<u>883,191</u>	-66.2%
Deferred inflows of resources	<u>16,757</u>	<u>97,475</u>	-82.8%
Net position:			
Investment in capital assets	20,558,771	21,081,772	-2.5%
Restricted	<u>10,721,678</u>	<u>13,268,355</u>	-19.2%
Total net position	<u>\$ 31,280,449</u>	<u>\$ 34,350,127</u>	-8.9%

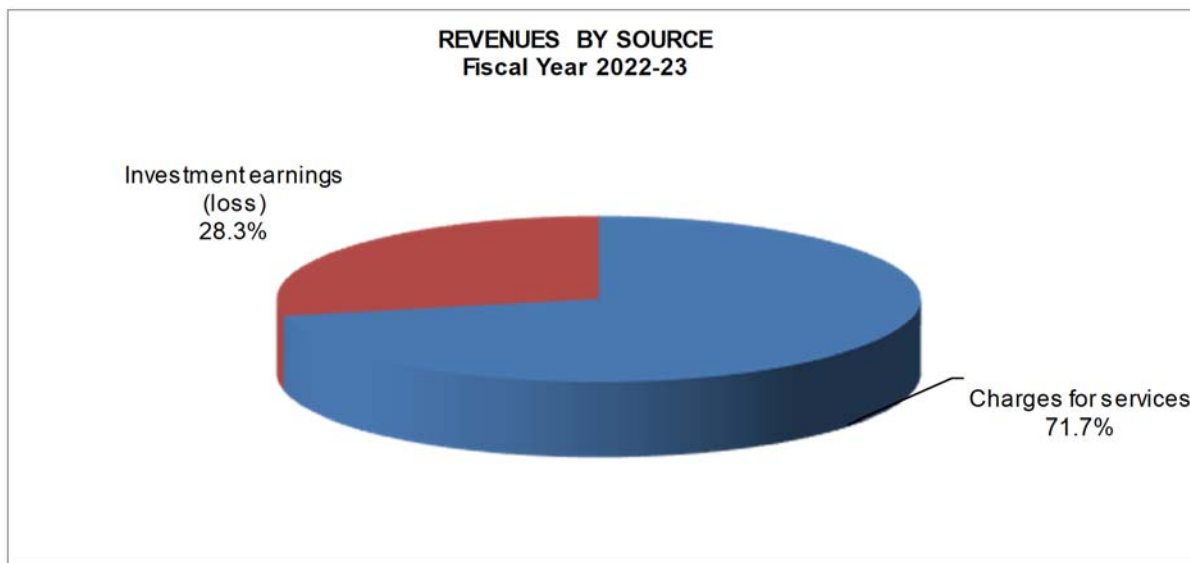
A summary of the government-wide *Statement of Activities* follows:

	<u>2023</u>	<u>2022</u>	<u>% Change</u>
Revenues:			
Program Revenue:			
Charges for services	\$ 671,330	\$ 616,454	8.9%
General revenues:			
Investment earnings (loss)	265,277	(120,362)	320.4%
Gain on sale of capital assets	-	430,902	-100.0%
Miscellaneous	213	14,006	-98.5%
Transfer from City of Stanton	-	25,093	-100.0%
Total revenues	936,820	966,093	-3.0%
Expenses:			
General government	195,476	154,169	26.8%
Community development	3,725,154	960,290	287.9%
Public safety	85,868	99,946	-16.4%
Total expenses	4,006,498	1,214,405	229.9%
Change in Net Position	(3,069,678)	(248,312)	1136.2%
Net position, beginning of year	34,350,127	34,598,439	-0.7%
Net position, end of year	\$ 31,280,449	\$ 34,350,127	-8.9%

During the current fiscal year, the Housing Authority's net position decreased by \$3.1 million, primarily due to a \$2.5 million affordable housing grant provided to JHC-Beach3LLC, and the demolition of the building located at 8861 Pacific Avenue.

REVENUES BY SOURCE

FUNCTION	Fiscal Year 2022-23	Percent of Total	Increase (Decrease) From 2021-22	Percent Increase (Decrease)
Charges for services	\$ 671,330	71.7%	\$ 54,876	8.9%
Investment earnings (loss)	265,277	28.3%	385,639	320.4%
Gain on sale of capital assets	-	0.0%	(430,902)	-100.0%
Miscellaneous	213	0.0%	(13,793)	-98.5%
Transfer from City of Stanton	-	0.0%	(25,093)	-100.0%
TOTAL REVENUES	\$ 936,820	100.0%	\$ (29,273)	-3.0%



Revenues decreased by \$29,273, or 3.0%, from the prior year.

Charges for services increased by \$54,876, or 8.9% from the previous fiscal year due to additional rental income received during the current fiscal year due to Quality Management Group (QMG), the Housing Authority’s property management company, actively collecting past due rent amounts with California’s statewide moratorium on evictions ending in June 2022.

Investment earnings increased by \$385,639, or 320.4%, in fiscal year 2022-23, due to the change in fair value in the Housing Authority’s investment portfolio. Chandler Asset Management LLC began providing investment advisory services to the City of Stanton in September 2023. The diversification of the Housing Authority’s share in the City’s investment portfolio as well as higher yields on investment securities contributed to the additional investment earnings. In addition, the average yield of the California Local Agency Investment Fund (LAIF) was 2.17% in fiscal year 2022-23, compared to 0.37% in fiscal year 2021-22.

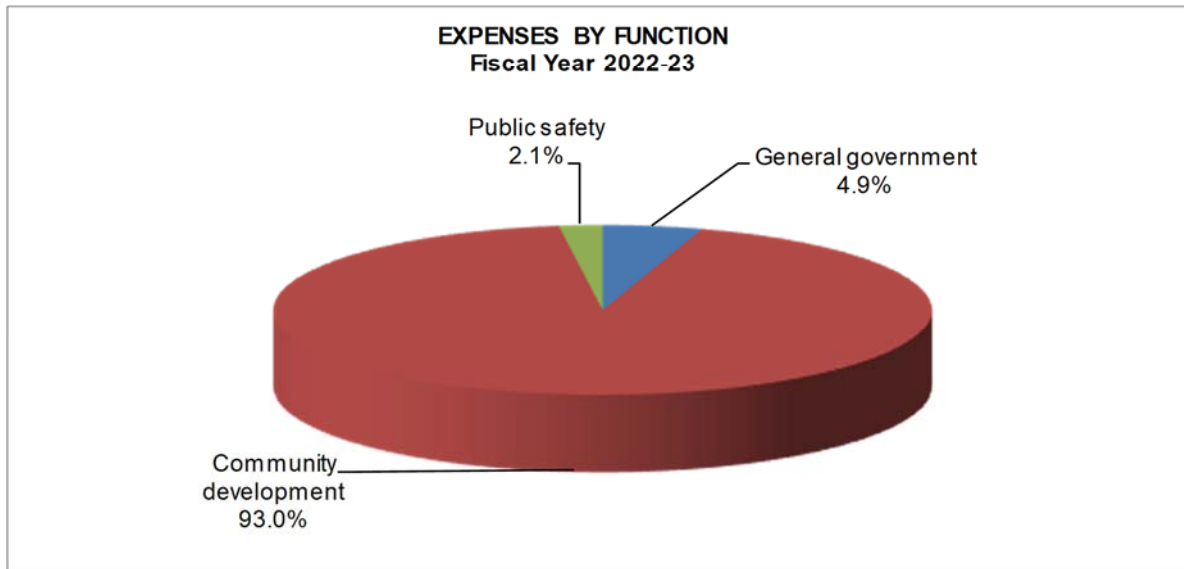
Gain on sale of capital assets decreased by 100% in fiscal year 2022-23 because the Housing Authority sold the property located at 7455 Katella Avenue, which resulted in a realized gain of \$430,902 (the difference between the sales proceeds and the original cost of the property) during the previous fiscal year.

Miscellaneous revenues decreased by \$13,793, or 98.5%, during the current fiscal year because the Housing Authority received one time tax refunds from Mission Escrow Inc. for properties purchased in previous fiscal years.

Transfer from the City of Stanton decreased by 100% in fiscal year 2022-23 because the \$25,093 the Housing Authority received from the City was for the one time reimbursement for legal expenses that were funded by developer deposit revenues collected by the City.

EXPENSES BY FUNCTION

FUNCTION	Fiscal Year 2022-23	Percent of Total	Increase (Decrease) From 2021-22	Percent Increase (Decrease)
General government	\$ 195,476	4.9%	\$ 41,307	26.8%
Community development	3,725,154	93.0%	2,764,864	287.9%
Public safety	85,868	2.1%	(14,078)	-16.4%
TOTAL EXPENSES	\$ 4,006,498	100.0%	\$ 2,792,093	229.9%



The cost of all governmental activities during fiscal year 2022-23 was \$4.0 million. Total expenses increased by \$2.8 million, or 229.9%, from the previous fiscal year.

General government expenses increased by \$41,307, or 26.8%, primarily due to increased legal costs associated with the Tina/Pacific affordable housing project and increased personnel costs due to the City's 8% cost-of-living-adjustment that was effective July 1, 2022, as well as an overall increase in the cost of employee benefits.

Community development expenses increased by \$2.8 million, or 287.9%, primarily due to a \$2.5 million affordable housing grant provided to JHC and the demolition of the building located at 8861 Pacific Avenue. JHC received a grant from the Housing Authority to acquire and rehabilitate the property that was formerly occupied by Riviera Motel located at 11892 Beach Boulevard in Stanton. The rehabilitated property will be used as a 21-unit affordable residential rental complex and will be operated as permanent supportive housing for individuals making less than or equal to 30% Area Median Income (AMI). During fiscal year 2022-23, the Housing Authority demolished the building located at 8861 Pacific Avenue. The cost to demolish the buildings was \$93,800 and resulted in an additional loss on disposal of \$250,185 (the net book value of the assets).

Public safety expenses decreased by \$14,078, or 16.4% from the previous year, primarily due to less costs paid for relocating misplaced people.

FINANCIAL ANALYSIS OF THE GENERAL FUND

As noted earlier, the Housing Authority uses fund accounting to ensure compliance with finance-related legal requirements. The focus of the Housing Authority's *General Fund* is to provide information on near-term inflows, outflows, and balances of *spending* resources. Such information is useful in assessing the Housing Authority's financing requirements.

As of June 30, 2023, the General Fund reported a total fund balance of \$10.9 million, which represents a decrease of approximately \$2.5 million, or 19.2%, from the previous fiscal year, primarily due to the \$2.5 million affordable housing grant provided to JHC, previously discussed.

CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>	<u>% Change</u>
Land	\$ 15,243,865	\$ 15,243,865	0.0%
Buildings and improvements	<u>5,314,906</u>	<u>5,837,907</u>	-9.0%
Totals	<u>\$ 20,558,771</u>	<u>\$ 21,081,772</u>	-2.5%

Total capital assets decreased by \$523,001 or 2.5% from the previous fiscal year, due to the demolition of the property located at 8861 Pacific Avenue. Additional information on the Housing Authority's capital assets can be found in Note 3 in the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Housing Authority maintains a conservative approach to budgeting revenues and expenditures. Management takes an active role in monitoring the application of the budget during

the fiscal year to apply any necessary changes to projected revenues as well as appropriated expenditures. The Fiscal Year 2023-24 Adopted Budget includes an increase in revenues of 1.4% and a reduction in expenditures of 68.5% due to one-time expenditures incurred during fiscal year 2022-23. The fiscal year 2022-23 budget was balanced after using \$575,710 in fund balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Michelle Bannigan, Finance Director, City of Stanton, 7800 Katella Avenue, Stanton, California 90680.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STANTON HOUSING AUTHORITY
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Cash and investments (Note 2)	\$ 9,850,045
Receivables	79,606
Notes and loans receivable (Note 4)	1,018,000
Capital assets (Note 3):	
Non-depreciable	15,243,865
Depreciable, net	<u>5,314,906</u>
Total assets	<u>31,506,422</u>
Deferred pension related items (Note 5)	<u>89,121</u>
Total deferred outflows of resources	<u>89,121</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Accounts payable	77,066
Deposits payable	12,900
Unearned revenue	1,185
Long-term liabilities:	
Net pension liability (Note 5)	<u>207,186</u>
Total liabilities	<u>298,337</u>
Deferred pension related items (Note 5)	<u>16,757</u>
Total deferred inflows of resources	<u>16,757</u>
NET POSITION	
Net investment in capital assets	20,558,771
Restricted for:	
Low and moderate income housing	<u>10,721,678</u>
Total net position	<u>\$ 31,280,449</u>

See accompanying notes to the basic financial statements.

STANTON HOUSING AUTHORITY
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities Total
Governmental activities:					
General government	\$ 195,476	\$ -	\$ -	\$ -	\$ (195,476)
Public safety	85,868	-	-	-	(85,868)
Community development	<u>3,725,154</u>	<u>671,330</u>	<u>-</u>	<u>-</u>	<u>(3,053,824)</u>
Total governmental activities	<u>\$ 4,006,498</u>	<u>\$ 671,330</u>	<u>\$ -</u>	<u>\$ -</u>	(3,335,168)
		General revenues:			
					Investment earnings (loss) 265,277
					Miscellaneous <u>213</u>
					Total general revenues and transfers <u>265,490</u>
					Change in net position (3,069,678)
					Net position - beginning of year <u>34,350,127</u>
					Net position - end of year <u>\$ 31,280,449</u>

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

STANTON HOUSING AUTHORITY
Balance Sheet - General Fund
June 30, 2023

ASSETS

Cash and investments	\$ 9,850,045
Receivables:	
Accounts	2,550
Interest	77,056
Notes and loans receivable	<u>1,018,000</u>
Total assets	<u>\$ 10,947,651</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 77,066
Deposits payable	12,900
Unearned revenues	<u>1,185</u>
Total liabilities	<u>91,151</u>

Fund Balances:

Nonspendable	1,018,000
Restricted for Low and Moderate-Income Housing	<u>9,838,500</u>
Total fund balances	<u>10,856,500</u>

Total liabilities and fund balances	<u>\$ 10,947,651</u>
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See accompanying notes to the basic financial statements.

STANTON HOUSING AUTHORITY
Reconciliation of the Balance Sheet - General Fund
to the Government-wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds \$ 10,856,500

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.

Capital assets	23,330,435
Accumulated depreciation	<u>(2,771,664)</u>
Total capital assets	20,558,771

Pension-related debt applicable to the Authority's governmental activities is not due and payable in the current period and accordingly is not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities.

Deferred Outflows of Resources - Pension Related	89,121
Deferred Inflows of Resources - Pension Related	(16,757)
Net Pension Liability	<u>(207,186)</u>

Net position of governmental activities \$ 31,280,449

STANTON HOUSING AUTHORITY
Statement of Revenues, Expenditures, and Changes in Fund Balance -
General Fund
For the Year Ended June 30, 2023

REVENUES:

Investment income (loss)	\$ 265,277
Rental income	671,330
Miscellaneous	213
Total revenues	<u>936,820</u>

EXPENDITURES:

Current:	
General government	201,254
Public safety	88,181
Community development	722,906
Capital outlay	<u>2,500,218</u>
Total expenditures	<u>3,512,559</u>

NET CHANGE IN FUND BALANCE

(2,575,739)

Fund balances, beginning of year	<u>13,432,239</u>
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Fund balances, end of year	<u>\$ 10,856,500</u>
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STANTON HOUSING AUTHORITY
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance - General Fund to the Governmental-wide Statement of Activities
For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (2,575,739)

Governmental activities in the Statement of Activities were reported differently because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation and retirements in the current period.

Depreciation expenses	(272,816)
Loss on disposition of capital assets	(250,185)
Total capital assets	<u>(523,001)</u>

Pension expense reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the change in the net pension liability and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.

29,062

Change in net position of governmental activities \$ (3,069,678)

NOTES TO BASIC FINANCIAL STATEMENTS

**STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Stanton Housing Authority (the Authority), have been prepared in accordance with accounting principles generally accepted in the United States of America (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 more significant Authority accounting policies are described below.

A. Description of Reporting Entity

The Authority was formed on March 22, 2011, by City of Stanton Council to facilitate the retention and use of transferred properties from the former Stanton Redevelopment Agency consistent with the redevelopment plan and for the purposes of ongoing maintenance of completed development projects. The Authority is an integral part of the reporting entity of the City. The funds of the Authority have been included within the scope of the basic financial statements of the City because City Council exercises oversight responsibility over the operations of the Authority and has a financial benefit/burden relationship.

B. Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statement of net position. The statement of activities presents the change in net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Statement Presentation (Continued)

Government-Wide Financial Statements (Continued)

The types of transactions reported as program revenues for the Authority can be reported in three categories:

1. Charges for services
2. Operating grants and contributions
3. Capital grants and contributions

Charges for services include rental income for the Tina Way and Pacific Avenue properties received from lessees who use and directly benefit from the goods, services or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function.

The Authority's capital grants and contributions consist of bond proceeds received from the Stanton Successor Agency that were utilized to facilitate the capital projects for which those bonds were issued. Investment earnings and miscellaneous revenues are properly not included among program revenues and are reported instead as general revenues.

Amounts to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenses. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure. The Authority has no long-term debt.

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenue, expenditures, and changes in fund balance for the Authority. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of available spendable resources. Noncurrent portions of long-term receivables due to the governmental fund are reported on its balance sheets in spite of its spending measurement focus. The statement of revenues, expenditures, and changes in fund balance present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, this statement is said to present a summary of sources and uses of available spendable resources during a period.

**STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Statement Presentation (Continued)

Governmental Fund Financial Statements (Continued)

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 in the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition of capital leases are reported as other financing sources.

Rental income and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue (within 60 days of year-end). Amounts owed to the Authority, which are not available, are recorded as receivables and deferred inflows of resources. All other revenue items are considered to be measurable and available only when cash is received by the government.

C. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The Authority has the following items that qualify for reporting in this category:

- Deferred outflow related to pensions equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflow from pensions resulting from differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plan.
- Deferred outflow related to pensions resulting from the net differences between projected and actual earnings on plan investments. These amounts are amortized over five years.

**STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Authority has the following items that qualify for reporting in this category:

- Deferred inflow related to pensions for changes in assumptions and changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

D. Net Position Flow Assumptions

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Authority's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

E. Assets, Liabilities, and Net Position or Equity

Cash and Investments

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value represented by the external pool (in relation to the amortized cost of that portfolio). Changes in fair value that occur during a fiscal year are recognized as investment income for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity or sale of investments.

Cash and investments are pooled with other City funds for investment purposes, with interest being allocated monthly to all funds legally requiring allocation and to other various funds at the direction of management based on the month-end pooled funds' cash and investment balances. Interest income for cash and investments excluded from pooled cash is credited directly to the related fund. Investment policies applicable to the Authority's funds are those of the City and are included in the notes to the City's basic financial statements.

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Position or Equity (Continued)

Capital Assets

Capital assets, which include land, are reported in the government-wide financial statements. Acquired assets are recorded at historical cost or estimated historical cost. Donated assets are valued at the acquisition value of the assets on the date on which they were contributed. The costs of normal maintenance and repairs that do not add value to the assets or materially extend the life are not capitalized. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year with the exception of land, structures and improvements, and infrastructure, which have a threshold of \$50,000. Depreciation is charged to operations using the straight-line method of depreciation over the estimated useful lives of the assets as follows:

Buildings	20-50 Years
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Net Position

In the government-wide financial statements, net position is classified in the following applicable categories:

Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets. The Authority has no debt related to capital assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of net investment in capital assets or restricted net position.

Fund Balance

The fund balance reported on the fund statements is classified in the following applicable categories:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Position or Equity (Continued)

Fund Balance (Continued)

Committed – This classification includes amounts for which the use of such amounts is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The Authority Council is considered the highest authority for the Authority, and the adoption of a formal resolution prior to the end of the fiscal year is required to establish a fund balance commitment. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of resolution) to remove or revise the limitation. The Authority has no committed fund balance.

Assigned – This classification includes amounts to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The Authority Board has authorized the Finance Director for that purpose. The Finance Director determines the assigned amount based on encumbrances and any future budget deficits. The Authority has no assigned fund balance.

Unassigned – This classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

Spending Policy

When expenditures are incurred for purposes for which all restricted, committed, assigned, and unassigned fund balances are available, the Authority's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

G. Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the statement of net position date and reported amounts of revenues and expenses during the reporting period.

Estimates are used to determine the net pension liability and corresponding deferred outflows of resources and deferred inflows of resources, and certain liabilities. Actual results may differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

Cash and Investments

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

Statement of Net Position:

Cash and Investments	<u>\$ 9,850,045</u>
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Cash and investments as of June 30, 2023, consists of the following:

Deposits With Financial Institutions	\$ 46,909
Equity in City of Stanton Pooled Cash and Investments	585,096
Local Agency Investment Fund (LAIF)	<u>9,218,040</u>
Total Cash and Investments	<u>\$ 9,850,045</u>

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Equity in the Cash and Investment Pool of the City of Stanton

The Authority has no separate bank accounts or investments other than LAIF and its equity in the cash and investment pool managed by the City. The Authority is a voluntary participant in the City's pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the Council of the City of Stanton. The Authority has not adopted an investment policy separate from that of the City. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded at the estimated fair value.

Investments Authorized by the City of Stanton's Investment Policy

The table below identifies investment types that are authorized for the City of Stanton by the California Government Code and the City's investment policy. The City's Investment Policy is reviewed and adopted by the City Council each year. Regarding allowable investment types, the investment policy is more conservative and restrictive than the investment vehicles authorized by Section 53600.5 of the California Government Code. Investment vehicles not specifically mentioned in the City's investment policy are not authorized unless the policy is amended by the City Council or is approved as part of the provisions of the bond indentures. Investments are limited to the following:

Investment Types Authorized by State Law or the City's Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Notes	5 Years	100%	None
United States Government-Sponsored Agency Securities - noncallable	5 Years	100%	25%
United States Government Sponsored Agency Securities -callable	5 Years	20%	25%
Local Agency Securities	5 Years	100%	5%
Collateralized Time Deposits (Nonnegotiable Certificates of Deposit)	5 Years	20%	None
Banker's Acceptances	180 Days	40%	5%
Commercial Paper	270 Days	25%	5%
Medium-Term Corporate Notes	5 Years	30%	5%
Negotiable Certificates of Deposit	5 Years	30%	5%
Money Market Mutual Funds	N/A	20%	None
Asset-Backed and Mortgage-Backed Securities	5 Years	20%	5%
Supranational	5 Years	30%	10%
Local Government Investment Pools	N/A	100%	None
Certificate of Deposit Placement Service (CDARS)	5 Years	30%	None

*Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

N/A - Not Applicable

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority manages its exposure to interest rate risk 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.

The Authority's investment in both LAIF and the City's investment pool are available upon demand.

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. None of the Authority's investments are rated.

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 Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Any deposits in excess of depository insurance limits at the end of the year are collateralized by securities held at the depository financial institution's trust department.

Investment in State Investment Pool

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF.

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The Authority categorizes its fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted price of similar assets in active markets, and Level 3 inputs are significant unobservable inputs. The Authority's investment in LAIF and the City investment pool are not subject to the fair value hierarchy.

NOTE 3 CAPITAL ASSETS

A summary of changes in the capital assets activity for the year ended June 30, 2023, is as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$15,243,865	\$ -	\$ -	\$15,243,865
Total non-depreciable	15,243,865	-	-	15,243,865
Depreciable:				
Buildings and improvements	8,478,165	-	(391,595)	8,086,570
Less accumulated depreciation for:				
Buildings and improvements	(2,640,258)	(272,816)	141,410	(2,771,664)
Total depreciable capital assets, net	5,837,907	(272,816)	(250,185)	5,314,906
Total capital assets, net	\$21,081,772	\$ (272,816)	\$ (250,185)	\$20,558,771

Depreciation expense of \$272,816 was charged to the community development program.

NOTE 4 NOTES AND LOANS RECEIVABLE

The notes and loans receivable balance at June 30, 2023, was as follows:

Stanton Accessible Apartments Construction	\$ 398,932
First-Time Home Buyer	40,000
Housing Rehabilitation	978,000
Allowance for Doubtful Accounts	(398,932)
Total	<u>\$ 1,018,000</u>

In November 2004, the former Redevelopment Agency entered into a Residual Receipts Promissory Note with Stanton Accessible Apartments Construction. Under the terms of the agreement, the former Redevelopment Agency loaned \$258,261 to Stanton Accessible Apartments Construction. The note commenced on May 5, 2005, and bears interest at 3% per year. The note was transferred to the Housing Authority on February 1, 2012. The total amount outstanding, including accrued interest at June 30, 2023, was \$398,932, with an allowance for the forgivable amount of \$398,932.

**STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 NOTES AND LOANS RECEIVABLE (CONTINUED)

The First Time Home Buyer Assistance Program, or HOMES, was created by the former Redevelopment Agency in order to help existing and new residents purchase their first home. The HOMES program provides up to \$40,000 in down payment assistance for eligible first-time home buyers of low to moderate income. Assistance is in the form of a 45-year loan with interest and payments deferred for the first 10 years of the loan. The HOMES loan is secured by a second trust deed in conjunction with a first mortgage offered by a participating lender. The loan was transferred to the Housing Authority on February 1, 2012. The total amount outstanding at June 30, 2023, was \$40,000.

The Housing Rehabilitation Loan Program offers loans of up to \$50,000 for newer homes and up to \$75,000 for pre-1960 homes to low- and moderate-income households. The purpose of the program is to assist Stanton's homeowners with addressing code violations and eliminating blighted, unsafe, unsanitary, and deteriorating living conditions. The loans are interest free with deferred payments until the property is sold, refinanced, or a change in title occurs. The loans were transferred to the Housing Authority on February 1, 2012. The total amount outstanding at June 30, 2023, was \$978,000.

NOTE 5 RETIREMENT PLANS

A. General Information about the Pension Plans

Plan Descriptions

The Authority participates in the City's Pension Plans. All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Employee Pension Plans, which are cost-sharing multiple-employer defined benefit pension plans administered by CalPERS. Benefit provisions under the plans are established by state statute and Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least five years of services. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for nonduty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job related.

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 RETIREMENT PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the California Public Employees' Retirement Law.

The plans' provisions and benefits in effect at the measurement date ended June 30, 2022, are summarized as follows:

	Miscellaneous		
	Tier I On or Prior to August 27, 2011	Tier II After August 27, 2011	Tier III - PEPRA On or After January 1, 2013
Hire Date			
Benefit Formula	2%@55	2%@60	2%@62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 - 67	50 - 67	52 - 67
Monthly Benefits, as a % of Eligible			
Compensation	1.426% to 2.418%	1.092% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates	7.000%	7.000%	6.750%
Required Employer Contribution Rates			
Normal Cost Rate	10.870%	8.630%	7.470%
Payment of Unfunded Liability	\$ 17,568	\$ 82	\$ 185

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Authority contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. The Authority's portion of the pension contributions for the year ended June 30, 2023 was \$24,876.

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023, the Authority reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	<u>\$ 207,186</u>

The Authority's net pension liability for each plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the plans is measured as of June 30, 2022, and the total pension liability for each plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The Authority's proportionate share of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The Authority's proportionate share of the net pension liability for each plan as of the measurement date ended June 30, 2021 and 2022, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2021	2.95000%
Proportion - June 30, 2022	2.95000%
Change - Increase (Decrease)	(0.00000%)

For the year ended June 30, 2023, the Authority recognized pension credit of \$4,154. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 24,876	\$ -
Change in proportion	902	(5,337)
Change in assumptions	21,231	-
Difference in actual contributions vs. proportionate share of contributions	-	(8,633)
Difference between expected and actual experience	4,161	(2,787)
Differences between projected and actual earnings on plan investments	37,951	-
Total	<u>\$ 89,121</u>	<u>\$ (16,757)</u>

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Deferred outflows of resources related to contributions subsequent to the measurement date reported as \$24,876, will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Miscellaneous
2024	\$ 10,287
2025	9,036
2026	4,953
2027	<u>23,212</u>
	<u>\$ 47,488</u>

Actuarial Assumptions

The total pension liability was based on the following assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Salary Increase	(1)
Mortality Rate Table	(2)
Post-Retirement Benefit Increase	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

(3) The less of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations, as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return (b)(c)
Public Equity	18.00%	4.50%
Fixed Income	45.00%	1.40%
TIPS	20.00%	0.50%
Commodities	3.00%	1.10%
REITs	14.00%	3.70%
Total	100.00%	

- (a) Commodities and REITs are included in Public Equity; TIPS are included in Fixed Income.
- (b) An expected inflation of 2.3% used for this period.
- (c) Figures are based on the 2021-22 Asset Liability Management study.

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability for each plan, calculated using the discount rate for each plan, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	5.90%
Net Pension Liability	\$ 312,602
Current Discount Rate	6.90%
Net Pension Liability	\$ 207,186
1% Increase	7.90%
Net Pension Liability (Asset)	\$ 120,454

Pension Plans Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plans

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

NOTE 6 SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 6, 2023 which is the date the financial statements were available to be issued, and has determined that there are no transactions that will have a significant impact on the Authority.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

STANTON HOUSING AUTHORITY
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years *
Year Ended June 30, 2023

Fiscal year ended June 30	2023	2022	2021	2020	2019
Measurement period June 30	2022	2021	2020	2019	2018
Proportion of the net pension liability	2.95%	2.95%	5.44%	3.39%	3.39%
Proportionate share of the net pension liability	\$ 207,186	\$ 102,756	\$ 328,093	\$ 188,943	\$ 171,503
Covered payroll	\$ 105,085	\$ 171,105	\$ 92,886	\$ 86,249	\$ 89,653
Proportionate Share of the net pension liability as percentage of covered payroll	197.16%	60.05%	353.22%	219.07%	191.30%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	73.21%	85.91%	74.82%	76.17%	75.26%

Notes to schedule:

Benefit changes:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2021:

There were no significant changes in assumptions.

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

Effective with the June 20, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%

* - Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

STANTON HOUSING AUTHORITY
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years * (Continued)
Year Ended June 30, 2023

Fiscal year ended June 30	2018	2017	2016	2015
Measurement period June 30	2017	2016	2015	2014
Proportion of the net pension liability	3.39%	3.39%	3.39%	3.39%
Proportionate share of the net pension liability	\$ 174,231	\$ 148,691	\$ 110,824	\$ 123,495
Covered payroll	\$ 74,185	\$ 71,092	\$ 66,722	\$ 63,893
Proportionate Share of the net pension liability as percentage of covered payroll	234.86%	209.15%	166.10%	193.28%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	73.31%	74.06%	82.31%	80.06%

STANTON HOUSING AUTHORITY
Schedule of Contributions
Last 10 Fiscal Years *
Year Ended June 30, 2023

Fiscal year ended June 30	2023	2022	2021	2020	2019
Contractually required contribution (actuarially determined	\$ 24,876	\$ 21,831	\$ 37,811	\$ 20,389	\$ 15,914
Contributions in relation to the actuarially determined contributions	<u>(24,876)</u>	<u>(21,831)</u>	<u>(37,811)</u>	<u>(20,389)</u>	<u>(15,914)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 115,479	\$ 105,085	\$ 171,105	\$ 92,886	\$ 86,249
Contributions as a percentage of covered payroll	21.54%	20.77%	22.10%	21.95%	18.45%

Notes to schedule:

Valuation date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
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Methods and assumptions used to
determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.500%	2.625%	2.750%
Salary increases	2.75% (2)	(2)	(2)	(2)	(2)
Investment rate of return	7.00% (3)	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 for all plans with exception of 52 for Miscellaneous 2% @ 62
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* - Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

STANTON HOUSING AUTHORITY
Schedule of Contributions
Last 10 Fiscal Years * (Continued)
Year Ended June 30, 2023

Fiscal year ended June 30	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 13,655	\$ 11,105	\$ 9,765	\$ 25,263
Contributions in relation to the actuarially determined contributions	<u>(13,655)</u>	<u>(11,105)</u>	<u>(9,765)</u>	<u>(25,263)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 89,653	\$ 74,185	\$ 71,092	\$ 66,722
Contributions as a percentage of covered payroll	15.23%	14.97%	13.74%	37.86%

Notes to schedule:

Valuation date	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)
				15 Year Smoothed Market Method
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.750%	2.750%	2.750%	2.750%
Salary increases	(2)	(2)	(2)	(2)
Investment rate of return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

STANTON HOUSING AUTHORITY
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Investment income (loss)	\$ 25,000	\$ 25,000	\$ 265,277	\$ 240,277
Rental income	560,000	610,000	671,330	61,330
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>213</u>	<u>(787)</u>
Total revenues	<u>586,000</u>	<u>636,000</u>	<u>936,820</u>	<u>300,820</u>
EXPENDITURES				
Current:				
General government	431,975	434,725	201,254	233,471
Public safety	104,055	103,835	88,181	15,654
Community development	739,865	833,665	722,906	110,759
Capital outlay	<u>-</u>	<u>2,500,220</u>	<u>2,500,218</u>	<u>2</u>
Total expenditures	<u>1,275,895</u>	<u>3,872,445</u>	<u>3,512,559</u>	<u>359,886</u>
Net change in fund balance	<u>\$ (689,895)</u>	<u>\$ (3,236,445)</u>	(2,575,739)	<u>\$ (59,066)</u>
Fund balance, beginning of year			<u>13,432,239</u>	
Fund balance, end of year			<u>\$ 10,856,500</u>	

**STANTON HOUSING AUTHORITY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

NOTE 1 BUDGET AND BUDGETARY ACCOUNTING

The Authority adopts an annual budget prepared on the modified accrual basis. The Executive Director is required, under Municipal Code Section 2.08.050, to prepare and submit to the Board of Directors the annual budget of the Authority and administer it after adoption. Legally, expenditures may not exceed total appropriations at the fund level. The Executive Director is authorized to transfer budgeted amounts within the accounts of any fund; however, any revisions between funds must be approved by the Board of Directors. Prior year appropriations lapse, unless they are encumbered at year-end, and reappropriated through the formal budget process.

The budgetary information shown for revenues and expenditures represent the original adopted budget adjusted for any changes made by the Board of Directors or Executive Director.

City of Stanton
Single Audit Report on Schedule of Expenditures of Federal Awards
June 30, 2023



CITY OF STANTON
Single Audit Report on Schedule of Expenditures of Federal Award Programs
June 30, 2023

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Honorable Mayor and City Council
City of Stanton
Stanton, California

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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, each major fund, and the aggregate remaining fund information of City of Stanton, California (City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Stanton's basic financial statements, and have issued our report thereon dated February 14, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Stanton's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Stanton's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Stanton's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Mayor and City Council
City of Stanton
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Stanton's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, California
February 14, 2024



Honorable Mayor and City Council
City of Stanton
Stanton, California

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Stanton CA's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Stanton CA's major federal programs for the year ended June 30, 2023. City of Stanton CA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Stanton CA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Stanton CA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Stanton CA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Stanton CA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Stanton CA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Honorable Mayor and City Council
City of Stanton
Page Two

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Stanton CA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Stanton CA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Stanton CA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Stanton CA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Honorable Mayor and City Council
City of Stanton

Page Three

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Stanton CA, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Stanton CA's basic financial statements. We issued our report thereon dated February 14, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, California
February 14, 2024

CITY OF STANTON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/ Pass-through Grantor/Program	Federal Assistance Listing	Program Identification Number	Federal Award Expenditures	Amount Provided to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>				
Passed through the OC Community Resources Department of the County of Orange:				
Community Development Block Grant	14.218	21-23-0034-PFI	\$ 350,000	-
Total U.S. Department of Housing and Urban Development			350,000	-
<u>U.S. Department of Justice</u>				
Direct assistance:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	GRANT13651473	1,036,330	1,036,330
Passed through the OC Sheriff Department of the County of Orange:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-820	8,937	-
Total U.S. Department of Justice			1,045,267 *	1,036,330
<u>U.S. Department of Treasury</u>				
Passed through the State of California-OES:				
Coronavirus State and Local Recovery Funds	21.027	Family Resource Center	223,581	-
Coronavirus State and Local Recovery Funds	21.027	FY 22-23	7,807,247	-
Total U.S. Department of Treasury			8,030,828 *	-
<u>U.S. Department of Health and Human Services</u>				
Passed through the SSA Department of the County of Orange:				
Promoting Safe and Stable Families	93.556	FMK1120	65,464	-
Temporary Assistance for Needy Families	93.558	FMK1120	38,748	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	FMK1120	9,117	-
Community-Based Child Abuse Prevention Grants	93.590	FMK1120	20,800	-
Total U.S. Department of Health and Human Services			134,129	-
Total Federal Awards			\$ 9,560,224	1,036,330

*Denotes major federal program.

See accompanying notes to schedule of expenditures of federal awards.

CITY OF STANTON

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2023

(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

The financial reporting entity, as defined by Governmental Accounting Standard Board (GASB), consists of the primary government, which is the City of Stanton, California (City), entities for which the primary government is financially accountable, and other entities for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City Council acts as the governing body and is able to impose its will on the following entities by establishing financial accountability:

- Housing Authority of City of Stanton

(a) Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the City of Stanton (City) that are reimbursable under federal programs of federal agencies providing financial assistance. For purposes of this schedule, financial assistance includes both federal financial assistance received directly from a federal agency and expended, as well as federal funds received indirectly by City of Stanton from a non-federal agency and expended. Only the portion of program expenditures reimbursable with such federal funds are reported in the accompanying schedule. Program expenses in excess of the maximum federal reimbursement authorized or the portion of program expenses that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

(b) Basis of Accounting

Funds received under the various grant programs have been recorded within the general fund and special revenue funds of the City. The City utilizes the modified accrual basis of accounting for governmental funds. The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Office of Management and Budget Uniform Grant Guidance).

(c) De Minimus Indirect Cost Rate

The City elected to use the 10% de minimus indirect cost rate for the year ended June 30, 2023, however, no indirect cost rates were charged to any federal programs.

(d) Subrecipients

The following payments were made to subrecipients for the year ended June 30, 2023:

	<u>Assistance Listing #16.738</u>
Hope Center of Orange County	\$1,036,330

CITY OF STANTON
Schedule of Findings and Questioned Costs
Year ended June 30, 2023

Summary of Auditors' Results

- A) Findings Related to the Financial Statements which are Required to be Reported in Accordance with GAGAS
1. An unmodified report was issued by the auditors on the financial statements of the auditee.
 2. There were no material weaknesses in internal control nor were there any significant deficiencies.
 3. There were no instances of noncompliance or other matters that were required to be reported under *Government Auditing Standards*.
- (B) Findings and Questioned Costs for Federal Awards as Defined in 2 CFR 200.515(d)
4. There were no material weaknesses or significant deficiencies in internal control over federal major programs of the auditee.
 5. An unmodified report was issued by the auditors on compliance for federal major programs.
 6. The audit disclosed no audit findings of federal awards required by the auditors to be reported under 2 CFR 200.515(d)
 7. The major federal programs of the auditee were the: (1) Assistance Listing #21.027 U.S. Department of Treasury – Coronavirus State and Local Fiscal Recovery Funds and; (2) Assistance Listing #16.738 U.S. Department of Justice – Edward Byrne Memorial Justice Assistance Grant.
 8. The dollar threshold used to distinguish Type A and Type B programs was \$750,000 under 2 CFR 200.518 (b) (1).
 9. The auditee was not considered a low risk auditee as defined by 2 CFR 200.518 for the year ended June 30, 2023 for purposes of determining major programs.

CITY OF STANTON
Summary Schedule of Prior Year (June 30, 2022) Audit Findings
Year ended June 30, 2023

There were no findings noted for fiscal year June 30, 2022.

CITY OF STANTON
Stanton, California

Report on Communication
With Those Charged with Governance

June 30, 2023

CITY OF STANTON
Stanton, California

Report On Communication
With Those Charged With Governance

June 30, 2023

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City of Stanton
Stanton, California

To the Honorable Mayor and City Council:

We have audited the financial statements of the government activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Stanton, California (City) for the year ended June 30, 2023, and have issued our report thereon dated February 14, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the engagement contract dated July 20, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City adopted Statement on Governmental Accounting Standards (GASB Statements) No. 91-*Conduit Debt*; and No 96-*Subscription Based IT Agreements*. The adoption of the GASB Nos. 91 and 96 did not significantly impact the City. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

- Management's estimate of capitalizing certain infrastructure assets that prolong its' useful life (as opposed to classifying as routine maintenance expense) and depreciation expense on capital assets. We have evaluated the key factors and assumptions used to estimate the capitalization of infrastructure assets and useful lives on depreciation expense in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability and net OPEB liability and their allocation to various funds. We have evaluated the key factors and assumptions used to estimate the net pension liability and its allocation to various funds of the City in determining that they are reasonable in relation to the financial statements taken as a whole.

City of Stanton
Honorable Mayor and City Council

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- The disclosure of Contingencies in Note 15 to the financial statements concerning potential claims against the City for possible disallowed costs or noncompliance with certain grantor restrictions. As of the date of this letter, Management is not aware of any disallowed costs or noncompliance with grantor restrictions.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted no significant adjustments as a result of audit procedures. We were not aware of any significant uncorrected misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 14, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Stanton's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

City of Stanton
Honorable Mayor and City Council

Other Matters

We applied certain limited procedures to City of Stanton, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information as described in the table of contents in the financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the supplementary information as described in the table of contents in the financial statements, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This report is intended solely for the information and use of the City Council and management, and is not intended to be and should not be used by anyone other than these specified parties.

GRUBER AND LOPEZ, INC.

Gruber and Lopez, Inc.

Newport Beach, California
February 14, 2024

EXHIBIT A- GENERAL MATTERS

2023-1 Investment Policy Requirements

Based on our review of the City's own investment policy, the policy states the Treasurer's Report should have a disclosure that there is a "net financial advantage" to using the City's financial investment advisors. However, the City's treasurer's report did not provide such statement for fiscal year 2022/2023.

Recommendation: We recommend that the City add a statement to its Treasurer's Report with the aforementioned language above to comply with its investment policy.

Management's Response: The City will update its investment policy when it's reviewed and approved for Fiscal Year 2024-25. (The Fiscal Year 2023-24 investment policy was already approved in June 2023.) The City's contract with Chandler Asset Management, LLC ("Chandler") specifies the benchmark to evaluate the effectiveness of their services. The City's benchmark for evaluating the effectiveness of the investment advisor's performance is the 1-5 Year U.S. Treasury and Agency Index rate. The quarterly investment reports Chandler provides to the City (that are forwarded to the City Council through the City Manager's monthly update) compares the average yield of the portfolio managed by Chandler to this benchmark factor. The monthly Treasurer's Report reports the City's yield in comparison to the monthly yield published by the State Treasurer's Office for the Local Agency Investment Fund (LAIF) to communicate the effectiveness of Chandler's performance compared to whether City staff continued to manage the investment portfolio in house. This is a more realistic benchmark method considering over 90% of the portfolio that City staff is management is invested in LAIF.



Honorable Mayor and City Council
City of Stanton
Stanton, California

Independent Accountants' Report on Applying Agreed-Upon Procedures
Appropriations Limit Worksheets

We have performed the procedures enumerated below on the appropriations limit calculation worksheets of the City of Stanton, California (City) for the year ended June 30, 2023. The City's management is responsible for the appropriations limit calculation worksheets.

The City has agreed to and acknowledged that the procedures performed are appropriate for the intended purpose of meeting the requirements of Section 1.5 of Article XIII B of the California Constitution (Constitution) and the League of California Cities as presented in the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines* (Guidelines). This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the worksheets referred to above and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote.

Results: No exceptions were noted as a result of our procedures.

City Council
City of Stanton, California
Page Two

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2. We recalculated the mathematical computations reflected in the City worksheets.

Results: No exceptions were noted as a result of our procedures.

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3. We compared the current year information used to determine the current year limit and found that it agreed to worksheets prepared by the City and to information provided by the State Department of Finance.

Results: No exceptions were noted as a result of our procedures.

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-
-
4. We compared the amount of the prior year appropriations limit presented in the worksheets to the amount adopted by the City Council for the prior year.

Results: No exceptions were noted as a result of our procedures.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on meeting the requirements of the Constitution and Guidelines. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, California
February 14, 2024

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: February 27, 2024

SUBJECT: RESOLUTION INITIATING PROCEEDINGS AND ORDERING THE ENGINEER TO PREPARE AND TO FILE A REPORT FOR THE STANTON LIGHTING AND LANDSCAPING DISTRICT NO. 1

REPORT IN BRIEF:

As part of the annual update to the Lighting and Landscaping District No. 1, certain procedural resolutions must be adopted by the City Council. The proposed resolution orders the Engineer's report for the Fiscal Year 2024/25 update.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Section 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Adopt Resolution No. 2024-04 initiating proceedings and ordering the Engineer's report for the Fiscal Year 2024/25 update, entitled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, INITIATING PROCEEDINGS FOR THE ANNUAL ASSESSMENTS FOR THE STANTON LIGHTING AND LANDSCAPING DISTRICT NO. 1 FOR THE FISCAL YEAR BEGINNING JULY 1, 2024, AND ENDING JUNE 30, 2025; AND ORDERING THE ENGINEER TO PREPARE AND FILE A REPORT IN ACCORDANCE THEREWITH".

ANALYSIS:

The Stanton Lighting and Landscaping District No. 1 ("District") was formed on March 10, 1981, and currently provides funding for maintenance and improvements for the City's street lights, traffic signals, and medians. Each parcel in the City is assessed a proportionate share of the District's costs each year. The assessments appear on the property tax bill. Assessments are established upon an Engineer's assessment of each property's relative benefit from the services provided by the District.

Each year, an update to the Engineer's report must be produced relative to the District's annual assessments. The Finance Department solicited quotes from qualified firms to perform this work (and the annual tax administration services) on behalf of the City for Fiscal Years 2024/25 and 2025/26. Harris & Associates, who has provided this service for the City of Stanton for several years, was selected as the best qualified vendor to continue this service. The total cost of their services for the next two fiscal years was less than \$40,000 (within the City Manager's purchasing authority).

FISCAL IMPACT:

None.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Through the agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Obj. No. 4: Ensure fiscal stability and efficiency in governance.

Prepared by: Michelle Bannigan, Finance Director
Approved by: Hannah Shin-Heydorn, City Manager

Attachment:

A. Resolution No. 2024-04

RESOLUTION NO. 2024-04

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, INITIATING PROCEEDINGS FOR THE ANNUAL ASSESSMENTS FOR THE STANTON LIGHTING AND LANDSCAPING DISTRICT NO. 1 FOR THE FISCAL YEAR BEGINNING JULY 1, 2024, AND ENDING JUNE 30, 2025; AND ORDERING THE ENGINEER TO PREPARE AND FILE A REPORT IN ACCORDANCE THEREWITH

WHEREAS, on March 10, 1981, the City Council adopted Resolution No. 81-20 forming the Stanton Lighting and Landscaping District No. 1 (“the District”), pursuant to the provisions of the “Landscape and Lighting Act of 1972,” being Division 15, Part 2 of the Streets and Highways Code of the State of California (the “Act”); and

WHEREAS, the public interest and convenience require the City to initiate proceedings for the level of Annual Assessments within the District for Fiscal Year 2024/25, for the purposes provided therefore in the Act and in Resolution No. 81-20; and

WHEREAS, Section 22622 of the Act requires the City to adopt a resolution generally describing any proposed new improvements or any substantial changes in the existing improvements and ordering the Engineer to prepare and file a report in accordance with Article 4 of the Act.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1: The above recitals are true and correct.

SECTION 2: The City Council further finds that this Resolution is not subject to the California Environmental Quality Act (“CEQA”) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has not potential for resulting in physical change to the environment, directly, or indirectly).

SECTION 3: Except as set forth in the Engineer’s Report, no new improvements or substantial changes in existing improvements are contemplated within the District.

SECTION 4: The City Manager is directed to cause the preparation of a report in accordance with Article 4 of the Act for the District, and upon completion, to file said report with the City Clerk, who shall then submit the same to the City Council for its consideration.

SECTION 5: The City Clerk shall certify as to the adoption of this Resolution.

ADOPTED, SIGNED AND APPROVED this 27th day of February 2024.

DAVID J. SHAWVER, MAYOR

APPROVED AS TO FORM:

HONGDAO NGUYEN, CITY ATTORNEY

ATTEST:

I, PATRICIA A. VAZQUEZ, City Clerk of the City of Stanton, California DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2024-04 has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the Stanton City Council, held on February 27, 2024 and that the same was adopted, signed, and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA A. VAZQUEZ, CITY CLERK

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: February 27, 2024

SUBJECT: REQUEST FOR PROPOSALS FOR PARKING ENFORCEMENT SERVICES

REPORT IN BRIEF:

The City of Stanton will issue a Request for Proposals (RFP) from qualified parking enforcement service providers for the provision of comprehensive parking enforcement services for an initial two year-term, with two two-year extensions to be exercised at the City's discretion.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the report.

BACKGROUND:

Illegal parking in the City is a regular challenge that impacts public safety and the quality of life of residents, businesses, and visitors. Parking enforcement services are currently provided by Public Safety Services Department and Orange County Sheriff's Department personnel. During Fiscal Year 2022-23, Public Safety Services personnel issued approximately 5,000 citations related to parking. Parking enforcement primarily occurs between the hours of 6:00 am to 5:00 pm, Monday – Friday. While both Public Safety Services Department personnel and the Orange County Sheriff's Department personnel provide good service, parking enforcement activities are routinely impacted by competing priorities and calls for service. Therefore, parking enforcement is inconsistent from day to day, and especially in the evening hours and on weekends.

ANALYSIS AND JUSTIFICATION:

The current level of staffing and resources allocated to parking enforcement, combined with the frequency and intensity of competing calls for service, have made it difficult to conduct comprehensive parking enforcement activities throughout the City with existing resources. The City aims to improve public safety and the quality of life for residents, businesses, and visitors by reducing the number of illegally parked vehicles through implementation of a consistent and thorough contract parking enforcement program which will also discourage reckless parking and encourage compliance with local regulations and safety measures.

To procure contract parking enforcement services, the City will issue a RFP for an initial two-year term, with two two-year extensions that may be exercised at the City's sole discretion. The following provisions have been included in the RFP (attached).

SCOPE OF SERVICES

The professional services provider will be required to perform the following:

1. Provide a minimum of one (1) staffed parking enforcement vehicle operating within the City seven days a week, 24 hours a day, 365 days a year.
 - a. The contractor may include optional services that may include additional vehicles. Pricing for optional services shall be detailed in the cost proposal.
2. Conduct parking enforcement services in accordance with all parking regulations and ordinances throughout the City, including business areas and residential communities. These enforcement responsibilities shall include, but are not limited to:
 - a. Safety regulations as posted or marked
 - b. Residential permit parking districts
 - c. Time limited parking
 - d. Oversized vehicle parking
 - e. Temporary parking restrictions as posted or marked
 - f. Citizen requests for enforcement such as a blocked driveway
 - g. Citizen requests for enforcement such as parking on private property
3. Coordinate with City staff and the Orange County Sheriff's Department to develop coverage schedules to maximize effectiveness and prevent duplication of efforts.
4. Conduct operations with handheld citation-issuance devices to ensure citations are being administered and tracked through the selected service utilized by the City.

5. Initiate vehicle tows, if necessary, to remove vehicles creating public safety concerns (i.e., blocking driveways, blocking fire hydrants, blocking ingress or egress to areas meant for the general public, etc.)
6. Participate in community meetings, as needed, to provide insight on parking enforcement operations and gain knowledge about areas where additional parking enforcement will be required.
7. Be available to the City's Public Safety Services Department, the Orange County Sheriff's Department, and the Orange County Fire Authority to respond to requests for service during operation periods.
8. The scope of services does not require the contractor to administer administrative hearings for contested parking citations; however, the City may require the contractor to participate in such proceedings as needed.

PARKING ENFORCEMENT PERSONNEL & TRAINING

Enforcement staff must have the education, skills, and qualities required to fulfill the tasks outlined in this RFP, including the ability to use contractor-supplied vehicles and other equipment before being assigned. The contractor shall ensure that each employee assigned to provide parking enforcement services has sufficient job-related training to successfully perform their duties, including any necessary re-training or follow-up training required to correct deficiencies in performance. Training shall include, but not be limited to, the following:

- Information on parking statutes, laws, ordinances, regulations, and resolutions enacted by the Federal Government, the State of California, and the City of Stanton
- Parking enforcement programs and policies adopted by the City of Stanton
- Operation of equipment, including instruction on communication procedures, radio devices, citation devices, and vehicle use
- Tasks and responsibilities under regular and emergency operating conditions
- Physical layout of the City
- Knowledge of best practices in public relations, customer service, and conflict mitigation techniques

The City retains the right to be involved in the recruitment/selection process of new contracted enforcement staff or of staff assigned to perform enforcement duties within the City. In hiring enforcement staff, Contractor ensures that all staff:

- Are at least eighteen (18) years of age.
- Are physically and mentally capable of performing all required enforcement duties.
- Have the ability to give and follow oral and written instructions in English.
- Have the ability to operate a computer and a variety of computer software.

- Have the ability to establish and maintain effective working relationships with the public and City officials.
- Have a valid California State driver's license, provide any accident history and maintain a clean driving record for the duration of the agreement.
- Have the ability to remain calm and use judgment and initiative in an emergency.
- Are bondable.
- Possess a high school diploma or G.E.D. certificate.
- Have no criminal record and are able to pass an annual drug screening test.

FISCAL IMPACT:

There is no fiscal impact associated with the recommended action.

ENVIRONMENTAL IMPACT:

In accordance with the requirements of the California Environmental Quality Act (CEQA), this item is not subject to CEQA pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment).

PUBLIC NOTIFICATION:

Public notification provided through the regular agenda process.

LEGAL REVIEW:

None.

STRATEGIC PLAN OBJECTIVES ADDRESSED:

- Obj. No. 1: Provide a safe community.
- Obj. No. 2: Promote a strong local economy.
- Obj. No. 5: Provide a high quality of life.
- Obj. No. 6: Maintain and promote a responsive, high quality and transparent government.

Prepared by: Jim Wren, Public Safety Services Director

Approved by: Hannah Shin-Heydorn, City Manager

Attachment(s):

- A. RFP for Parking Enforcement Services

REQUEST FOR PROPOSALS (RFP)
FOR
PARKING ENFORCEMENT SERVICES



CITY OF STANTON
Administration Department
7800 Katella Avenue
Stanton, CA 90680
(714) 379-9222 | StantonCA.gov

Approved for Advertising:


HANNAH SHIN-HEYDORN
City Manager
HShinHeydorn@StantonCA.gov
(714) 890-4203

KEY RFP DATES (Subject to Change):

Issue Date: **Wednesday, February 28, 2024**
Deadline for Questions: **Thursday, March 7, 2024, at 4:30 pm PDT**
Proposal Due Date: **Thursday, April 4, 2024, at 4:30 pm PDT**
Presentation/Interviews: **April/May 2024**



I. GENERAL DESCRIPTION AND INTRODUCTION

The City of Stanton (City) is requesting proposals from qualified firms to provide parking enforcement services. The award resulting from this Request for Proposals (RFP) will be for an initial two-year term, with two two-year extensions that may be exercised at the City's sole discretion.

The City of Stanton is conveniently located in Orange County, north of the California 22 Freeway and south of the California 91 Freeway. Known for its strong sense of community and tremendous growth potential in residential, commercial, and industrial land use, Stanton leverages both Los Angeles County and Orange County markets to promote balanced planned development. The City has been successful with the substantial revitalization of major regions, including Stanton Central Park and the Rodeo 39 Public Market.

A relatively modest-sized municipality of approximately 3.1 square miles with a population of nearly 40,000 residents, the City of Stanton embraces its motto of "Community Pride and Forward Vision". In recent years, the City has embarked upon a variety of civic improvement projects to facilitate increased commercial activity, reinvigoration of the downtown area, and a high quality of life. Simultaneously, private development and redevelopment projects have raised Stanton's profile as a diverse, thriving city that is the ideal location to live, work, and play.

Proposals must conform to the requirements of this Request for Proposals (RFP), and proposals must be submitted in a sealed envelope to the Administration Department no later than **4:30 p.m. on Thursday, April 4, 2024.**

The City reserves the right to waive any irregularities in any proposal, or to reject any proposal that does not comply with this RFP. The City alone, using criteria determined by the City, will select the most qualified candidate.

The successful contractor will be required to enter into an agreement with the City, which will include the requirements of this RFP as well as other requirements to be specified at a later date. By submitting a proposal, the Contractor agrees to all the terms of this RFP.



All questions and/or inquiries regarding this RFP shall be directed to Jason Huynh, Management Analyst, via email at JHuynh@StantonCA.gov by **4:30 p.m. on Thursday, March 7, 2024**. Responses to inquiries, if they significantly change or clarify the RFP requirements or any aspect of the procurement process, will be forwarded via written (emailed) addenda to all proposers and posted publicly.

II. SCOPE OF SERVICES

Illegal parking in Stanton is a common issue affecting public safety and the quality of life of residents, businesses, and visitors.

CURRENT PARKING ENFORCEMENT PROGRAM

Parking enforcement services are currently provided by Public Safety Services Department and Orange County Sheriff's Department personnel. During Fiscal Year 2022-23, Public Safety Services personnel issued approximately 5,000 citations related to parking. Parking enforcement primarily occurs between the hours of 6:00 am to 5:00 pm, Monday – Friday. While both Public Safety Services Department personnel and the Orange County Sheriff's Department personnel provide good service, parking enforcement activities are routinely impacted by competing priorities and calls for service. Therefore, parking enforcement is inconsistent from day to day, and especially in the evening hours and on weekends.

To process the parking citations, the City currently contracts with Turbo Data Systems.

GOAL

The City aims to improve public safety and the quality of life for residents, businesses, and visitors by reducing the number of illegally parked vehicles. Implementing a consistent and thorough parking enforcement program can discourage reckless parking and encourage compliance with local regulations and safety measures.

SCOPE OF WORK

The City is seeking written proposals from qualified parking enforcement service providers to provide comprehensive parking enforcement services for an initial two-year term, with two two-year extensions that may be exercised at the City's sole discretion.



The ideal parking enforcement service provider will work in partnership with the City and must have prior experience in providing parking enforcement services for a municipal government. In addition, the provider must have an expert level of understanding of the California Vehicle Code. Citation processing, noticing, payment plans, and other duties outside of the scope of work will be handled by the City.

The professional services provider will be required to perform the following:

1. Provide a minimum of one (1) staffed parking enforcement vehicle operating within the City seven days a week, 24 hours a day, 365 days a year.
 - a. The contractor may include optional services that may include additional vehicles. Pricing for optional services shall be detailed in the cost proposal.
2. Conduct parking enforcement services in accordance with all parking regulations and ordinances throughout the City, including business areas and residential communities. These enforcement responsibilities shall include, but are not limited to:
 - a. Safety regulations as posted or marked
 - b. Residential permit parking districts
 - c. Time limited parking
 - d. Oversized vehicle parking
 - e. Temporary parking restrictions as posted or marked
 - f. Citizen requests for enforcement such as a blocked driveway
 - g. Citizen requests for enforcement such as parking on private property
3. Coordinate with City staff and the Orange County Sheriff's Department to develop coverage schedules to maximize effectiveness and prevent duplication of efforts.
4. Conduct operations with handheld citation-issuance devices to ensure citations are being administered and tracked through the selected service utilized by the City.
5. Initiate vehicle tows, if necessary, to remove vehicles creating public safety concerns (i.e., blocking driveways, blocking fire hydrants, blocking ingress or egress to areas meant for the general public, etc.)
6. Participate in community meetings, as needed, to provide insight on parking enforcement operations and gain knowledge about areas where additional parking enforcement will be required.



7. Be available to the City's Public Safety Services Department, the Orange County Sheriff's Department, and the Orange County Fire Authority to respond to requests for service during operation periods.
8. The scope of services does not require the contractor to administer administrative hearings for contested parking citations; however, the City may require the contractor to participate in such proceedings as needed.

PARKING ENFORCEMENT PERSONNEL & TRAINING

Enforcement staff must have the education, skills, and qualities required to fulfill the tasks outlined in this RFP, including the ability to use contractor-supplied vehicles and other equipment before being assigned. The contractor shall ensure that each employee assigned to provide parking enforcement services has sufficient job-related training to successfully perform their duties, including any necessary re-training or follow-up training required to correct deficiencies in performance. Training shall include, but not be limited to, the following:

- Information on parking statues, laws, ordinances, regulations, and resolutions enacted by the Federal Government, the State of California, and the City of Stanton
- Parking enforcement programs and policies adopted by the City of Stanton
- Operation of equipment, including instruction on communication procedures, radio devices, citation devices, and vehicle use
- Tasks and responsibilities under regular and emergency operating conditions
- Physical layout of the City
- Knowledge of best practices in public relations, customer service, and conflict mitigation techniques

The City retains the right to be involved in the recruitment/selection process of new contracted enforcement staff or of staff assigned to perform enforcement duties within the City. In hiring enforcement staff, Contractor ensures that all staff:

- Are at least eighteen (18) years of age.
- Are physically and mentally capable of performing all required enforcement duties.



- Have the ability to give and follow oral and written instructions in English.
- Have the ability to operate a computer and a variety of computer software.
- Have the ability to establish and maintain effective working relationships with the public and City officials.
- Have a valid California State driver's license, provide any accident history and maintain a clean driving record for the duration of the agreement.
- Have the ability to remain calm and use judgment and initiative in an emergency.
- Are bondable.
- Possess a high school diploma or G.E.D. certificate.
- Have no criminal record and are able to pass an annual drug screening test.

ENFORCEMENT VEHICLES

The contractor will supply, manage, operate, and maintain the enforcement vehicles for their parking enforcement staff. Vehicles are to be kept clean and well maintained consistent with first-class parking enforcement operations. The preference for enforcement vehicle power is petroleum-electric hybrid engines. All vehicles must be clearly identifiable as conducting business on behalf of the City of Stanton. The contractor will not use the enforcement vehicles within the City limits for purposes other than those required under the Agreement.

EQUIPMENT AND SUPPLIES

The contractor shall provide all necessary equipment and supplies to fulfill the terms of the agreement, including but not limited to mobile ticket writers, ticket rolls, and envelopes; safety equipment; tape measures; flashlights; and batteries. Flashlights shall be of sufficient illumination to allow enforcement officers to read vehicle identification numbers (VINs) during all hours. All equipment shall be in good working order, and in conformity with all applicable statutes, laws, ordinances, and regulations. Personal vehicles or other unauthorized equipment shall not be used to perform parking enforcement services without the City's written approval. No one performing services under this contract shall be armed.

UNIFORMS AND STAFF IDENTIFICATION



The Contractor shall provide uniforms to all staff members. The contractor will also provide staff members with photo identification, name tags, and badges that clearly state the company name and the staff person's name. City must approve all uniforms and all staff must be clearly identifiable as conducting business on behalf of the City.

PARKING ENFORCEMENT WORKSPACE

If needed, the City will designate office space for contracted staff to conduct administrative work associated with the parking enforcement duties within the City.

III. SUBMISSION REQUIREMENTS

In order to be considered, the Contractor must submit before the deadline one (1) electronic copy of the complete proposal to: JHuynh@StantonCA.gov.

Contractors must submit their proposals as set forth below:

- Proposals shall be titled “**Proposal to Provide Parking Enforcement Services**”.
- All materials shall be sized to 8 ½” x 11” sheets, with a minimum of 11-pt font, and saved to a PDF version for transmission.
- Proposals should not include any unnecessarily elaborate promotional material.
- Proposals should be clear and concise—lengthy narrative is discouraged.

A complete proposal consists of the following four (4) elements: letter of transmittal, services proposal, proposal acknowledgement form, and separate fee proposal.

LETTER OF TRANSMITTAL

The Letter of Transmittal shall be addressed to Hannah Shin-Heydorn, City Manager, and, at a minimum, must contain all of the following information:

- Identification of the contractor. Identification shall include the legal name and corporate address of the company. Identification shall also



include the telephone number, fax number (if applicable), and email address of the contact person for the period of proposal evaluation.

- A statement representing that the contractor has thoroughly examined and become familiar with the work required in this RFP and attesting that the contractor is capable of performing quality work to achieve the objectives of the City of Stanton.
- Acknowledgment of receipt of all addenda, if any.
- Signed statement attesting that all information submitted with the proposal is true and correct.
- A statement declaring that the proposal shall remain valid for a period of not less than one hundred twenty (120) days from the date of submittal.
- Signature, name, and title of the official authorized to bind contractor to the terms of the proposal.

SERVICES PROPOSAL

The Services Proposal shall consist of the following sections (in order):

1. Qualifications, Relevant Experience, and References

This section of the proposal shall establish the ability of the Contractor to satisfactorily perform the required work by reasons of:

- Experience in performing work of a similar nature to the required services shown in the Scope of Services
- Proven competence in the services to be provided; strength and stability of the firm
- Staffing capacity
- Track record of meeting schedules on similar projects and supportive client references

This section shall, at a minimum:

- Provide a brief profile of the Contractor's firm, including the types of services offered; year founded; type of organization (i.e., corporation, limited liability company, partnership, or sole proprietorship); Federal Employer ID Number (FEIN); contractor license number (if applicable); website; number, size, and location of offices; and total number of employees.
- Provide a general description of the firm's financial condition and identify any conditions (e.g., bankruptcy, settlements paid in the

last five years, pending litigation, planned office closures, impending merger, etc.) that may impede the Contractor's ability to provide these services.

- Describe the firm's relevant experience in performing work of a similar nature to that solicited in this RFP, highlighting the participation in such work by the key personnel proposed for assignment to the City.
- Identify sub-contractors by company name, address, contact person, telephone number, email address, and project function, if applicable. The list should include a summary of the roles and responsibilities of each sub-contractor.
- Provide a minimum of three (3) references for completed work in the past five (5) years similar to the required services shown in the Scope of Services. Furnish the name, title, address, telephone number, and email address of the person at each client agency/organization who is most knowledgeable about the work performed. Include a description of the services provided, timeframe of work, and total cost.
- Provide a list of all public agencies that have terminated contracts with the firm in the last five (5) years. Furnish the name, title, address, telephone number, and email address of the person at each client agency/organization who is most knowledgeable about the work performed. Include a description of the services provided, timeframe of work, and total cost. The firm is permitted to briefly explain the reason(s) for termination(s), as well.

2. Proposed Team

- Furnish brief résumés (two pages maximum per résumé) for the proposed Project Manager (day-to-day contact) and key personnel (including sub-contractors).
- Describe key personnel's specialized training, experience, and professional competence in the area(s) directly related to this RFP.
- Describe the specific project responsibilities for each key personnel member.
- Include a statement that key personnel will have undergone criminal background and fingerprinting checks (at Contractor's sole expense) that finds such personnel clear of any sexual, drug-related, or felony convictions.



- Include a statement that key personnel will be available to the extent proposed for the duration of the required services, acknowledging that no person designated as “key” shall be removed or replaced without the prior written concurrence of the City.

3. Approach

Contractor shall provide a detailed narrative of the project approach, methodology, and services they will employ. Contractor shall include a detailed description of specific activities, if any, they will require of City staff. Contractor shall provide timeframes for the transition.

4. Exceptions and Deviations

Contractor shall state any exceptions or deviations from the requirements of this RFP, segregating “technical” exceptions from “contractual” exceptions. Any Consumer Price Index (CPI) and other annual cost increases are to be noted as contractual exceptions. Where the Contractor wishes to propose alternative approaches to meeting the City’s technical or contractual requirements, these shall be thoroughly explained. If no contractual exceptions are noted, Contractor will be deemed to have no objection to the contract requirements as set forth in **EXHIBIT B**, “Sample Professional Services Agreement.”

SEPARATE FEE PROPOSAL

In a separate file, Contractor shall provide their cost proposal. Pricing shall be based on a fixed-price, all-inclusive basis, with individual fees detailed by line-items. If needed, Contractor shall include a reimbursables budget for any reproduction, mileage, mailing, etc. All taxes and licenses, including, but not limited to, a Stanton City Business License, required for this work shall be obtained at the sole expense of the Contractor. Be sure to state any assumptions on which costs are based.

Any special materials will be purchased by the Contractor only after discussed and authorized by the City’s (contract) Representative or designee in writing. When the Contractor is performing, or is requested to perform, work beyond the Scope of Services, an amendment to the Professional Services Agreement



will be executed between the City and Contractor. In such instances, payment will be based on the hourly rates identified in the Allocation of Resources Table & Rate Sheet.

IV. SELECTION CRITERIA

Submitted proposals will be evaluated based on the following factors, but may not be limited to just these factors:

Criteria	Approximate Weight
Approach and ability to providing services, including the methods and techniques to be utilized for assessment and ongoing management, transition plan, and customer service	25%
Demonstrated record of success on similar work performed for other municipalities or enterprises	25%
Cost of the services to reflect value and fiscal prudence	25%
Qualifications of the individuals who will provide the services	25%

V. SELECTION PROCESS

Selection of the Contractor will be made in accordance with the provision of Chapter 10 of the California Government Code, Sections 4526 and 4529.5, stating that the selection of professional services is made based on competence and qualifications for the types of services to be performed at a fair and reasonable price. The fee proposals will be opened and evaluated after qualification evaluations of all proposers are complete. The contract award shall be made to the Contractor providing the best value to the City.

Each proposal will be reviewed to determine if it meets the submittal requirements contained within this RFP. Failure to meet the requirements for the RFP will be cause for rejection of the proposal. The City may reject any proposal if it is conditional, incomplete, or contains irregularities. The City may request written clarification or additional documentation for any proposal. The City may waive an immaterial deviation in a proposal, but this shall in no way modify the proposal document or excuse the Contractor from compliance with the contract requirements if the Contractor is awarded the contract.



The City reserves the right to require in-person interviews with and/or presentations from Contractors, if deemed necessary, after the evaluation of the written proposals. In this case, the Contractors of the highest-scoring written proposals will be invited to interviews/present prior to final selection of the Contractor.

The successful Contractor to whom work is awarded shall, within ten (10) days after being notified, enter into a contract with the City for the work in accordance with the specifications and shall furnish all required documents necessary to enter into said contract. Failure of the successful bidder to execute the contract within the ten (10)-day window shall be just cause for the City to contract with the next responsible Contractor.

A kick-off meeting shall be held after the final execution of the contract. Contractor and its team will meet with City staff to conduct introductions, discuss scope of services, and confirm the implementation process.

VI. GENERAL PROVISIONS

Pre-contractual expenses are defined as expenses incurred by the Contractor in: (1) preparing the proposal; (2) submitting the proposal to the City; (3) presenting during the selection interview; (4) negotiating with the City on any matter related to the proposal; and (5) any other expenses incurred by the Contractor prior to an executed Agreement.

The City shall not, in any event, be liable for any pre-contractual expenses incurred by the Contractor. Services shall not commence until the Professional Services Agreement has been executed by the City.

By submitting a proposal, Contractor attests that they have not been a party to any collusion among proposers in restraint of freedom of competition. This means that the Contractor has not directly or indirectly entered into any agreement, express or implied, with any other proposer(s) for the purposes of controlling the price or scope of services of said proposal or limiting the number of proposals submitted to the City.

The City reserves the right to retain all proposals submitted, and to use any idea in a proposal, regardless of whether the proposal was selected. Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Sec. 6250 *et seq.*). Any language



purporting to render the entire proposal confidential or proprietary will be ineffective and disregarded.

All property rights, including publication rights of all reports produced by the selected firm in connection with services performed under this agreement, shall be vested in the City.

The City reserves the right to amend or withdraw this RFP at any time without prior notice. Further, the City makes no representations that any Agreement will be awarded to any Consultant responding to this RFP. The City expressly reserves the right to postpone reviewing the proposals for its own convenience and to reject any and all proposals responding to this RFP without indicating any reasons for such rejection(s).

Exhibit B

CITY OF STANTON PROFESSIONAL SERVICES AGREEMENT FOR PARKING ENFORCEMENT SERVICES

1. PARTIES AND DATE.

This Agreement is made and entered into this ____ day of _____, 2024, by and between the City of Stanton, a municipal organization organized under the laws of the State of California with its principal place of business at 7800 Katella Avenue, Stanton, California 90680 (“City”) and [INSERT NAME OF COMPANY], a [INSERT TYPE OF BUSINESS; CORPORATION; LIMITED LIABILITY COMPANY; ETC.], with its principal place of business at [INSERT ADDRESS] (“Consultant”). City and Consultant are sometimes individually referred to herein as “Party” and collectively as “Parties.”

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of professional **Parking Enforcement** services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing professional **Parking Enforcement** services to public clients, is licensed in the State of California, and is familiar with the plans of City.

2.2 Project.

City desires to engage Consultant to render such services for the **General Day-to-Day Parking Enforcement** project (“Project”) as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional **Parking and Enforcement** services necessary for the Project (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state, and federal laws, rules, and regulations.

3.1.2 Term. The term of this Agreement shall be from [INSERT START DATE] to [INSERT ENDING DATE], unless earlier terminated as provided herein. The City Manager shall have the unilateral option, at its sole discretion, to renew this Agreement annually for no more than two additional one-year terms. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Independent Contractors, Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods, and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant shall complete, execute, and submit to City a Request for Taxpayer Identification Number and Certification (IRS Form W-9) prior to commencement of any Services under this Agreement. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Neither City, nor any of its officials, officers, directors, employees or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to, social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, City shall respond to Consultant's submittals in a timely manner. Upon request of City, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of City.

3.2.4 Substitution of Key Personnel. Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: **[INSERT NAME(S)]**.

3.2.5 City's Representative. The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. The City Manager hereby designates **Steven Martin, IT Specialist**, or his or her designee, as the City's contact for the implementation of the Services hereunder.

Consultant shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates **[INSERT NAME OR TITLE]**, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants, and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify, and hold City, its officials, directors, officers, employees, agents, and volunteers free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence Work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this section.

3.2.10.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder and without limiting the indemnity provisions of the Agreement, the Consultant in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement, the following policies of insurance. If the existing policies do not meet the Insurance Requirements set forth herein, Consultant agrees to amend, supplement, or endorse the policies to do so.

- (a) Commercial General Liability: Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office “occurrence” form CG 0001, with minimum limits of at least \$1,000,000 per occurrence, and if written with an aggregate, the aggregate shall be double the per occurrence limit. Defense costs shall be paid in addition to the limits.

The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

- (b) Automobile Liability Insurance: Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering “Any Auto” (Symbol 1) with minimum limits of \$1,000,000 for each accident.
- (c) Professional Liability: Professional Liability insurance with minimum limits of \$1,000,000. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusions that may potentially affect the work to be performed (for example, any exclusions relating to lead, asbestos, pollution, testing, underground storage tanks, laboratory analysis, soil work, etc.).

If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement.

- (d) Workers’ Compensation: Workers’ Compensation Insurance, as required by the State of California and Employer’s Liability

Insurance with a limit of not less than \$1,000,000 per accident for bodily injury and disease.

3.2.10.3 Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for approval.

(a) The policy or policies of insurance required by Section 3.2.10.2 (a) Commercial General Liability and (c) Contractor's Pollution Liability shall be endorsed to provide the following:

(1) Additional Insured: The City, its officials, officers, employees, agents, and volunteers shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement.

Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the Agreement.

(2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

(b) The policy or policies of insurance required by Section 3.2.10.2 (b) Automobile Liability and (d) Professional Liability shall be endorsed to provide the following:

(1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

(c) The policy or policies of insurance required by Section 3.2.10.2 (e) Workers' Compensation shall be endorsed to provide the following:

(1) Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

(2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City

except ten (10) days shall be allowed for non-payment of premium.

3.2.10.4 Primary and Non-Contributing Insurance. All insurance coverages shall be primary and any other insurance, deductible, or self-insurance maintained by the indemnified parties shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

3.2.10.5 Waiver of Subrogation. Required insurance coverages shall not prohibit Consultant from waiving the right of subrogation prior to a loss. Consultant shall waive all subrogation rights against the indemnified parties. Policies shall contain or be endorsed to contain such provisions.

3.2.10.6 Deductible. Any deductible or self-insured retention must be approved in writing by the City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

3.2.10.7 Evidence of Insurance. The Consultant, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either certified copies of the required policies, or original certificates and endorsements on forms approved by the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15 days) prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

3.2.10.8 Failure to Maintain Coverage. Consultant agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to the City. The City shall have the right to withhold any payment due to the Consultant until Consultant has fully complied with the insurance provisions of this Agreement.

In the event that the Consultant's operations are suspended for failure to maintain required insurance coverage, the Consultant shall not be entitled to an extension of time for completion of the Services because of production lost during suspension.

3.2.10.9 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

3.2.10.10 Insurance for Subconsultants. All Subconsultants shall be included as additional insureds under the Consultant's policies, or the Consultant shall be responsible for causing Subconsultants to purchase the appropriate insurance in compliance with

the terms of these Insurance Requirements, including adding the City as an Additional Insured to the Subconsultant's policies.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state, and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life-saving equipment and procedures; (B) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed [INSERT WRITTEN DOLLAR AMOUNT] DOLLARS (\$[INSERT NUMBER]) ("Total Compensation") without written approval of City's **City Manager**. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from the City.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or

“maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request and shall post copies at the Consultant’s principal place of business and at the project site. It is the intent of the parties to effectuate the requirements of sections 1771, 1774, 1775, 1776, 1777.5, 1813, and 1815 of the Labor Code within this Agreement, and Consultant shall therefore comply with such Labor Code sections to the fullest extent required by law. Consultant shall defend, indemnify, and hold the City, its elected officials, officers, employees, agents, and volunteers free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. City may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant:

[INSERT NAME, ADDRESS & CONTACT PERSON]

City:

City of Stanton
7800 Katella Avenue
Stanton, CA 90680
Attn: **Hannah Shin-Heydorn, Administration Department**

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including, but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement (“Documents & Data”). Consultant shall require all subconsultants to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the City. City shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City’s sole risk.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City’s name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

3.5.3.3 Confidential Information. The City shall refrain from releasing Consultant’s proprietary information (“Proprietary Information”) unless the City’s legal counsel

determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case the City shall notify Consultant of its intention to release Proprietary Information. Consultant shall have five (5) working days after receipt of the Release Notice to give City written notice of Consultant's objection to the City's release of Proprietary Information. Consultant shall indemnify, defend, and hold harmless the City, and its officers, directors, employees, and agents from and against all liability, loss, cost or expense (including attorney's fees) arising out of a legal action brought to compel the release of Proprietary Information. City shall not release the Proprietary Information after receipt of the Objection Notice unless either: (1) Consultant fails to fully indemnify, defend (with City's choice of legal counsel), and hold City harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that City release such information.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.5 Attorney's Fees. If either party commences an action against the other party, either legal, administrative, or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification.

To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorneys fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Consultant or the City, its officials, officers, employees, agents, or volunteers.

If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations,

understandings, or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Orange County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.6 City's Right to Employ Other Consultants. City reserves right to employ other consultants in connection with this Project.

3.7 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.8 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.9 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.10 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.11 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.12 No Third-Party Beneficiaries. There are no intended third-party beneficiaries of any right or obligation assumed by the Parties.

3.13 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.14 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.15 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.16 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.17 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.18 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.19 Declaration of Political Contributions. Consultant shall, throughout the term of this Agreement, submit to City an annual statement in writing declaring any political contributions of money, in-kind services, or loan made to any member of the City Council within the previous twelve-month period by the Consultant and all of Consultant's employees, including any employee(s) that Consultant intends to assign to perform the Services described in this Agreement.

3.20 Subcontracting.

3.20.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties have executed this Professional Services Agreement on this ____ day of _____, 2023.

CITY OF STANTON

[INSERT NAME OF CONSULTANT]

By: _____

City Manager

By: _____
Name: _____
Title: _____

[If Corporation, TWO SIGNATURES,
President **OR** Vice President **AND** Secretary,
AND CORPORATE SEAL OF
CONSULTANT REQUIRED]

ATTEST:

By: _____
Patricia Vazquez
City Clerk

By: _____

APPROVED AS TO FORM:

By: _____
Best Best & Krieger LLP
City Attorney

EXHIBIT "A"

SCOPE OF SERVICES

[INSERT SCOPE OF SERVICES]

EXHIBIT “B”

SCHEDULE OF SERVICES

[INSERT SCHEDULE OF SERVICES]

EXHIBIT “C”

COMPENSATION

[INSERT RATES & AUTHORIZED REIMBURSABLE EXPENSES]

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: February 27, 2024

SUBJECT: AN EXTENSION OF AN INTERIM URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, ESTABLISHING A TEMPORARY MORATORIUM ON THE ESTABLISHMENT OF ANY NEW TOBACCO RETAILER BUSINESS, AS DEFINED, AND TEMPORARY MORATORIUM ON ANY EXPANSION, ENLARGEMENT, AND/OR ALTERATION OF ANY EXISTING TOBACCO RETAILER BUSINESSES PENDING STUDY AND THE PREPARATION OF AN UPDATE TO THE CITY'S MUNICIPAL CODE AND ZONING CODE PURSUANT TO GOVERNMENT CODE SECTIONS 65858 AND 36937 AND DETERMINING THE ORDINANCE TO BE EXEMPT FROM CEQA

REPORT IN BRIEF:

Due to the continuing need to protect the public safety, health, and welfare of the community from illegal sales of flavored tobacco products, and the comprehensive nature of the necessary review of the applicable Municipal Code regulations including operational standards, zoning regulations, and other pertinent revisions aimed at reducing the unlawful sale of flavored tobacco products, the City Council is asked to consider an extension of the interim urgency ordinance to temporarily prohibit the establishment of any new tobacco retailer business and/or the expansion, enlargement, or alteration of any existing tobacco retailer businesses within the City. The interim urgency ordinance would provide the City with sufficient time to develop new municipal and zoning code regulations. The length of the moratorium would be 10 months and 15 days.

RECOMMENDED ACTIONS:

1. City Council find that the proposed urgency ordinance is:
 - a) Not a “project” within the meaning of Section 15378 of the State of California Environmental Quality Act (“CEQA”) Guidelines (Title 14 of the California Code of Regulations) because it has no potential for resulting in physical change in the environment, directly or indirectly; and

- b) Exempt from the requirements of CEQA under Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
2. Receive and file the 10-day action report for the conclusion of the 45-day moratorium; and
3. Adopt Urgency Ordinance No. 1139, entitled:

“AN EXTENSION OF AN INTERIM URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA ESTABLISHING A TEMPORARY MORATORIUM ON THE ESTABLISHMENT OF ANY NEW TOBACCO RETAILER BUSINESS, AS DEFINED, AND A TEMPORARY MORATORIUM ON ANY EXPANSION, ENLARGEMENT, AND/OR ALTERATION OF ANY EXISTING TOBACCO RETAILER BUSINESS FOR 10 MONTHS AND 15 DAYS PENDING STUDY AND THE PREPARATION OF AN UPDATE TO THE CITY’S MUNICIPAL CODE AND ZONING CODE PURSUANT TO GOVERNMENT CODE SECTIONS 65858 AND 36937 AND DETERMINING THE ORDINANCE TO BE EXEMPT FROM CEQA”.

BACKGROUND:

Under the California Constitution and pursuant to its police powers, the City is charged with protecting the health, safety, and welfare of its citizens. California Business and Professions Code section 22971.3 also authorizes cities to implement local tobacco licensing laws in alignment with state law. The City currently regulates the sale of tobacco products and licensing of tobacco retailers through Chapters 5.66 and 5.67 of the SMC.

This interim urgency ordinance applies exclusively to retailers within the City meeting the criteria of a “tobacco retailer,” which means any individual, business, or entity that sells, offers for sale, or does or offers to exchange for any form of consideration, tobacco, tobacco products or tobacco paraphernalia, and that has at least fifty percent of tobacco, tobacco products, or tobacco paraphernalia as the retailer’s regular stock in trade, as displayed for sale or exchange, in the retail establishment (hereinafter, “Subject Tobacco Retailers”). This definition is without regard to the quantity of tobacco, tobacco products, or tobacco paraphernalia actually sold or exchanged.

Amidst continued public health and safety concerns, particularly regarding the sale of tobacco to minors and its adverse impact on public health, there is a pressing need for the City to reevaluate and update these regulations. Several key initiatives in California highlight the ongoing challenges posed by tobacco retailing, especially in its influence on adolescent tobacco consumption.

SB 793, enacted in 2020 with the aim of reducing youth tobacco use, banned the sale of flavored tobacco products statewide. The importance of this measure was further validated when California voters approved Proposition 31 in the November 2022 election to uphold the ban on flavored tobacco sales. Enforced under California Health and Safety Code section 104559.5, this legislation explicitly empowers local governments to enact even stricter tobacco access restrictions than those outlined in the statute. Complementing this critical health initiative, the California Legislature adopted Assembly Bill 935 in 2023 to bolster the enforcement mechanisms of the flavored tobacco ban. Some municipalities, like the City of Santa Monica, have adopted stringent anti-smoking ordinances, including bans on smoking in specific public areas and near multi-unit housing entrances.¹

Despite initiatives targeting flavored tobacco use among minors, recent CDC data reveals a persistent challenge: 12.6% of high school students and 6.6% of middle school students reported current use of tobacco products.² E-cigarettes continue to be the most prevalent tobacco product among these age groups for the tenth consecutive year. Among those currently using e-cigarettes, 89.4% used flavored tobacco products. Additionally, CDC findings suggest a strong tendency for youths who experiment with e-cigarettes to remain users. The sustained popularity of e-cigarettes and flavored tobacco among young people is a significant concern presenting immediate health risks and potential long-term consequences for public health and safety.

In recent inspections of vape and smoke shops by the City, it was found that five out of 11 shops continued to sell flavored tobacco products in violation of SB 793 and the Stanton Municipal Code. These ongoing sales pose a significant threat to community health, particularly impacting minors who are more likely to be enticed by flavored tobacco products. The alarming number of tobacco retailers violating local and state laws regarding the sale of flavored tobacco products within the City's jurisdiction indicate a need for the City to immediately strengthen its enforcement strategies and licensing protocols.

At its meeting of January 23, 2023, the Council adopted Urgency Ordinance No. 1138, establishing a 45-day moratorium on the establishment of any new tobacco retailer business and/or the expansion, enlargement, or alteration of existing tobacco retailer businesses within the City.

ANALYSIS/JUSTIFICATION:

Chapter 5.66 of the SMC, last revised in 2000, regulates the sale of tobacco products and outlines conduct prohibited by tobacco retailers within the City. Under Chapter 5.67,

¹ Santa Monica Municipal Code § 4.44.020(a).

² CDC, *Tobacco Product Use Among U.S. Middle and High School Students — National Youth Tobacco Survey, 2023* (Nov. 3, 2023)

[https://www.cdc.gov/mmwr/volumes/72/wr/mm7244a1.htm#:~:text=In%202023%2C%2010.0%25%20of%20middle%20and%20high%20school%20students%20\(to%201.97%20million%20in%202023.](https://www.cdc.gov/mmwr/volumes/72/wr/mm7244a1.htm#:~:text=In%202023%2C%2010.0%25%20of%20middle%20and%20high%20school%20students%20(to%201.97%20million%20in%202023.)

updated in 2019, it is mandatory for Subject Tobacco Retailers to obtain a valid registration to operate within the City. With the current background in mind, City staff intends to propose revisions to these chapters to include, among other things, additional operational standards and other pertinent revisions aimed at reducing the unlawful sale of flavored tobacco products. The application of zoning regulations to tobacco retailers will also require time for further research and analysis. City staff requires additional time to review all the applicable Municipal Code regulations to provide the Council with a comprehensive analysis and recommendations intended to protect the public safety, health, and welfare of the community.

Government Code Section 36937 authorizes the City Council to adopt an urgency ordinance “for the immediate preservation of the public peace, health or safety.” Government Code Section 65858 authorizes the City Council to adopt an interim ordinance “to protect the public safety, health, and welfare...to prohibit any uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the legislative body, planning commission or the planning department is considering or studying or intends to study within a reasonable time.”

As noted in the “Background” section, above, there is an immediate need to preserve and protect the public peace, health, safety, and welfare from the illegal sale of flavored tobacco products. City staff has already begun to analyze the City’s Municipal and Zoning regulations. These efforts are expected to culminate in comprehensive updates to the City’s laws. Thus, an interim urgency ordinance squarely meets the requirements of Government Code Sections 36937 and 65858 and is needed, immediately.

The attached interim urgency ordinance (Attachment 1) includes the requisite Government Code findings and, if adopted, would extend the current moratorium to an additional 10 months and 15-days to provide staff with additional time to research, study, and prepare recommendations for the Council’s consideration. If adopted, the following restrictions would be in place for the duration of the urgency ordinance:

1. No Subject Tobacco Retailer business, use, or operation would be able to establish within the City.
2. No existing Subject Tobacco Retailer business, use, or operation would be authorized to expand, enlarge, or alter its physical footprint.
3. The City will not approve or issue any use permit, license, variance, building permit, business license, or other applicable entitlement, license, permit, or approval for the establishment, expansion, enlargement, or alteration of any Subject Tobacco Retailer business, use, or operation within the City. The exceptions to the moratorium are for existing businesses to make ordinary repairs and maintenance or if state or federal law requires an exception.

In order for the urgency ordinance to be effective, four-fifths (4/5) of the City Council must approve the ordinance. Thereafter, the ordinance would remain in effect for 10 months and 15 days from its adoption (unless earlier repealed, terminated, or extended by the Council).

FISCAL IMPACT:

There is no fiscal impact associated with the recommended actions.

ENVIRONMENTAL IMPACT:

In accordance with the requirements of California Environmental Quality Act ("CEQA"), the project is exempt pursuant to Sections 15378 and Section 15061(b)(3) of the State CEQA Guidelines (Title 14 of the California Code of Regulations).

PUBLIC NOTIFICATION:

Public notice for this item was made through the regular agenda process.

STRATEGIC PLAN OBJECTIVES ADDRESSED:

- Obj. No. 1: Provide a safe community.
- Obj. No. 5: Provide a high quality of life.

Prepared by: James Wren, Public Safety Services Director
Reviewed by: Office of the City Attorney
Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

- A. Memorandum for the 10-day report on actions taken by City staff during the 45-day moratorium
- B. Interim Urgency Ordinance No. 1139



TO: City Council
FROM: James Wren, Public Safety Services Director
DATE: February 13, 2024
SUBJECT: REPORT ON MEASURES TAKEN TO ALLEVIATE THE CONDITIONS WHICH LED TO THE ADOPTION OF ORDINANCE NO. 1138 ESTABLISHING A TEMPORARY MORATORIUM ON THE ESTABLISHMENT OF ANY NEW TOBACCO RETAILER BUSINESSES AND A TEMPORARY MORATORIUM ON ANY EXPANSION, ENLARGEMENT, AND/OR ALTERATION OF ANY EXISTING TOBACCO RETAILER BUSINESSES

On January 23, 2024, the City Council adopted Ordinance No. 1138, enacting a 45-day moratorium on the establishment of any new tobacco retailer businesses and/or the expansion, enlargement, or alteration of existing tobacco retailer businesses within the City.

The Ordinance required the City to issue a report at least ten (10) days prior to the expiration of the Ordinance or any extension, describing the measures taken to alleviate the condition(s) which led to the adoption of the initial moratorium in the Ordinance. The conditions that led to the adoption of the Ordinance were listed in the Ordinance and still exist as of the date of this report.

Since the enactment of the Ordinance, the following actions have been taken:

- 1) The City's Public Safety Department has begun researching municipal codes of surrounding cities related to the illegal sale of flavored tobacco products.
- 2) The City's Public Safety Department has begun reviewing the City's Municipal Code to identify revisions related to tobacco retailers, to include, among other things, additional operational standards.
- 3) The City's Public Safety Department has begun reviewing the City's existing zoning regulations related to tobacco retailers.
- 4) The City's Public Safety Department has prepared and proposed a 10-month and 15-day moratorium on the establishment of any new tobacco retailer businesses and/or the expansion, enlargement, or alteration of existing tobacco retailer businesses within the City.

In light of the complexity of this matter, the City requires additional time to study the issues related to tobacco retailers and the illegal sale of flavored tobacco in the City to determine the best way to protect the public health, safety, and welfare of the community. While this study is being conducted and potential new ordinances are being prepared, staff believes that it is critical for the Council to establish a 10-month and 15-day moratorium.

INTERIM URGENCY ORDINANCE NO. 1139

AN EXTENSION OF AN INTERIM URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA ESTABLISHING A TEMPORARY MORATORIUM ON THE ESTABLISHMENT OF ANY NEW TOBACCO RETAILER BUSINESS, AS DEFINED, AND A TEMPORARY MORATORIUM ON ANY EXPANSION, ENLARGEMENT, AND/OR ALTERATION OF ANY EXISTING TOBACCO RETAILER BUSINESS PENDING STUDY AND THE PREPARATION OF AN UPDATE TO THE CITY'S MUNICIPAL CODE AND ZONING CODE PURSUANT TO GOVERNMENT CODE SECTIONS 65858 AND 36937 AND DETERMINING THE ORDINANCE TO BE EXEMPT FROM CEQA

WHEREAS, pursuant to Cal. Const. Art. XI, Sec. 7 and under the City of Stanton's ("City") general police powers, the City is empowered and charged with responsibility for the health, safety, and welfare of its citizens; and

WHEREAS, the City protects the health, safety, and welfare of the community through numerous avenues, including by establishing and enforcing zoning, licensing and health, and safety regulations on specified commercial activities; and

WHEREAS, the City has observed ongoing violations among local tobacco retailers that continue to sell flavored tobacco products in violation of state law and Stanton Municipal Code ("SMC") section 5.67.030(H); and

WHEREAS, recent data from the Centers for Disease Control and Prevention reveals that 10% of middle school and high school students were active tobacco users in 2023. E-cigarettes remain the most used tobacco product by this population with an alarming 89.4% of current e-cigarette users reporting use of flavored tobacco products; and

WHEREAS, tobacco retailers where unlawful activities are not curtailed pose substantial and immediate threats to the health, safety, and welfare of the Stanton community, particularly to the City's youth. These detrimental effects encompass, among other things (1) increased likelihood of youth addiction due to the appeal of flavored tobacco products; (2) elevated exposure of minors to tobacco-related health risks, including respiratory diseases and the potential for long-term dependency; and (3) undermining public health initiatives aimed at curbing tobacco use among adolescents; and

WHEREAS, Chapters 5.66 and 5.67 of the SMC regulate the sale of tobacco products, mandate tobacco retailers to register with the City before engaging in the sale of tobacco products, and establishes mandatory operational standards for such retailers. However, these provisions need to be comprehensively revised and updated to address the sale of flavored tobacco products throughout the City; and

WHEREAS, per Government Code Sections 36937 and 65858, the City Council may adopt an Interim Urgency Ordinance to protect the public safety, health, and welfare from an event, occurrence, or set of circumstances; and

WHEREAS, due to the unlawful sale of flavored tobacco products being predominantly observed in smoke and vape shops that specialize in the sale of tobacco products or tobacco paraphernalia, this Interim Urgency Ordinance shall apply exclusively to those businesses classified as a “tobacco retailer” as defined as any individual, business, or entity that sells, offers for sale, or does or offers to exchange for any form of consideration, tobacco, tobacco products or tobacco paraphernalia, and that has at least fifty percent of tobacco, tobacco products, or tobacco paraphernalia as the retailer’s regular stock in trade, as displayed for sale or exchange, in the retail establishment (hereinafter, “Subject Tobacco Retailers”). This definition is without regard to the quantity of tobacco, tobacco products, or tobacco paraphernalia actually sold or exchanged; and

WHEREAS, City staff in collaboration with the City Attorney's office are conducting research to understand the impacts of Subject Tobacco Retailers and uses on community welfare and explore potential amendments to the City's regulatory process and zoning codes to protect public health, safety, and welfare and mitigate potential illegalities occurring at these businesses; and

WHEREAS, as a result, and in consideration of the staff report, written and verbal public testimony, and the full record before it, the City Council previously adopted an interim urgency ordinance that instituted a 45-day moratorium to allow staff and the City Council the opportunity to research and select the best course of action for the City’s citizens, youth, and the community at large. This Ordinance extends that moratorium for an additional 10 months and 15 days to provide the City and staff additional time to study the issues and suggest any revisions.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1: The above recitals are true and correct and are incorporated herein by reference.

SECTION 2: The City Council finds that this Ordinance is not a project within the meaning of Section 15378 of the State of California Environmental Quality Act (“CEQA”) Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly. The City Council further finds, under Title 14 of the California Code of Regulations, section 15061(b)(3) that this Interim Urgency Ordinance is nonetheless exempt from the requirements of CEQA. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 3: The City Council hereby enacts this Interim Urgency Ordinance under Government Code sections 36937 and 65858(a), which allow the City Council to adopt an Interim Urgency Ordinance by not less than a four-fifths vote. Section 65858 allows the City Council to protect the public safety, health, and welfare by prohibiting any use that may be in conflict with a zoning proposal that the City Council, Planning

Commission, or department of the City is considering or studying or intends to study within a reasonable time. The purpose of this Urgency Ordinance is to maintain the status quo while the City evaluates whether and how to regulate the subject uses.

SECTION 4: The City Council hereby directs and orders as follows:

- A. During the time that this Interim Urgency Ordinance is in effect, no new Subject Tobacco Retailer business, use, or operation may be established in the City; and
- B. No existing Subject Tobacco Retailer business, use, or operation may be authorized or allowed to expand, enlarge, or alter its physical footprint while this Interim Urgency Ordinance is in effect; and
- C. During the period that this Interim Urgency Ordinance is in effect, the City shall not approve or issue any permit, license, variance, building permit, business license, or any other applicable entitlement, license, permit, or approval for the establishment, expansion, enlargement, or alteration of any Subject Tobacco Retailer business, use, or operation within the City as provided in subsection (B), above. Notwithstanding the foregoing, the City may approve permits, licenses, or similar approvals for ordinary repairs or maintenance or as otherwise required by applicable federal, State, or local law.

SECTION 5: The City will continue to accept and process applications for uses prohibited by this moratorium if so required by state law. Any application received and processed during the moratorium shall be processed at the applicant's sole cost and risk with the understanding that no permit, license, approval or other entitlement for a use covered by Section 4 of this Interim Urgency Ordinance may be issued while this moratorium or any extension of it is in effect.

SECTION 6: This ordinance is adopted under the provisions of Government Code Sections 36937 and 65858, and shall take effect immediately upon its passage by a four-fifths vote of the City Council. The City Council finds that Subject Tobacco Retailers where the unsafe and unlawful activities described herein occur pose significant, urgent, and immediate threats to the health, safety and welfare of the community — including, but not limited to, the heightened risk of youth addiction to nicotine and tobacco products, increased exposure of the community to tobacco-related health issues, and the undermining of public health efforts aimed at reducing tobacco use, especially among minors. Consequently, the City Council finds that this Interim Urgency Ordinance is necessary for the immediate preservation of the public health, safety, and welfare of the community. This interim Urgency Ordinance shall remain in effect for 10 months and 15 days from its adoption, unless earlier repealed, terminated, or extended.

SECTION 7: Not less than 10 days prior to the scheduled expiration of this Urgency Ordinance, staff shall issue a report to the City Council on the progress of its study and on determinations for how the City should proceed, insofar as conclusions have been drawn.

SECTION 8: If any provision of this Interim Urgency Ordinance or the application thereof to any person or circumstance is held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Interim Urgency Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Interim Urgency Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

PASSED, APPROVED, AND ADOPTED this 27th day of February, 2024.

DAVID J. SHAWVER, MAYOR

ATTEST:

PATRICIA A. VAZQUEZ, CITY CLERK

APPROVED AS TO FORM:

HONGDAO NGUYEN, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF STANTON)

ss.

I, Patricia A. Vazquez, City Clerk of the City of Stanton, California, do hereby certify that the foregoing Urgency Ordinance No. 1139 was duly introduced and adopted at a regular meeting of the City Council held on the 27th day of February, 2024, by the following roll-call vote, to wit:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

RECUSED: COUNCILMEMBERS: _____

PATRICIA A. VAZQUEZ, CITY CLERK

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and City Council

DATE: February 27, 2024

SUBJECT: INFORMATIONAL REPORT REGARDING RECENT STATE LAWS AND CAMPAIGN CONTRIBUTIONS

REPORT IN BRIEF:

At its meeting on November 28, 2023, the City Council requested an informational report regarding new laws relating to campaign finance contribution limits and revisions to the “Levine Act,” which are Assembly Bill 571 and Senate Bill 1439, respectively. This report provides a summary of each law.

RECOMMENDED ACTION:

1. City Council declare this action categorically exempt under the California Environmental Quality Act (“CEQA”) under Section 15378(b)(5) – Organizational or administrative activities of governments that will not result in direct or indirect changes in the environment; and
2. Consider a presentation by the City Attorney’s Office and receive and file the report or provide further direction.

BACKGROUND AND ANALYSIS:

I. *Assembly Bill 571 (“AB 571”) – Campaign Contributions Limits*

AB 571 was signed by the Governor in October 2019, and became effective on January 1, 2021, allowing cities and counties with no local campaign contribution limit to either set a local limit or default to the limit set for certain State elected offices (e.g., State Assembly or Senate). At the time of its adoption, Stanton did not adopt a local limit as authorized by AB 571, therefore defaulting to the State limit. The current State default limit on contributions from a single source, per election, is \$5,500. This amount is subject to adjustment by the Fair Political Practices Commission (“FPPC”) in January of each odd year based upon the Consumer Price Index, rounded to the nearest hundred dollars. As such, the next adjustment will be in January of 2025.

A number of cities throughout the State have adopted a campaign contribution limit ordinance, and the FPPC maintains a list those cities. (See <https://www.fppc.ca.gov/learn/Contribution-Limits-City-and-County-Candidates.html>.)

Nearby cities that have such an ordinance include Anaheim, Buena Park, and Irvine, and those cities may have adopted their ordinances prior to AB 571 being signed into law. If the City Council decides to consider adopting such an ordinance, then the following are some considerations:

1. The City would assume responsibility for enforcing contribution limits that vary from the State's default contribution limits. The FPPC enforces contribution limits that align with the State's contribution limit. If the City were to adopt contribution limits that are either higher or lower than the State default limit, then the City would be responsible for enforcing its self-imposed limits. Such enforcement could involve referral of a matter to the District Attorney for enforcement and could result in litigation when merited.

2. Campaign contribution limits would not apply to Independent Expenditures, Ballot Measure Committees or Committees Seeking an Officer's Recall. A local campaign contribution limit can only apply to direct contributions made to the candidate or to the candidate's controlled committee based on case law.

II. *Senate Bill 1439 ("SB 1439") – Campaign Contribution Restrictions to Elected Officials Pending a Contract or Entitlement*

SB 1439 became effective on January 1, 2023, and made a number of substantial changes to the "Levine Act" (Gov. Code § 84308), which is a part of the Political Reform Act. These changes require elected officials to "conflict out" of certain proceedings involving persons who have made contributions to their respective political campaigns and also requires elected officials to "refuse" certain future contributions from persons who were financially involved in decisions of the local agency. The Levine Act previously only applied to local governing boards composed of appointed officials, such as planning commissioners. Effective January 1, 2023, SB 1439 extended the Levine Act's coverage to elected governing boards, such as the City Council.

The Levine Act, as revised, imposes two key duties on City Councilmembers.

First, it prohibits Councilmembers from accepting, soliciting, or directing a campaign contribution (to their own campaign or another candidate's campaign) of more than \$250 if the donor is involved in a proceeding involving a license, permit, or other entitlement for use, including a contract award (including franchises), that is pending before the City. Under SB 1439, this prohibition continues for 12 months following the proceeding.

Second, the Levine Act now requires Councilmembers to recuse from any proceeding involving a license, permit, or other entitlement for use, including a contract award (including franchises), if they have received a campaign contribution of more than \$250

from a person involved in the proceeding within the previous 12 months. The rule does not apply to labor contracts, personal employment contracts, or contracts that are competitively bid. (Gov. Code § 84308.)

The Levine Act applies to contributions from the parties directly involved in the proceeding, such as an applicant for an entitlement, as well as to other “participants” who actively support or oppose a particular decision in the proceeding and have a financial interest in the proceeding, and their agents.

The FPPC has adopted a two-prong approach when it comes to determining when a proceeding is considered “pending” for purposes of the Levine Act.

For Councilmembers, a proceeding is considered “pending” when:

(1) The decision is before the City Council for consideration, including when an item is placed on the agenda for discussion or decision; or

(2) It is reasonably foreseeable the decision will come before the City Council and the Councilmember knows or has reason to know the decision is within the jurisdiction of the City and will come before the Council for decision. (2 Cal. Code Regs. § 18438.2(b)(1).)

For a party or party’s agent, or a participant or participant’s agent, a proceeding is “pending” when it is before the jurisdiction of the City for its decision or other action. (2 Cal. Code Regs. § 18438.2(b)(2).)

In light of SB 1439, the following is required:

- *Disclose.* Before any decision in a proceeding involving a license, permit, or other entitlement for use (excluding certain contracts, as noted above), a Councilmember must disclose on the record if they have received a contribution of more than \$250 in the preceding 12 months from a party or any participant in the proceeding. (Gov. Code § 84308(c).)
- *Recuse.* If a Councilmember knows or has reason to know that a party to the proceeding made a disqualifying contribution to the Councilmember, or a participant who made a disqualifying contribution has a financial interest in the decision, the Councilmember must recuse themselves from participating in the decision. The standard recusal procedure (disclosure, leaving the room, etc.) would apply.
 - *Or Return.* If the contribution was received from a *party* before the Councilmember knew or had reason to know that the proceeding had commenced, or from a *participant* before the Councilmember knew or had reason to know of the participant’s financial interest in the proceeding, the Councilmember may return the contribution within 30 days from the time they knew or should have known about the contribution and relevant

proceeding (for a party), or contribution and financial interest (for a participant) and may participate in the decision.

- *Refuse*. While the proceeding is pending and for 12 months after a final decision is rendered, Councilmembers must not accept, solicit, or direct a contribution of more than \$250 from a party, participant, or their agents, if they know or have reason to know a party, participant or a party's or participant's agent has a financial interest in the decision.
 - *Or Return*. If a Councilmember accepts, solicits, or directs a contribution of more than \$250 during the 12 months after the date a final decision is rendered in the proceeding, the Councilmember may cure the violation by returning the contribution, or the portion of the contribution that exceeds \$250, within 14 days of accepting, soliciting, or directing the contribution, whichever comes latest. This opportunity to cure is only available if the Councilmember did not knowingly and willfully accept, solicit, or direct the prohibited contribution, and the Councilmember or their controlled committee keeps a record of curing the violation. (Gov. Code § 84308(d)(2).)

There are a number of nuances related to the revised Levine Act. The FPPC has published some guides with hypothetical examples to illustrate those nuances, and they are attached to this report for the Council's consideration.

FISCAL IMPACT:

There is no fiscal impact associated with the recommended action.

ENVIRONMENTAL IMPACT:

This action is categorically exempt under CEQA under Section 15378(b)(5) – organizational or administrative activities of governments that will not result in direct or indirect changes in the environment.

PUBLIC NOTIFICATION:

Public notification provided through the regular agenda process.

LEGAL REVIEW:

The City Attorney prepared this report.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Obj. No. 6: Maintain and promote a responsive, high quality and transparent government.

Prepared by: HongDao Nguyen, City Attorney

Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

A. FPPC Section 84308 Guide for Officers

B. FPPC Section 84308 Guide for Parties, Participants, and Agents



Officers and Section 84308

October 2023

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INTRODUCTION

Section 84308 is a California law aimed at preventing “pay-to-play” practices, in part, by prohibiting parties, participants, and their respective agents in a proceeding involving a license, permit, or other entitlement for use (collectively referenced as an “entitlement for use proceeding” or “proceeding”) from contributing more than \$250 to an officer of the agency the proceeding is before during a 12-month period. An officer is similarly prohibited from accepting, soliciting or directing such a contribution. The prohibition on contributions applies to any 12-month period while the proceeding is pending and for 12 months following the date a final decision is rendered in the proceeding.

Under Section 84308, the officer of an agency is required to disclose any contribution exceeding an aggregate \$250 that a party or any participant has made to them within the 12 months preceding the proceeding. Further, the officer of an agency may not make, participate in making, or in any way attempt to use their official position to influence the decision in the proceeding pending before the agency if the officer has received a contribution of more than \$250 within the preceding 12 months from a party, or a party’s agent. An officer of an agency is similarly prohibited from taking part in a proceeding if the officer received a contribution of more than \$250 within the preceding 12 months from a participant, or participant’s agency, if the officer knows or has reason to know that the participant has a financial interest in the decision.

When it was first enacted in 1982, Section 84308 applied to appointed members of boards and commissions who were running for elective office. (Stats. 1982, ch. 1049 § 1 (“Levine Act”).) However, effective January 1, 2023, the Legislature expanded the scope of its prohibitions to apply to agencies whose members are directly elected by voters and extend the prohibitions from 3 months to 12 months after the final decision in a proceeding. (Stats. 2022, ch. 848 § 1 (“SB 1439”) .)

The following is a step-by-step guide to help you determine:

- Whether you are an “officer” subject to Section 84308’s prohibitions;
- What your responsibilities are;
- What type of proceedings are covered;
- Who meets the definition of a party, participant or their agent;
- When there is a financial interest involved; and
- What to do in the event you have accepted a contribution subject to the prohibitions in Section 84308.

Frequently Asked Questions are also addressed.

A. AM I AN “OFFICER”?

1. Qualifications

Section 84308 defines “officer” as “any elected or appointed officer of an agency, any alternate to an elected or appointed officer of an agency, and any candidate for elected office in an agency.”

To determine whether you qualify as an “officer” for purposes of Section 84308, and an “officer of the agency” subject to the restrictions of Section 84308, ask yourself:

(1) Do I have the ability to:

- a. “Make, participate in making, or in any way attempt to use my official position to influence” a decision (defined further below) in the relevant entitlement for use proceeding; or
- b. Exercise authority or budgetary control over the agency of officers who may do so?

(2) Do I serve in any of the following capacities:

- a. In an elected position;
- b. As a member of a board or commission;
- c. As the chief executive of a state agency or county, city or district of any kind; or
- d. In a position with decision-making authority with respect to the proceeding and I am also a candidate for elected office or I was a candidate for elected office in the 12 months prior to the proceeding?

If your answer to both of the above questions is “yes,” then you qualify as an “officer” for purposes of Section 84308 and you are an “officer of the agency” subject to the applicable restrictions.

Note: A candidate for elective office who does not meet any of the above criteria is not an “officer of the agency” and the Section 84308 restrictions applicable to an “officer of the agency” will not apply until such time as the candidate serves in one of the positions noted above. (See, e.g., Butler Advice Letter, No. A-23-103.)

2. Exceptions

The term “officer” does not apply to any person acting in any of the following positions:

- Member of the courts or any agency in the judicial branch;
- Member of the Legislature;
- Member of the Board of Equalization; or

- A Constitutional officer (i.e., the Governor, Lieutenant Governor, Attorney General, Controller, Insurance Commissioner, Secretary of State, State Treasurer, and Superintendent of Public Instruction).

B. WHAT ARE MY RESPONSIBILITIES AND LIMITATIONS?

If you meet the definition of an “officer” under Section 84308 and are an “officer of the agency,” or become an “officer of the agency” following your candidacy, you are subject to the following prohibitions related to entitlement for use proceedings:

1. Prohibition: Accepting, Soliciting, or Directing Contributions Exceeding \$250 During 12-Month Period While the Proceeding is Pending and 12 Months After

For any entitlement for use proceeding, you are prohibited from accepting, soliciting, or directing a contribution of more than two hundred fifty dollars (\$250) from any party or a party’s agent, or from any participant or a participant’s agent if you know or have reason to know that the participant has a financial interest in the proceeding.

This applies during any 12-month period while the proceeding is pending and for 12 months following the date of the final decision.

12-Month Period Example 1

A party files an application with your office on January 1, 2023. The same day, the party contributes \$250 to your campaign committee. Your agency’s consideration of the application extends beyond one year and, on January 1, 2024, the party contributes another \$250 to your campaign committee. The party does not violate Section 84308 by making the second contribution while the proceeding is pending and you do not violate Section 84308 by accepting the second contribution because you have not received more than \$250 during any 12-month period.

12-Month Period Example 2

A party files an application with your office on January 1, 2023. The same day, the party contributes \$150 to your campaign committee. On July 1, 2023, the party contributes another \$100. The matter is pending before you the proceeding extends beyond one year. On January 1, 2024, the party contributes another \$250.

The party violates Section 84308 and you will violate Section 84308 by accepting the \$250 contribution because you received more than \$250 during a 12-month period. You received \$100 from the party on July 1, 2023, and \$250 on January 1, 2024, for a total of \$350 during a 12-month period.

2. Prohibition: Taking Part in Entitlement for Use Proceeding

You are prohibited from making, participating in making, or in any way attempting to use your official position to influence the decision in an entitlement for use proceeding pending before the agency if you have willfully or knowingly received a contribution in an amount of more than two hundred fifty dollars (\$250) within the preceding 12 months from a party or a party's agent, or from any participant or a participant's agent if you know or have reason to know that the participant has a financial interest in the decision.

- **Making a Governmental Decision:** You “make” a governmental decision if you authorize or direct any action, vote, appoint a person, obligate or commit your agency to any course of action, or enter into any contractual agreement on behalf of your agency.
- **Participating in a Governmental Decision:** You “participate in making a governmental decision” if you provide information, an opinion, or a recommendation for the purpose of affecting the decision without significant intervening substantive review.
- **Attempting to Use Official Position to Influence a Governmental Decision:** You “attempt to use your official position to influence a governmental decision” if you: (1) contact or appear before any official in your agency or in an agency subject to the authority or budgetary control of your agency for the purpose of affecting a decision; or (2) contact or appear before any official in any other government agency for the purpose of affecting a decision, and you act or purport to act within your authority or on behalf of your agency in making the contact.

3. Disclosure Requirements: Contributions Received in Prior 12 months

If you have received a contribution exceeding \$250 from a party, participant, or agent thereof *within the preceding 12 months*, you are required to disclose (or have another agency officer or employee disclose on your behalf) the contribution as follows:

- **Form:** Disclosure may be made orally or in writing when made in a meeting. Disclosure must be made in writing if no meeting is held.
- **Timing:** If a public meeting is held, disclosure must be made at the beginning of the meeting. If you learn of the party’s contribution or the participant’s contribution and financial interest during the meeting, disclosure must be made before you continue to take part in the proceeding. If no public meeting is held, written disclosure must be entered into the agency’s public record.
- **Contents:** The disclosure must include:
 - The fact that you have received contributions from a party, participant, or agent thereof, greater than \$250 within the preceding 12 months; and
 - The name(s) of the contributor(s).
- **Legally Required Participation:** If you are taking part in a governmental decision on the basis that your participation is legally required, the disclosure must also include:
 - A summary description of the circumstances under which you believe the conflict may arise; and
 - The legal basis for concluding there is no alternative source of decision.

C. AM I TAKING PART IN A “PENDING LICENSE, PERMIT, OR OTHER ENTITLEMENT FOR USE” PROCEEDING?

1. License, Permit, or Other Entitlements for Use Proceedings

Section 84308 defines the term “license, permit, or other entitlement for use” to mean “all business, professional, trade, and land use licenses and permits and all other entitlements for use, including all entitlements for land use, all contracts (*other than competitively bid, labor, or personal employment contracts*), and all franchises.”

The term “entitlement for use” is not defined by Section 84308. The overall scheme and purpose of Section 84308 suggests that the types of proceedings which should be covered by Section 84308 are those in which specific, identifiable persons are directly affected or in which there is a direct substantial financial impact upon the participants. The California courts have examined the term “entitlement for use” in other contexts. These decisions provide useful guidance; however, interpretation of the Act is not necessarily limited by interpretation of other laws. Below is a list of proceedings the FPPC has previously advised on as entitlement for use proceedings. (See, e.g., *Velasquez* Advice Letter, No. I-23-065; *Quadri* Advice Letter, No. A-02-096; *Washington* Advice Letter, No. I-91-521.)

Note: Section 84308 does not cover proceedings in which general policy decisions or rules are made or where the interests affected are many and diverse.

Examples of Entitlement for Use Proceedings

- Building and development permits
- Charter school petitions
- Conditional use permits
- Contracts generally, including small purchase order agreements, unless an exception applies
- Public street abandonments
- Private development plans
- Professional license revocations
- Rezoning of specific real estate parcels
- Event permits
- Rulemaking procedures affecting a particular industry where only a small number of businesses are affected
- Special district formation proceedings involving the creation of a special use or benefit to the persons in the district
- Tentative subdivision and parcel maps
- Zoning variances

2. When is the Proceeding “Pending”?

For an officer, an entitlement for use proceeding has commenced and is considered “pending” only when:

- The decision is before you for your consideration. If you are a member of a governing body, this includes any item placed on the agenda for discussion or decision at a public meeting of the body; **or**
- You know or have reason to know the proceeding is *before the jurisdiction of your agency* for its decision or other action, *and* it is reasonably foreseeable *the decision will come before you in your decision-making capacity.*
- **Note:** A different definition of “pending” applies to parties, participants, and their agents. For these persons, it is “pending” when it is before the agency’s jurisdiction for action.

Pending Proceeding Example 1

A non-profit organization submits a permit application to the City Parks Department to host a large event at a City park. You are a member of the City Council. Absent any outside knowledge, at this point, you do not “know or have reason to know” about the proceeding and, therefore, it is not “pending” for you. Therefore, you would not violate Section 84308 by accepting, soliciting, or directing a contribution of more than \$250 from the non-profit *at this point in the process.*

Pending Proceeding Example 2

Continuing the above example, the event permit application is rejected by the Parks Department and the non-profit appeals the decision to the City Council. The non-profit's permit item appears on the agenda for an upcoming City Council meeting. At this point, the proceeding is "pending" for you and you are now prohibited from accepting, soliciting, or directing a contribution of more than \$250 from the non-profit.

Pending Proceeding Example 3

Alternatively, suppose that prior to the permit decision appearing on a City Council meeting agenda, a City staff member told you that the project was pending before the Parks Department and would likely come before the City Council at some point if the Parks Department rejects the application. Because you have this information, the proceeding would be "pending" for you, even though the item had not yet been included on a City Council meeting agenda.

D. FOR THE PROCEEDING, WHO ARE THE "PARTIES, PARTICIPANTS, OR THEIR AGENTS"?

1. Parties

Section 84308 defines "party" as "any person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use."

2. Participants

Section 84308 defines "participant" as any person who is not a party but who **actively supports or opposes a particular decision** in an entitlement for use proceeding and who has a **financial interest** in the decision.

In general, a person will qualify as a participant if the person has a financial interest in the proceeding and communicates with you or agency staff for the purpose of influencing a decision in the proceeding. This includes when the person:

- Lobbies in person;
- Testifies in person; or
- Otherwise acts to influence a proceeding by communicating with an officer or employee of the agency for the purpose of influencing a decision in the proceeding.

Note: This does not include communications made to the public outside of the proceeding.

Participant Example 1

One person sends a letter to the City Council regarding an entitlement for use proceeding. Another person makes a public comment regarding the entitlement for use proceeding during a public meeting. If either person has a financial interest in the proceeding, that person qualifies as a **participant**.

Participant Example 3

One person writes an op-ed article, published in the local paper, in support of the City Council approving an application in an entitlement for use proceeding. Another person protests outside of City Hall before the entitlement for use proceeding is held, yelling and chanting that the City Council should vote no on the underlying project. Even if one of these persons has a financial interest in the proceeding, as long as the person does not communicate directly with the officer or agency regarding the proceeding, the person is **not a participant**.

Financial Interests

In general, a person is considered to have a “financial interest” for purposes of Section 84308 if it is **reasonably foreseeable the proceeding, or a governmental decision within the proceeding**, would have a **material financial effect on one or more** of the person’s **economic interests**. Relevant economic interests include the person’s interests in business entities, real property, sources of income, sources of gifts, and personal finances.

Determining whether a person has a **financial interest** in a proceeding or particular governmental decision can be a complex matter. For this reason, if you have knowledge or reason to know that a person who may qualify as a participant in a proceeding has a potential financial interest, you should contact the FPPC for assistance to understand whether the duties and prohibitions of Section 84308 will apply. More information on financial interests, when a financial interest is “material” and when you would have “reason to know” is detailed further below.

3. Agents

A person is the “agent” of a party or participant in a pending entitlement for use proceeding if the person:

- Represents that party or participant for compensation; and
- Appears before or otherwise communicates with the governmental agency for the purpose of influencing the pending proceeding.

Note: An individual will qualify as an agent only if the individual's communication with an agency is *for the purpose of influencing the pending proceeding*. An individual whose communications with an agency are *not* made for the purpose of influencing the proceeding is not considered an agent for purposes of Section 84308, even if the individual receives compensation from a party or participant.

Agent Example 1

Ainsley Atkinson, an attorney, is paid to represent a client real estate developer, Rio Estates, in obtaining a real estate development agreement and drafts a letter in support of the project on behalf of Rio Estates. Atkinson sends the letter to the County Planning Commission ahead of the Commission's consideration on whether to approve a building permit. Because Atkinson is paid to represent Rio Estates and has communicated with the agency for the purpose of influencing the proceeding, Atkinson **is an agent** for Rio Estates.

Agent Example 2

Suppose Atkinson's letter in support of the project is sent to the County Planning Commission by Atkinson's assistant, rather than Atkinson herself. Although the letter is intended to influence the proceeding, the assistant's purpose in sending the letter is not; rather, the assistant's purpose in sending the letter is administrative/secretarial. Likewise, the assistant is not paid to represent Rio Estates; the assistant is paid to assist Atkinson. For these reasons, the assistant **is not an agent** Rio Estates.

Agent Example 3

Continuing the above examples, the Planning Commission considers the project application. The project architect, Priyanka Archer, hired by the client, attends the meeting and provides purely technical data and analysis in response to Planning Commission questions. As long as Archer does not otherwise engage in direct communications for the purpose of influencing the proceeding, Archer **is not an agent** for Rio Estates.

E. Do I “KNOW OR HAVE REASON TO KNOW” A PARTICIPANT HAS A “FINANCIAL INTEREST IN THE PROCEEDING”?

1. What is a Financial Interest in a Proceeding?

Under the Political Reform Act, a person has a “financial interest” in a governmental decision when it is reasonably foreseeable that the governmental decision at issue would have a **material financial effect** (of a positive or negative nature) on a person’s interest in:

- A **business entity** as an employee, director, officer partner, trustee, manager or an investment interest of \$2,000 or more.
- **Real property** with a value of \$2,000 or more including a leasehold interest but not a month-to month tenancy.
- **Source of income** totaling \$500 or more in the 12 months prior to the proceeding.
- **Source of gift** totaling \$590 or more in the 12 months prior to the proceeding.
- The participant’s **personal finances** or the participant’s immediate family member.

Note: For a party in an entitlement for use proceeding, Section 84308’s requirements and prohibitions automatically apply. The relevance of a “financial interest” in an entitlement for use proceeding is only relevant to determining whether an individual qualifies as a participant for purposes of Section 84308.

2. When Do I Know About it?

As an officer, you are considered to “know or have reason to know” that a participant has a financial interest in a decision only if you have actual knowledge of the financial interest, or the participant reveals facts in written or oral statements during the proceeding before you that make the participant’s financial interest apparent.

Under Section 84308, you are required to consider all relevant facts known to you in determining whether a participant has made a financial interest apparent. This includes:

- The specificity with which the participant has described their economic interests;
- The potential for a material financial effect on those interests as a result of the decision; and
- The realistic possibility of the financial effect.

Note: If a participant describes or mentions the financial impact a proceeding, or a governmental decision within the proceeding, would or could have on the participant's financial interest you must consider the information provided and the impact the decision may have on the interest.

In addition to the general rule stated above, you will by default be deemed to have "reason to know" that a participant has a financial interest in the proceeding if you have facts indicating the participant has any of the following:

- A **business entity interest** that may see a significant increase or decrease in customers as a result of the proceeding;
- A **real property interest** located within 500 feet of the real property at issue in the proceeding. (Note: An officer does not have "reason to know" if the facts are solely that the participant has an economic interest located in the general vicinity of a business entity or real property at issue in the proceeding.)
- A **business relationship** with the applicant and the decision may result in additional services provided to the applicant.

Note: if the officer knows there is clear and convincing evidence establishing it is not reasonably foreseeable the decision will have material financial effect on the participant's interests, the participant does not have a financial interest in the proceeding.

3. Standards and Facts Relevant to Particular Types of Participant's Financial Interests

To determine whether you "know or have reason to know" that the participant has a financial interest in the decision for purposes of Section 84308, ask yourself if you have any of the information discussed below:

a. Explicitly Involved Interest in the Proceeding

If an individual has an economic interest such as a business entity, real property, or source of income explicitly involved in the proceeding, the individual will have a financial interest in the proceeding and therefore qualify as a participant. For example, if the individual's employer is the applicant in the proceeding and the individual provides public comment—even in their capacity as a private citizen rather than as an agent advocating in their paid capacity as an employee—the individual will qualify as a participant.

However, in circumstances where it is not apparent that the individual's economic interest is explicitly involved in the proceeding, consider the following:

b. Business Entity Interest in the Proceeding.

Generally, a participant's financial interest in a business entity not explicitly involved in a governmental decision will only become apparent if they reveal facts indicating any of the following:

- **Change in Revenue:** The decision may result in an increase or decrease of the entity's annual gross revenues, or the value of the entity's assets or liabilities, in an amount equal to or more than: (A) \$1,000,000; or (B) five percent of the entity's annual gross revenues and the increase or decrease is at least \$10,000.
- **Change in Expenses:** The decision may cause the entity to incur or avoid additional expenses or to reduce or eliminate expenses in an amount equal to or more than: (A) \$250,000; or (B) one percent of the entity's annual gross revenues and the change in expenses is at least \$2,500.
- **Impact on Real Property:** The entity has an interest in real property and: (A) the property is a named party in, or the subject of, the decision; or (B) there is clear and convincing evidence the decision would have a substantial effect on the property.

Business Entity Example 1

A person provides public comment at a City Council meeting, speaking in support of a developer's permit application. The person specifies, "I work for the developer, but I'm not being paid to be here. I'm just here in my personal capacity because I think the project would benefit the community." Here, the participant has a business entity interest in the applicant as their employer, and you know the proceeding would have a reasonably foreseeable, material financial effect on that business entity interest given the fact that the employer is the applicant in the proceeding.

Business Entity Example 2

Continuing the above example, another person stands up at the City Council meeting and provides public comment, stating, "I'm a licensed electrician and I think a development project of this size would bring a lot of valuable jobs to local tradespeople like me." The person has indicated they have a business entity interest in their business as an electrician and has also indicated the project would potentially benefit their business, but has not provided any facts indicating their business could benefit, for example, by \$1,000,000 or result in an increase of five percent of annual gross revenue and at least \$10,000. Because of the general facts provided, you would not have reason to know that the individual has a financial interest in the proceeding.

c. Real Property Interests in the Proceeding.

When considering the materiality of a financial effect on real property not explicitly involved in a governmental decision, the proximity of the participant's real property to the real property at issue in the decision is of particular importance. Are you aware of any of the following concerning the participant's real property - is it:

- **Within 500 Feet:** from the subject property of a governmental decision and there is no "clear and convincing evidence" the decision will have no measurable impact on the participant's property.
- **Between 500 and 1,000 Feet:** from the subject property of a governmental decision and the decision would change the parcel's:
 - Development potential;
 - Income producing potential;
 - Highest and best use;
 - Character by substantially altering traffic levels, intensity of use, parking, view, privacy, noise levels, or air quality; or
 - Market value.

However, if you are aware that the participant's real property is:

- **Over 1,000 Feet:** from the subject property of a governmental decision the decision is presumed to not have a reasonably foreseeable, material financial effect on the individual's real property absent "clear and convincing evidence" of a substantial effect on the participant's property.

Note: You are not considered to "know" or "have reason to know" of a participant's financial interest in a decision solely as a result of the participant identifying an economic interest located in the general vicinity of a business entity or real property at issue in the proceeding.

Real Property Example 1

An individual provides public comment at a City Council meeting opposing a development project because of the effect they believe the project will have on nearby residences and notes, "I live near this project." Based solely on these comments, you would not know or have reason to know whether the individual has a real property interest within 500 or 1,000 feet or further away from the project.

Real Property Example 2

If, however, the individual said, “I live within 100 yards,” or “I live directly across the street” from the project, you would be aware that the individual lives within 500 feet of subject property and unless there are clear facts that the decision would have no measurable impact on her property, the Section 84308 requirements and prohibitions will apply to this person as a participant.

If you are aware or the individual mentions they have a **leasehold interest** in real property, they will have a financial interest if the decision would: (1) Change the termination date of the lease; (2) Increase or decrease the potential rental value of the property; (3) Change the person’s use of the property; or (4) Impact the use and enjoyment of the property. A month-to-month tenancy is *not* a “real property interest” under the Act.

Note: There are certain exceptions applicable to determining a material interest in real property, such as when the proceeding includes a decision that solely concerns repairs/maintenance or replacement of existing streets, water, sewer, storm drainage or similar facilities. (For decisions relating the adoption or amendment of a General Plan, please consult Regulation 18702.2(d)(2) or seek further advice.)

d. Source of Income Interests

Generally, a participant’s financial interest in a source of income not explicitly involved in the decision, will only become apparent if they reveal facts indicating any of the following and the source is a:

- **Business Entity:** Apply the standards discussed above for determining a material financial effect on business entity interests.
- **Nonprofit Organization:** Apply the same standards discussed above use for determining a material financial effect on a business entity.
- **Individual:**
 - Personal Finances: The decision may affect the individual’s income, investments, assets, or liabilities by \$1,000 or more;
 - Impact on Business: The participant knows or has reason to know the individual has an interest in a business entity that will be materially financially affected under the standards pertaining to business entity interests, described above;
 - Impact on Real Property: The participant knows or has reason to know the individual has an interest in real property and the property is a named party in, or the subject of the decision, or there is clear and convincing evidence the decision would have a substantial effect on the property.

“Nexus” Test: The governmental decision is also considered to have a reasonably foreseeable, material financial effect if it would achieve, defeat, aid, or hinder a purpose or goal of the source of income and the participant or their spouse receives or is promised the income for achieving the purpose or goal.

Source of Income Example

At a City Council meeting, a member of the public provides comment and states, “I work for the Downtown Business Chamber of Commerce and my job is to bring business to Downtown and help revitalize the Downtown area economy. Approval of this project would do just that.” Based on the person’s comments, you know it is reasonably foreseeable the proceeding would have material financial effect on the person’s source of income—the Downtown Business Chamber of Commerce—based on the nexus between the governmental decisions at issue and the Chamber of Commerce’s goals that the speaker is paid to achieve. The Section 84308 requirements and prohibitions would apply to this participant.

e. Source of Gift Interests

Generally, a participant’s financial interest in an individual as a source of gift not explicitly involved in a governmental decision will only become apparent if they reveal facts indicating any of the following:

- **Business Entity:** Apply the standards discussed above for determining a material financial effect on business entity interests.
- **Nonprofit Organization:** Apply the same standards discussed above for determining a material financial effect on a business entity.
- **Individuals:**
 - The individual’s personal finances will be materially impacted, as described in the “Personal Finances” section below;
 - The participant knows or has reason to know the individual has an interest in a business entity or real property that will be materially financially affected under the standards pertaining to business entity or real property interests, described above;
 - The participant knows or has reason to know the individual has an interest in real property and the property is a named party in, or the subject of the decision, or there is clear and convincing evidence the decision would have a substantial effect on the property.

f. Personal Finances

In general, a governmental decision’s reasonably foreseeable financial effect on a participant’s personal finances or the finances of the participant’s immediate family is material if the decision may result in the participant or participant’s immediate family member receiving a financial benefit or loss—other than a financial impact on a

business entity or real property interest—of \$500 or more in any 12-month period due to the decision. This does not apply if the decision’s financial impact would affect the participant’s economic interest in a business entity or real property, as such financial effects are considered separately under the standards discussed above.

F. HAVE I “WILLFULLY OR KNOWINGLY” RECEIVED A \$250 OR GREATER CONTRIBUTION FROM A PARTY, PARTICIPANT, OR AGENT WITHIN THE PAST 12 MONTHS?

1. Knowledge of a Contribution

As an officer, you are considered to have “willfully or knowingly” received a contribution under any of the following circumstances:

- **Actual knowledge:** You have actual knowledge of the contribution;
- **Disclosure by the Party:** The contribution has been disclosed by the party pursuant to Section 84308(e) and Regulation 18438.8; or
- **Other Reasons to Know:** You are aware of facts including, but not limited to:
 - The party, participant, or another person has otherwise informed you that a contribution or contributions have been made to you;
 - The party or participant has previously made two or more contributions of more than \$250 to you;
 - You personally solicited the party or participant for a contribution; or
 - You personally accepted a contribution from the party or participant.
- **Relevance of Prior Campaign Reporting:** Note that the fact that a contribution was previously included in a campaign report filed by your campaign committee does not constitute “reason to know” of a party’s or participant’s contribution except in the following circumstances:
 - The party’s proceeding has also been noticed on an agenda for a public meeting before the body or board of which you are a member *or*,
 - For officers not on a body or board, the proceeding is before you in your decision-making capacity.

Campaign Reporting Example

You are a City Councilmember. A development project application is included on the agenda for the next City Council meeting. The applicant has failed to disclose the \$300 contribution he made to your campaign committee eight months ago, in violation of Section 84308. (Where the contribution is made prior to the proceeding, the party must disclose the contribution at the time of filing the application.) The project application was included on the City Council meeting agenda. The \$300 contribution was included in a campaign report filed by your campaign committee. Accordingly, at the point the project application appears on the City Council meeting agenda, you have reason to know about the developer's \$300 contribution—even though the applicant did not disclose it in their initial application—and you must either recuse yourself from the proceeding or return the amount exceeding the \$250 contribution limit.

2. How is the \$250 Calculated?

In determining whether you have received a contribution of more than \$250 from a party, participant, or agent, consider the following:

- **Aggregation:** To determine whether you have received a contribution of more than \$250 from a party or participant or their respective agent during a 12-month period, you must aggregate all of the following:
 - All contributions made by the party or by the participant; with
 - All contributions made by the party's agent or the participant's agent during the shorter of: (A) The previous 12-month period; or (B) The period beginning on the date the party or participant first hired the agent as either a paid employee, contractor, or consultant; and
 - All contributions made by an individual, other than an uncompensated officer of a nonprofit organization, or entity required to be aggregated with the party or participant and any agent of the party or participant under Section 82015.5 (see discussion below) of the Political Reform Act.

Exception: Although the above contributions generally must be aggregated for purposes of determining whether you have received a contribution exceeding \$250, you do not have reason to know about a contribution from an individual or entity required to be aggregated with contributions by a party, participant, or agent—and you do not violate Section 84308 as a result of the contribution—if, at the time of the potential violation, both the following criteria are met:

- (1) The party, participant, or agent has not disclosed the contribution on the record of the proceeding; and
- (2) You do not otherwise know facts establishing that the contribution must be aggregated pursuant to Section 82015.5 and Regulation 18438.5.

Section 82015.5

Section 82015.5 provides:

- If an individual directs or controls an entity's contributions, the entity's contributions shall be aggregated with contributions made by both of the following:
 - That individual.
 - Any other entity whose contributions that individual directs or controls.
- If two or more entities make contributions that are directed or controlled by a majority of the same persons, the contributions of those entities shall be aggregated.
- Contributions made by entities that are majority owned by a person shall be aggregated with the contributions of the majority owner and all other entities majority owned by that person, unless those entities act independently in their contribution-making decisions.

In practice, Section 82015.5's aggregation rules will most frequently come into play when you have received a contribution from a party or participant, as well as a contribution from a business owned by the party or participant or from a parent/subsidiary/sister corporation of the party or participant.

Note: In general, a spouse of a party or participant is not also considered a party or participant and, therefore, contributions by a spouse are not aggregated with contributions by the party or participant. The two scenarios in which contributions by a spouse are aggregated with contributions by the party or participant are where:

- (1) The proceeding involves real property or a business interest that is owned jointly by the spouses; or
- (2) The spouse is acting as the agent of their party or participant spouse.

Aggregation Example 1

A proceeding is on the agenda for the next public meeting of the governmental board you are a member of. You check whether the party involved has contributed to any of your controlled committees within the past 12 months and see that the party contributed \$200 six months ago. No other contributions have been disclosed by the party or the party's agent. Accordingly, you take part in the proceeding at the public meeting.

After the meeting, you learn that the party owns a company that also contributed \$200 to your committee six months ago, for an aggregate total contribution of \$400 within the past six months. Because the party and the party's agent did not disclose the contribution by the party's company and you did not know facts establishing that the contribution by the party's company needed to be aggregated with the party's contribution—i.e., you did not know of the connection between the party and the company—your participation in the proceeding **was not a violation** of Section 84308.

Aggregation Example 2

Using the above example, suppose that during the course of the meeting—after you have already begun participating—the party discloses that their company contributed \$200 to your committee six months ago. At that point, you would know facts establishing that the contributions need to be aggregated and would amount to more than \$250 within the past 12 months. Your continued participation in the proceeding would be **a violation** of Section 84308, unless you disclosed on the record of the proceeding the fact that the contributions were disqualifying and confirmed you would return the disqualifying portion of the contribution within 30 days and subsequently did, in fact, return the disqualifying portion of the contribution.

G. CAN I RETURN A CONTRIBUTION?

Under Section 84308, you are permitted to return a contribution that would otherwise disqualify you from an entitlement for use proceeding if you **return the contribution within 30 days** from the time you know, or should have known, about the contribution and the proceeding. You are permitted to make such a return if:

- (1) The contribution was received from a **party** prior to you knowing or having reason to know that a proceeding involving the party had commenced. For purposes of this provision, if you serve on a governing body or board, you are considered to know or have reason to know a proceeding involving the party has commenced if the proceeding has been noticed on the agenda for a public meeting of the board; or
- (2) The contribution was received from a **participant** prior to you knowing or having reason to know that the participant had a financial interest in the proceeding.

If you are serving on a governing body or board and would otherwise be disqualified under Section 84308 from taking part in a proceeding, you may take part in the proceeding prior to returning the contribution if all the following criteria are met:

- (1) The decision is made at a public meeting of the governing body or board;
- (2) You have known or should have known about the contribution and proceeding for fewer than 30 days;
- (3) After learning of the contribution or proceeding and prior to taking part in any further discussion or decision, you disclose the fact of the disqualifying contribution on the record of the proceeding, as required by Section 84308(c), and confirm that the return will occur within 30 days from the time you knew, or should have known, about the contribution and proceeding; and
- (4) The contribution is returned within that timeframe.

Return of Contribution Example

You are a member of the City Council. At a public meeting held on March 11, the City Council will consider a proposed development agreement. The developer donated \$300 to your campaign committee six months ago. You learned about the proceeding when the meeting agenda was published 10 days ago, on March 1. At the beginning of the meeting, you disclose the contribution over \$250 from the developer within the preceding 12 months, but state that you will return the disqualifying portion by March 31—30 days after you first knew, or should have known, about the contribution and proceeding. You may then take part in the proceeding without violating Section 84308 as long as the disqualifying portion is, in fact, returned by March 31.

H. FREQUENTLY ASKED QUESTIONS

1. Is my local government position covered under Section 84308?

Under Section 84308, “officer” means “any elected or appointed officer of an agency, any alternate to an elected or appointed officer of an agency, and any candidate for elective office in an agency.” This includes local government positions. The only officials Section 84308’s requirements do not apply to are officials in the judicial branch, the Legislature, Board of Equalization, and constitutional officers.

2. What if I am an officer in the midst of a proceeding and the individual testifying in support of a project discloses they made a \$300 contribution to my campaign and states they live “in the neighborhood near the project site.” Do I have “reason to know” that the individual has a financial interest in a proceeding so that they qualify as a “participant” for disclosure and recusal purposes?

You must consider your knowledge and the specific facts provided. An officer does not know of a participant’s financial interest in a decision solely as a result of the participant identifying an economic interest located in the general vicinity of a business entity or real property at issue in the proceeding.

If, after considering the specificity of the facts provided, you are not certain, you should either:

(A) In an abundance of caution, recuse yourself from the proceeding until you can determine with certainty that the individual does *not* constitute a participant in the proceeding; or

(B) Not recuse, but follow the steps in the meeting for returning the disqualifying portion of the contribution received from the individual, including disclosing the contribution, pledging to return the disqualifying amount within the relevant timeframe, and then doing so. If the appropriate steps for the return of a contribution are completed, your continued participation in the proceeding does not constitute a violation of Section 84308.

As an officer, you are required to consider all relevant facts known by you at the time of the decision in determining whether the facts revealed by a person have made a financial interest apparent. You should familiarize yourself with the relevant “reasonable foreseeability” and “material financial effect” standards discussed in this document, as well as available on the FPPC website at <https://fppc.ca.gov/learn/conflicts-of-interest-rules.html> and <https://fppc.ca.gov/the-law/fppc-regulations/regulations-index.html> (Regulations 18701 and 18702.1-18702.5). If you are uncertain whether the facts known by you make a person’s financial interest apparent, you may wish to seek advice from agency counsel or the FPPC.

3. Other than being made “orally,” “in writing,” or “on the record,” what form must disclosure take?

Neither Section 84308 nor its related regulations specify the exact form disclosure must take beyond the requirements discussed in the “Disclosure” section above. Given the wide variety of agencies and jurisdictions Section 84308 applies to, disclosure may take different forms. For example, one agency may decide to include all relevant disclosures in writing as part of the meeting agenda, while another agency may choose to have agency counsel make a disclosure on an officer’s behalf and have the disclosure included in the meeting minutes. As long as a record of the disclosure is maintained by the agency and may be accessed by the public, the agency may decide on its preferred process for disclosure.

4. I am a candidate for office but I am not currently an officer of an agency. Am I prohibited from accepting, soliciting, or directing a contribution from a party or participant involved in a proceeding before the agency the candidate is campaigning for office in?

No. A candidate for office who does not hold any other governmental position does not meet the definition of “officer of an agency” and therefore is not prohibited from accepting, soliciting, or directing such contributions from a party, participant, or agent, **but may be prohibited** from taking part in a proceeding involving the party, participant, or agent *once elected* if they have received a contribution of more than \$250 within the preceding 12 months.

5. I am a candidate for a school board position and I am an employee of the County Planning permit department. Am I subject to Section 84308 due to my employment given that a building application does not in any way relate to a school board position?

Yes. You are subject to Section 84308. The office a candidate is running for does not need to relate to the entitlement for use proceeding in order for Section 84308 to apply.

6. Is a “strong mayor” with veto power over city council decisions permitted to exercise that veto power—even when the mayor has received ordinarily disqualifying contributions of more than \$250 from a party, participant, or agent thereof—on the basis of “legally required participation”?

Yes. Because a “strong mayor” is legally required to exercise the powers and fulfill the duties authorized by a city charter and, to the extent the city charter authorizes a mayor to take part in an entitlement for use proceeding, conduct that would ordinarily disqualify a mayor under Section 84308 does not prohibit the mayor from participating. (*Granda* Advice Letter, No. I-23-102.)

However, the legally required participation exception does not excuse other violations of Section 84308 and a **strong mayor** taking part in an entitlement

proceeding pursuant to the exception is still required to refrain from soliciting, directing, or receiving contributions from parties/participants while the proceeding is pending and for 12 months thereafter, and must also make all necessary disclosures.

7. Are personal contributions from members of a governmental board in their individual capacity considered contributions “from the governmental board”? Do the contributions need to be aggregated?

No. Contributions made in the member’s personal capacity, are not considered contributions from the governmental board and are not aggregated with contributions made by other members of the body or board made in their personal capacities.

8. May I accept, solicit, or direct contributions exceeding \$250 from an unpaid, volunteer officer of a non-profit organization, if the organization is a party, participant, or agent in the proceeding?

Yes. Contributions from an uncompensated officer of a non-profit organization are not aggregated with contributions by the non-profit organization, given that the uncompensated officer does not have a financial interest in the proceeding. The non-profit organization is not a “business entity” and it is not a “source of income “ to the volunteer officer.

9. I am an elected local officer. Can I be disqualified from taking part in an entitlement for use proceeding based on contributions the officer received in 2022, within 12 months of the proceeding?

No. Under Regulation 18438, Section 84308’s provisions, as amended by SB 1439 and effective as of January 1, 2023, do not apply to contributions received prior to that date. If Section 84308 did not apply to you before January 1, 2023, contributions you received and proceedings you participated in prior to that date do not implicate Section 84308.

10. Does the \$250 limit apply to each candidate or each committee? For example, can a party donate \$250 to two committees controlled by the same officer?

The \$250 limit applies to **each candidate, not each committee**, such that a party, participant, or agent may not donate more than \$250 across all of an officer’s controlled committees.

11. A business contributed more than \$250 to my campaign a few months ago. Now an employee of the business is coming before my agency in their personal capacity, applying for a building permit to remodel their home. Am I disqualified from the proceeding based on the business’s \$250+ contribution?

Generally, no. In the described circumstances, the employee would be the party in the proceeding, while the business would not be a party or agent of the employee-party. Assuming the business is not structured in such a way that the “employee” is, in

fact, the majority owner of the company or directs or controls the company's contributions, the contributions made by the company would not be aggregated with contributions made by the employee. Therefore, the officer who received a \$250+ contribution from the company would not be disqualified from the proceeding.

12. Are project labor agreements establishing the terms and conditions of employment for workers on certain projects considered exempt “labor contracts” under Section 84308?

Yes. A “labor contract” is defined as “a contract or agreement reached through collective bargaining or with a representative group regarding the salary, benefits, or terms and conditions under an employment or retirement policy for employees or retirees, including a project labor agreement entered into under Public Contract Code Section 2500.”

13. If a union representative provides public comment in support or in opposition of a governmental decision and indicates the decision will have a financial impact on its members, is the union considered a “participant”?

Only if the union organization itself has a financial interest under the standards applicable to a nonprofit organization. To be a “participant,” a person (including a nonprofit organization) must have a financial interest in the proceeding. A nonprofit organization such as a union does not necessarily have a financial interest in a proceeding solely because it would be beneficial to the organization's members.

The relevant standards for determining a reasonably foreseeable, material financial effect on a nonprofit organization, such as a union, are:

- **Change in Receipts:** The decision may result in an increase or decrease of the organization's annual gross receipts, or the value of the organization's assets or liabilities, in an amount equal to or more than: \$1,000,000; or five percent of the organization's annual gross receipts and the increase or decrease is equal to or greater than \$10,000.
- **Change in Expenses:** The decision may cause the organization to incur or avoid additional expenses or to reduce or eliminate expenses in an amount equal to or more than: \$250,000; or one percent of the organization's annual gross receipts and the change in expenses is equal to or greater than \$2,500.
- **Impact on Real Property:** The official knows or has reason to know that the organization has an interest in real property and: the property is a named party in, or the subject of, the decision; or there is clear and convincing evidence the decision would have a substantial effect on the property.

Accordingly, unless it is reasonably foreseeable that a nonprofit organization would experience any of the above financial effects (e.g., the union's receipt of union dues increases by \$1,000,000 as a result of the increased union wages caused by a government contract), the nonprofit organization will not qualify as a “participant” and an

officer is not prohibited from receiving more than \$250 from the organization advocating for or against a particular decision in an entitlement proceeding.



Parties, Participants, Agents, and Section 84308

October 2023

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INTRODUCTION

Section 84308 is a California law aimed at preventing “pay-to-play practices,” in part, by prohibiting parties, participants, and their respective agents in a proceeding involving a license, permit, or other entitlement for use (collectively referenced as a “entitlement for use proceeding” or “proceeding”) from contributing more than \$250 to an officer of the agency the proceeding is before during a 12-month period. The prohibition applies to any 12-month period while the proceeding is pending and for 12 months following the date a final decision is rendered in the proceeding.

Additionally, in an entitlement for use proceeding, a party—but not a participant—is required to disclose any contributions exceeding an aggregate \$250 that the party and their agents have made to an officer of the agency within the preceding 12 months.

When it was first enacted in 1982, Section 84308 applied to appointed members of boards and commissions who were running for elective office. (Stats. 1982, ch. 1049 § 1 (“Levine Act”).) However, effective January 1, 2023, the Legislature expanded the scope of its prohibitions to apply to agencies whose members are directly elected by voters and extend the prohibitions from 3 months to 12 months after the final decision in a proceeding. (Stats. 2022, ch. 848 § 1 (“SB 1439”).)

The following is a step-by-step guide to help you determine:

- What is a “proceeding involving a license, permit, or other entitlement for use”?
- Am I a “party,” “participant,” or “agent”?
- Who qualifies as an “officer of an agency”?
- When is the proceeding “pending”?
- How is the \$250 limit calculated?

Frequently Asked Questions are also addressed.

A. WHAT IS A “PROCEEDING INVOLVING A LICENSE, PERMIT, OR OTHER ENTITLEMENT FOR USE”?

Section 84308 defines the term “license, permit, or other entitlement for use” to mean “all business, professional, trade, and land use licenses and permits and all other entitlements for use, including all entitlements for land use, all contracts (other than competitively bid, labor, or personal employment contracts), and all franchises.”

The term “entitlement for use” is not defined by Section 84308. The overall scheme and purpose of Section 84308 suggests that the types of proceedings which should be covered by Section 84308 are those in which specific, identifiable persons are directly affected or in which there is a direct substantial financial impact upon the participants. The California courts have examined the term “entitlement for use” in other contexts. These decisions provide useful guidance; however, interpretation of the Act is not necessarily limited by interpretation of other laws. Below is a list of proceedings FPPC staff have previously advised are entitlement for use proceedings. (See, e.g., *Velasquez* Advice Letter, No. I-23-065; *Quadri* Advice Letter, No. A-02-096; *Washington* Advice Letter, No. I-91-521.)

Examples of Entitlement for Use Proceedings

- Building and development permits
- Charter school petitions
- Conditional use permits
- Contracts generally, including small purchase order agreements, unless an exception applies
- Public street abandonments
- Private development plans
- Professional license revocations
- Rezoning of specific real estate parcels
- Event Permits
- Rulemaking procedures affecting a particular industry where only a small number of businesses are affected
- Special district formation proceedings involving the creation of a special use or benefit to the persons in the district
- Tentative subdivision and parcel maps
- Zoning variances

Note: Section 84308 does not cover proceedings in which general policy decisions or rules are made or where the interests affected are many and diverse.

B. AM I A “PARTY,” “PARTICIPANT,” OR “AGENT”?

1. Parties

Section 84308 defines “party” as “any person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use.”

In general, if you applied for a permit, license or for a right to use property in a particular way (for example, a short-term vacation rental application) that requires the agency’s discretionary approval, you will qualify as a party in an entitlement for use proceeding.

2. Participants

Section 84308 defines “participant” as any person who is not a party but who **actively supports or opposes a particular decision** in an entitlement for use proceeding and who has a **financial interest** in the decision.

In general, you will qualify as a participant if you have a financial interest in the proceeding and you communicate with an officer or employee of the agency for the purpose of influencing a decision in the proceeding.

Note: You would not qualify as a “participant” based on communications made to the public outside of the proceeding, such as publishing an op-ed in a local newspaper or protesting outside of a government building.

Participant Example 1

You send a letter to the City Council regarding an entitlement for use proceeding. If you have a financial interest in the proceeding, you qualify as a **participant**.

Participant Example 2

You make a public comment regarding an entitlement for use proceeding during a public meeting. If you have a financial interest in the proceeding, you qualify as a **participant**.

Participant Example 3

You write an op-ed article, published in the local paper, in support or opposition of a particular outcome in an entitlement for use proceeding. Even if you have a financial interest in the proceeding, as long as you do not communicate directly with the officer or agency regarding the proceeding, you **do not qualify as a participant**.

Participant Example 4

You protest outside of City Hall before an entitlement for use proceeding is held, yelling and chanting that the City Council should vote “no” on the underlying project. Because the communication is made in a public setting outside of the proceeding itself, you **do not qualify as a participant** based on your protesting.

Financial Interests

Central to many of the above examples is the question of whether you have a “financial interest” in the proceeding such that you may qualify as a “participant.” In general, you are considered to have a “financial interest” for purposes of Section 84308 if it is **reasonably foreseeable the proceeding, or a governmental decision within the proceeding, would have a material financial effect on one or more of your economic interests.** Relevant economic interests include your interests in business entities, real property, sources of income, sources of gifts, and personal finances.

Determining whether you have a financial interest in a proceeding or particular governmental decision can be a complex matter. For this reason, if you have participated or are continuing to take part in an entitlement for use proceeding and you are not sure whether you have a financial interest in the decision, you should contact the FPPC for assistance. **If you have a financial interest in the proceeding, such that you qualify as a “participant” for purposes of Section 84308, you are prohibited from contributing more than \$250 to an officer of the agency while the proceeding is pending and for 12 months thereafter.** More information on financial interests and when a financial interest is “material” can be found in our “Officers and Section 84308” Guide.

3. Agents

A person is your “agent” (as a party or participant) in an entitlement for use proceeding if the person:

- Represents you for compensation; and
- Appears before or otherwise communicates with the governmental agency for the purpose of influencing the pending proceeding.

Note: An individual will qualify as an agent only if the individual’s communication with an agency is *for the purpose of influencing the pending proceeding*. An individual whose communications with an agency are *not* made for the purpose of influencing the proceeding is not considered an agent, even if the individual receives compensation from a party or participant.

Agent Example 1

Ainsley Atkinson, an attorney, is paid to represent you in obtaining a real estate development agreement and drafts a letter in support of the project on your behalf. Atkinson sends the letter to the County Planning Commission ahead of the Commission's consideration on whether to approve a building permit. Because Atkinson is paid to represent you and has communicated with the agency for the purpose of influencing the proceeding, Atkinson **is your agent**.

Agent Example 2

Continuing the above example, suppose Atkinson's letter in support of the project is sent to the County Planning Commission by the attorney's assistant, rather than Atkinson herself. Although the letter is intended to influence the proceeding, the assistant's purpose in sending the letter is not; rather, the assistant's purpose in sending the letter is administrative/secretarial. Likewise, the assistant is not paid to represent you; the assistant is paid to assist Atkinson. For these reasons, the assistant **is not your agent**.

Agent Example 3

Continuing the above examples, suppose a public meeting is held where the Planning Commission considers the project application. At the meeting, the project architect you hired, Priyanka Archer, attends in order to provide purely technical data or analysis in response to any questions the Planning Commission has. As long as the information is not provided for the purpose of influencing the proceeding, Archer **is not your agent**.

C. WHO QUALIFIES AS AN “OFFICER OF AN AGENCY”?

Section 84308 defines “officer” as “any elected or appointed officer of an agency, any alternate to an elected or appointed officer of an agency, and any candidate for elected office in an agency.” In general, the term “officer of an agency” encompasses any individual who:

- (1) Is appointed, elected, or is an employee of the agency who is also running for office; and
- (2) May make, participate in making, or attempt to use their official position to influence a decision in the entitlement for use proceeding, or exercises authority or budgetary control over the agency of officers who may do so.

As a party, participant, or agent thereof, you are prohibited from contributing more than \$250 in the aggregate to an **officer of an agency** during a 12 month period while the proceeding is pending and for 12 months after the final decision in the proceeding.

Officer Example 1

You have submitted a building permit application to the City Planning Commission. Because the City Council exercises authority or budgetary control over the Planning Commission, you are not only prohibited from contributing more than \$250 to a member of the Planning Commission who is running for elective office while the proceeding is pending and for 12 months thereafter, but that prohibition also applies to contributions made to members of the City Council as “officers of the agency,” as well as certain City officials who are also running for elective office and have decision-making authority with respect to the proceeding.

Officer Example 2

You are negotiating with City representatives regarding the City’s potential purchase of a parcel of land you own. While the proceeding is pending, you contribute \$500 to a candidate for City Council. Although the candidate meets the definition of “officer,” they do not meet the more specific definition of “**officer of an agency**,” to whom you are prohibited to contribute more than \$250 while an entitlement for use proceeding is pending. Accordingly, your contribution of \$500 does not violate Section 84308. However, if the candidate won their election and your \$500 contribution occurred within the preceding 12 months, the new City Councilmember would be prohibited from taking part in the proceeding if it was still pending before the City Council.

D. WHEN IS AN ENTITLEMENT PROCEEDING “PENDING”?

For a party or party’s agent, or a participant or participant’s agent, an entitlement for use proceeding is “pending” when it is before the jurisdiction of the agency for its decision or other action.

In other words, for a party and party’s agent, an entitlement for use proceeding is considered pending **the moment the proceeding is initiated**, most often triggered by the party’s filing of an application with the agency.

Note: As described above, in order to be considered a “participant,” an individual has to have a financial interest in the entitlement for use proceeding and have communicated with an officer or employee of the agency for the purpose of influencing the proceeding. Accordingly, although an entitlement for use proceeding may have already been initiated by, say, a party’s filing of an application, **an individual other than a party or the party’s agent is not prohibited from contributing more than \$250 in the aggregate until after they qualify as a participant or participant’s agent.**

Pending Proceeding Example 1

You file an application with the City Parks Department to host a large, ticketed event at a City park. The application will initially be considered and decided by the Parks Department, but a denial by the Parks Department may be appealed to the City Council. For you, the project is pending with respect to the City Parks Department, and with respect to the City Council.

Pending Proceeding Example 2

Continuing the above example, suppose the Parks Department denies your application, but you decide not to appeal the decision to the City Council. Although you have privately decided not to appeal the decision, no “final decision” has been reached during the period in which the Parks Department’s decision may still be appealed. Accordingly, the proceeding is still considered pending with respect to the City Council for purposes of Section 84308.

E. HOW IS THE \$250 LIMIT CALCULATED?

Section 84308's prohibition on contributions exceeding \$250 over a 12 month period refers to the *aggregate* value of contributions made over that time period. For example, you are not permitted to contribute a total of \$1,000 to an officer in a 12 month period simply by making four \$250 contributions.

Knowing the aggregate value of contributions you have made to an officer of an agency over a 12-month period is important for purposes of: (1) avoiding a violation of Section 84308 by contributing more than \$250 during a 12-month period; and (2) if you are a party, ensuring contributions over \$250 made in the preceding 12 months are properly disclosed.

To determine whether you have contributed more than \$250 as a party or participant during a 12-month period, you must aggregate the following:

- (1) All contributions you have made;
- (2) All contributions made by your agent during the shorter of: (A) the previous 12-month period; or (B) the period beginning on the date you first hired the agent as either a paid employee, contractor, or consultant.
- (3) All contributions made by an individual, other than an uncompensated officer of a non-profit organization, required to be aggregated with contributions made by you and your agent under Section 82015.5 of the Political Reform Act.

Section 82015.5

Section 82015.5 provides:

- If you direct or control an entity's contributions, the entity's contributions shall be aggregated with contributions made by you; and any other entity whose contributions that individual directs or controls.
- If two or more entities make contributions that are directed or controlled by a majority of the same persons, the contributions of those entities shall be aggregated.
- Contributions made by entities that are majority owned by you shall be aggregated with your contributions, as well as the contributions of all other entities majority owned by you, unless those entities act independently in their contribution-making decisions.

In practice, Section 82015.5's aggregation rules will most frequently come into play when you make a contribution in your personal capacity, and make another contribution through a business that you direct or control.

Aggregation Example

You contributed \$100 to a Planning Commissioner's campaign committee on January 1, the day before you submitted a building permit application to the planning commission. On February 1, you contributed another \$50 to the campaign committee, but did so through your business. On March 1, you hired an attorney to represent you and, that same day, your attorney submitted a letter in support of your application to the Planning Commission. Your attorney had previously contributed \$100 to the Planning Commissioner's campaign committee on February 1, before she became your agent. On April 1, your attorney contributes another \$50 to the Planning Commissioner's campaign committee. For purposes of aggregation, the relevant contributions are:

- January 1: Your personal \$100 contribution
- February 1: Your business's \$50 contribution
- April 1: Your agent's \$50 contribution

In total, your aggregate contribution to the Planning Commissioner is \$200 and does not need to be disclosed. Although your agent also donated another \$100 to the Commissioner's campaign committee on February 1, that contribution was made before she became your agent and, consequently, is not aggregated with your contributions. Accordingly, you (and those whose contributions are aggregated with yours, including your agent) may contribute an additional \$50 within a 12-month period, but any more than that during the 12-month period would violate Section 84308 and must be disclosed.

F. WHAT ARE MY RESPONSIBILITIES IF I HAVE MADE GREATER THAN \$250 IN CONTRIBUTIONS WITHIN THE PAST 12 MONTHS?

1. Prohibition on Further Contributions During a 12-Month Period

Section 84308 prohibits parties, participants, *and their agents* from "mak[ing] a contribution of more than two hundred fifty dollars (\$250) to any officer of [the agency the entitlement for use proceeding is before] during the proceeding and for 12 months following the date a final decision is rendered by the agency in the proceeding."

Each contribution beyond the \$250 limit may constitute a separate violation of this provision. Accordingly, if you have already violated Section 84308 by contributing more than \$250 to an officer during a 12-month period while a proceeding is pending and for 12 months thereafter, you should be aware that additional contributions in violation of Section 84308 may carry additional penalties.

2. Disclosure

If you are a party to an entitlement for use proceeding and your aggregate contribution to an officer of the agency over the past 12 months is greater than \$250, you are required to disclose the contribution as follows:

- **Timing:**
 - **Contributions Made Before Pending Proceeding:** If you made the contribution before the proceeding is pending, you must make the disclosure on the date you file your application or otherwise initiate the proceeding (**Note:** you do not violate Section 84308 by making a contribution greater than \$250 during the 12 months preceding an entitlement for use proceeding, but such contributions must still be disclosed);
 - **Contributions Made During Pending Proceeding:** If you made a contribution exceeding \$250 while the proceeding is pending (in violation of Section 84308), you are required to disclose that contribution within 30 days of making the contribution, or the date on which you make your first appearance before or communication with the agency regarding the proceeding following the contribution, whichever is earliest.
 - **Agents:** If an agent of yours makes an appearance before or communicates with the agency subsequent to your previous disclosure, you or the agent must disclose the agent's identity on the date of the agent's first appearance or communication with the agency following your disclosure.
- **Contents:** The disclosure must include:
 - The amount contributed by you, your agent, and those required to be aggregated with your contributions under Section 82015.5 within the preceding 12 months; and
 - The name(s) of the contributor(s).
- **Form:** Neither Section 84308 nor its related regulations specify the exact form disclosure must take beyond the requirements discussed in the "Disclosure" section above. Given the wide variety of agencies and jurisdictions Section 84308 applies to, disclosure may take different forms. Your disclosure must be made "on the record of the proceeding," and, if applicable, conform to the format specified by the agency. This may include, for example, noting the contribution on your application or submitting a separate form to accompany your application.

Note: While a party to a proceeding is required to follow the disclosure procedure described above, a **participant in a proceeding does not have any disclosure requirements**. However, a participant is still prohibited from contributing more than \$250 while the proceeding is pending and for 12 months thereafter.

G. FREQUENTLY ASKED QUESTIONS

1. What are the potential consequences for violating Section 84308?

As with most provisions of the Political Reform Act, a violation of Section 84308 may result in a civil action brought by the FPPC for an amount up to five thousand dollars (\$5,000) *per violation*.

The Political Reform Act also provides that, as a criminal matter, any person who knowingly or willingly violates any provision of the Act is guilty of a misdemeanor and subject to a fine of up to the greater of ten thousand dollars (\$10,000) or three times the amount the person unlawfully contributed upon conviction *for each violation*.

2. What is the best way to know if I have a financial interest in an entitlement for use proceeding?

If you are a **party** in an entitlement for use proceeding, Section 84308's requirements and prohibitions automatically apply to you. The relevance of a "financial interest" in an entitlement for use proceeding is only relevant to determining whether an individual qualifies as a "participant" for purposes of Section 84308.

If you have participated, or would like to participate in an entitlement for use proceeding but are unsure of whether you may qualify as a "participant," under Section 84308, you should contact the FPPC with any questions. As a general rule, however, you have a financial interest in an entitlement for use proceeding if it is **reasonably foreseeable** the proceeding, or a governmental decision that is a part of the proceeding, would have a **material financial effect** on an economic interest of yours, such as a business interest, a real property interest, or a source of income. You may also find it helpful to review our guide on **Officers and Section 84308**, available on our website (<https://www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html>), as it contains a more detailed discussion regarding the determination of financial interests for Section 84308 purposes. Additional information on conflicts of interest may be found at <https://www.fppc.ca.gov/learn/conflicts-of-interest-rules.html>.

3. If I am a party or qualify as a participant in an entitlement for use proceeding, does the \$250 limit include contributions made by my spouse?

In general, spouses' contributions are not aggregated for purposes of disqualification under Section 84308, except in the following two scenarios:

- (1) Where the proceeding involves property or a business that is owned jointly by the spouses; or
- (2) Where the spouse is acting as the agent of the party or participant spouse.

4. If my employer is a party in an entitlement for use proceeding, am I prohibited from contributing more than \$250 to an officer of the agency? Are my contributions aggregated with my employer's contributions?

In most cases, the fact that your employer is a party in a proceeding will not impact your ability to contribute more than \$250 to an officer of the agency the proceeding is pending before. The mere fact that you are an employee of a company does not mean you also qualify as a party, participant, or agent; rather, additional circumstances would have to apply.

- **Parties:** In order to be treated as a party based on the fact that your employer is a party—and therefore have your contributions aggregated with your employer's—you would have to be more than merely a “rank-and-file” employee. Rather, you would have to be an individual who directs or controls your employer's campaign contributions or be the majority owner of the company.
- **Agents:** To be considered an agent based on your employer's status as a party, as discussed above, you would have to: (1) represent your employer for compensation; and (2) appear before or otherwise communicate with the governmental agency for the purpose of influencing the pending proceeding.

Example: if you felt strongly about the proceeding and decided to submit a public comment in support of your employer's application in a proceeding—but did so in your personal capacity rather than as an employee as a part of your job—you would not qualify as an “agent” on the basis of your employment and communication with the agency, but you may still qualify as a participant.

- **Participants:** If you communicate with an officer or agency for the purpose of influencing a proceeding, but do not do so as an agent, you may qualify as a participant. As discussed above, you will generally qualify as a participant in situations where: (1) you communicate with the agency or an officer of the agency for purposes of influencing the proceeding; and (2) you have a financial interest in the proceeding—that is, where the proceeding would have a reasonably foreseeable, material financial effect on your source of income.

In the ordinary context where your employer is a business entity or non-profit organization, a proceeding will be considered to have a reasonably foreseeable, material financial effect on the entity or organization if the entity/organization is a party in the proceeding.

5. Does Section 84308 apply the same way to non-profit organizations as it does to businesses?

In general, Section 84308 applies the same to non-profit organizations as it does to businesses and any other entity or individual. A non-profit organization may be subject to the \$250 limit if the organization qualifies as a party, participant, or agent of a

party or participant. Similarly, as discussed in Question 4 above, officers and employees of a non-profit organization are not subject to Section 84308 unless the officers or employees themselves qualify as parties, participants, or agents.

The one distinction between Section 84308's treatment of non-profit organizations compared to other entities is that the contributions of a non-profit officer whose contributions would ordinarily be aggregated with contributions by the non-profit pursuant to Section 82015.5 (see discussion above) are *not* aggregated if the non-profit officer is uncompensated.

6. What if the entitlement for use proceeding lasts longer than one year? Am I prohibited from contributing more than \$250 even if the proceeding extends to, say, two or three years?

Section 84308's \$250 contribution limit applies to any 12-month period before, during, and immediately after an entitlement for use proceeding. In the event that a proceeding extends longer than 12 months, a party, participant, or agent would not violate Section 84308 by making an additional contribution, as long as the total contribution within the preceding 12 months was \$250 or less.

For example, if on January 1, 2023, a party filed an application for an entitlement that would eventually be considered by the city council and, that same day, the party contributed \$250 to each city councilmember, then on January 1, 2024, the party would be permitted to contribute an additional \$250 to each city councilmember and would not be required to disclose those contributions.

Re-framing the above example, suppose the party contributed only \$150 to each councilmember on January 1, 2023, then contributed an additional \$100 to each councilmember on July 1, 2023. On January 1, 2024, the party would be permitted to contribute an additional \$150, not \$250 as in the above example. This is because the \$100 contribution from July 1, 2023 occurred within the preceding 12 months. If the party contributed \$150 on January 1, 2023, and \$100 on July 1, 2023, the party would be permitted to contribute another \$250 on July 1, 2024, because at that point the party would not have made any contribution within the preceding 12 months.

7. What if it has been less than 12 months since I made a contribution in 2022? Do contributions made in 2022 count toward the \$250 limit?

Under Regulation 18438, Section 84308's provisions, as amended by SB 1439 and effective as of January 1, 2023, do not apply to contributions received prior to that date. Accordingly, if you made a contribution to an elected official in 2022, that contribution does not implicate Section 84308's prohibitions and requirements (e.g., a party is not required to disclose a \$250+ contribution that occurred in 2022).

8. May I contribute \$250 to one committee controlled by a candidate and also contribute \$250 to another committee controlled by the same candidate?

The \$250 limit applies to each candidate, not each committee, such that a party, participant, or agent may not donate more than \$250 across all of an officer's controlled committees.

9. Are project labor agreements establishing the terms and conditions of employment for workers on certain projects considered exempt "labor contracts" under Section 84308?

Yes. A "labor contract" is defined as "a contract or agreement reached through collective bargaining or with a representative group regarding the salary, benefits, or terms and conditions under an employment or retirement policy for employees or retirees, including a project labor agreement entered into under Public Contract Code Section 2500."

10. If a union representative provides public comment in support or in opposition of a governmental decision and indicates the decision will have a financial impact on its members, is the union considered a "participant"?

To be a "participant," a person or entity (including a non-profit organization) must have a financial interest in the proceeding. A non-profit organization such as a union does not necessarily have a financial interest in a proceeding solely because it would be beneficial to the organization's members. Rather, the proceeding would need to have a reasonably foreseeable, material financial effect on the organization itself. The relevant standards for determining a reasonably foreseeable, material financial effect on a non-profit organization are:

- **Change in Receipts:** The decision may result in an increase or decrease of the organization's annual gross receipts, or the value of the organization's assets or liabilities, in an amount equal to or more than: \$1,000,000; or five percent of the organization's annual gross receipts and the increase or decrease is equal to or greater than \$10,000.
- **Change in Expenses:** The decision may cause the organization to incur or avoid additional expenses or to reduce or eliminate expenses in an amount equal to or more than: \$250,000; or one percent of the organization's annual gross receipts and the change in expenses is equal to or greater than \$2,500.
- **Impact on Real Property:** The official knows or has reason to know that the organization has an interest in real property and: the property is a named party in, or the subject of, the decision; or there is clear and convincing evidence the decision would have a substantial effect on the property.

Accordingly, unless it is reasonably foreseeable that a non-profit organization would experience any of the above financial effects (e.g., the union's receipt of union dues increases by \$1,000,000 as a result of the increased union wages caused by a

government contract), the non-profit organization will not qualify as a “participant” and an officer is not prohibited from receiving more than \$250 from the organization advocating for or against a particular decision in an entitlement proceeding.

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: February 27, 2024

SUBJECT: AUTHORIZATION FOR MAYOR AND COUNCIL MEMBERS TO ATTEND UPCOMING MEETINGS AND EVENTS

REPORT IN BRIEF:

Pursuant to the City of Stanton Travel and Reimbursement policy, the Mayor and/or a Council Member must receive City Council approval prior to a trip if the trip will exceed \$500. Council will consider the following requests for travel:

- Mayor David J. Shawver
 - Event: League of California Cities 2024 City Leader Summit
 - Location: Sacramento, CA
 - Dates: April 17 – 19, 2024
- Mayor David J. Shawver
 - Event: Southern California Association of Governments (SCAG) 59th Annual Regional Conference and General Assembly
 - Location: Palm Desert, CA
 - Dates: May 2 – 3, 2024
- Council Member Donald Torres
 - Event: League of California Cities 2024 City Leader Summit
 - Location: Sacramento, CA
 - Dates: April 17 – 19, 2024

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Authorize the Mayor and/or Council Member attendance at the proposed meetings and events as desired and authorize staff to make a budget adjustment as needed to cover registration and travel costs.

ANALYSIS/JUSTIFICATION:

The League of California Cities (Cal Cities’) 2024 City Leader Summit is scheduled for April 17 - 19, 2024 in Sacramento. The City Leaders Summit is a unique advocacy and education event. During the event, city leaders will spend a full day meeting with legislators to discuss the most pertinent issues affecting their cities and attend two days of in-depth educational sessions to explore local solutions to statewide problems.

The Southern California Association of Government’s (SCAG) 59th Annual Regional Conference and General Assembly is scheduled for May 2 – 3, 2024 in Palm Desert, California. The conference program will feature the many geographic, demographic and economic advantages and challenges for 2024 and beyond within Southern California, requiring proactive collaboration across local boundaries. Following final adoption of the *Connect SoCal 2024* Regional Transportation Plan/Sustainable Communities Strategy, the conference program will feature local and regional leaders who will meet to share and learn from each other on the future of mobility, housing and communities, the environment and the economy.

FISCAL IMPACT:

The per person cost to attend the League of California Cities 2024 City Leader Summit is as follows:

- Registration: \$650
 - Hotel (3 nights): \$800 (not including applicable taxes and fees)
 - Parking (3 nights): \$75
 - Flight (as of 02/13/2024): \$200
 - Per diem (3 days): \$270
 - Transportation:
 - Uber/Lyft \$100
 - Car rental \$400
- TOTAL: \$2,095 – \$2,395 (dependent upon transportation)
TOTAL X 2: \$4,190 – \$4,790 (dependent upon transportation)

The per person cost to attend the Southern California Association of Governments (SCAG) 59th Annual Regional Conference and General Assembly is as follows:

- Registration: Free for elected officials in the SCAG region
 - Hotel (1 night): Covered by SCAG
 - Hotel (1 night): \$250 (not including applicable taxes and fees)
 - Parking (3 days): \$150
 - Per diem (3 days): \$150 - \$250
 - Mileage: \$200
- TOTAL: \$750 – \$850 (dependent upon per diem)

The Fiscal Year 2023-24 Adopted Operating Budget includes \$15,000 in Account No. 101-1100-607110 for City Council Travel/Conference/Meetings. To-date the current amount available is \$10,950. Utilizing the highest estimates, the fiscal impact of approving these requests is approximately \$5,640.

ENVIRONMENTAL IMPACT:

This item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment).

PUBLIC NOTIFICATION:

Through the normal agenda process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Obj. No. 6: Maintain and promote a responsive, high quality and transparent government.

Prepared by: Patricia A. Vazquez, City Clerk

Fiscal Impact Reviewed by: Michelle Bannigan, Finance Director

Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

- A. League of California Cities 2024 City Leader Summit Announcement
- B. Southern California Association of Governments (SCAG) 59th Annual Regional Conference and General Assembly Announcement



City Leaders Summit

April 17-19, 2024

SAFE Credit Union Convention Center
1400 J Street, Sacramento, CA

The City Leaders Summit offers opportunities for city leaders from across the state to influence policy decisions in the Capitol and gain top-notch leadership skills. City officials can meet with legislators to advocate for cities' top priorities and participate in peer-to-peer discussions and in-depth sessions covering topics ranging from leadership to emerging issues facing cities. We hope you join us April 17-19 at the SAFE Credit Union Convention Center for our 2024 City Leaders Summit!

2024 Summit Information

Registration

Capacity is limited, and registration is subject to sell out prior to the registration deadline. Register early!

Full Registration Includes:

- admission to all educational sessions
- admission to the Wednesday evening reception, Thursday breakfast and lunch, and Friday breakfast
- access to all program materials

Attendees can register through their MyCalCities account. If you have not used your MyCalCities account already, please review [details about the portal](#) and contact us for questions.

[Register online](#) through your MyCalCities account by **Wednesday, March 27**.

If you are registering someone other than yourself, first sign in as yourself and then choose the option to register someone else.

Note: Registrations through MyCalCities are available for credit card payments only. If you need to be invoiced and pay with a check, create your account and then reach out to conference registrar, [Megan Dunn](#), to request an invoice. Full payment is due at the time of registration.

To request an accommodation or for inquiries about accessibility, please contact conference registrar, [Megan Dunn](#). Every effort will be made to honor requests submitted.

View Cal Cities' [event and meeting policies](#) in advance of the seminar.

Full Conference Registration Fees

Member-City Officials and City Staff	\$650
Non-Member City Officials and City Staff	\$1,650
All Others	\$850

One-Day Registration Fees

Wednesday-only registration for member city officials and city staff	\$160
Thursday and Friday-only registration for member city officials and city staff	\$485
Wednesday-only non-member city registration	\$1,160
Thursday and Friday-only non-member city registration	\$1,485
Wednesday-only registration for all others	\$340
Thursday and Friday-only registration for all others	\$540
Guest Pass to Wednesday Reception	\$50

**The guest/spouse fee is restricted to persons who are not city or public officials, are not related to any Cal Cities Partner or sponsor, and would have no professional reason to attend the conference. It includes admission to Wednesday's networking reception only. There is no refund for the cancellation of a guest/spouse registration. It is not advisable to use city funds to register a guest/spouse.*

Refund Policy

Advance registrants unable to attend will receive a refund of rate paid, minus a \$75 processing charge, only when a written request is submitted to [Megan Dunn](#), and received on or before March 27. Refunds will not be available after this date. If you are unable to attend, you may substitute a colleague for your entire registration.

Hotel and Travel

A limited number of hotel rooms are available at a reduced rate for conference attendees. The discounted hotel rate cut-off is **March 26, 2024**. Hotels are subject to sell out prior to the deadline – reserve early!

STEP ONE: [Register for the Conference](#)

STEP TWO: Book a hotel room

Once registration is complete, you will receive a confirmation e-mail directing you to the group housing reservations page.

Hyatt Regency Sacramento
1209 L Street
Sacramento, CA 95814
(916) 443-1234

Group Hotel Rate (per night): \$229 – Single/Double Occupancy (plus tax and fees)

Residence Inn Capitol Park
1121 15th Street
Sacramento, CA 95814
916-443-0600

Group Hotel Rate (per night): \$230 – Single/Double Occupancy (plus tax and fees)

Hotel Changes or Cancellations

Hotel reservation changes, date modifications, early check-out, or cancellations must be made directly through the hotel. Please note that after March 26, 2024 has passed, you may incur a financial penalty and minimum one-night room charge or attrition fees.

PLEASE NOTE: *The information you provide to Cal Cities when registering for a Cal Cities conference or meeting may be shared with the conference or meeting hotel(s). The hotel(s) will also share with Cal Cities the information you provide to the hotel(s) when you make your hotel reservation for the conference or meeting. The information shared between Cal Cities and the hotel(s) will be limited to your first name, last name, email, and dates/length of stay in the hotel.*

CAUTION! *You must be registered for the conference prior to booking a hotel room. Do not make a hotel reservation unless you are sure it is needed. Your city/company will be financially responsible for all cancellation/attrition fees. If you are making hotel reservations for others, please confirm with each individual, in advance, that they actually need hotel accommodations and intend to use them on the dates you are reserving.*

Parking and Transportation

Please visit the [SAFE Credit Union Convention Center's website](#) for information regarding nearby parking garages.

Hyatt Regency Sacramento

Self-Parking: \$25.00 for overnight parking or \$30.00 for day use.

Valet Parking (per day): \$37.00 for overnight parking or \$40.00 for day use.

Residence Inn

Self-Parking: \$25.00 for overnight parking

Nearby airport:

Sacramento International Airport (SMF): 11 miles

Schedule at a Glance

***Schedule subject to change**

Wednesday, April 17

Registration Open

8:30 a.m.–5:30 p.m.

Opening General Session

10 a.m.-noon

Day one of the conference focuses on legislative advocacy. Join Cal Cities leadership and lobbyists for an update on high priority legislation that you will want to advocate on when you meet with legislative officers later in the day.

Lunch on Your Own/Meetings with Legislators

Noon–2:00 p.m.

Educational Session

2:00–3:30 p.m.

Educational Session

3:45-5:00 p.m.

Reception

5:00-7:00 p.m.

Thursday, April 18

Registration Open

7:00 a.m.–4:00 p.m.

Networking Breakfast

7:00-8:15 a.m.

General Session

8:30-10:00 a.m.

Concurrent Educational Sessions

10:15-11:30 a.m.

Networking Lunch
11:30 a.m.-12:30 p.m.

Concurrent Educational Sessions
12:45-2:00 p.m.

Concurrent Educational Sessions
2:15-3:30 p.m.

Concurrent Educational Sessions
3:45-5:00 p.m.

Friday, April 19

Registration Open
7:30-11:00 a.m.

Networking Breakfast
7:45-8:45 a.m.

Concurrent Educational Sessions
9:00-10:15 a.m.

Closing General Session
10:30 a.m.-noon

Adjourn
Noon



2024 REGIONAL CONFERENCE & GENERAL ASSEMBLY

MAY 2-3, 2024

JW MARRIOTT DESERT SPRINGS RESORT & SPA

SCAG will host the 59th Annual Regional Conference and General Assembly on May 2-3 at the JW Marriott Desert Springs Resort & Spa in Palm Desert.

Southern California has many geographic, demographic and economic advantages, but the challenges of 2024 and beyond will require proactive collaboration across local boundaries. Following final adoption of the [Connect SoCal 2024](#) Regional Transportation Plan/Sustainable Communities Strategy, the 2024 Regional Conference and General Assembly brings together local and regional leaders to share and learn from each other on the future of mobility, housing and communities, the environment and the economy.

Register online to join leaders in business, planning and public policy working to accelerate the region at the 59th annual Regional Conference and General Assembly.

Event Information:

TICKETS

Registration	Early Bird	Online	Onsite
General Admission	\$400	\$550	\$700
SCAG Region Elected Official	Free	Free	Free
SCAG Region City Manager	Free	Free	Free
SCAG Region Student	\$150	\$150	\$150
Deadline	March 29	April 26	May 3

REFUND POLICY

If an attendee for the 2024 Regional Conference & General Assembly cancels on or before April 12, the attendee will receive a full refund of registration fees.

If an attendee for the 2024 Regional Conference & General Assembly cancels after April 12, the attendee will not receive a refund of registration fees unless due to an emergency.

If an attendee for the 2024 Regional Conference & General Assembly cancels after the start of the conference on May 2, no refund of registration fees will be issued.

Requests for refunds after the refund deadline must include an explanation for the reason and be submitted in writing. Upon receipt of a request to refund registration fees, SCAG will evaluate each circumstance and determine whether the request is granted. Please allow up to five (5) business days to process your refund request.

HOTELS

The conference room rate is \$205 per night. The cutoff date to book a hotel room at the discounted rate is Monday, April 15. SCAG cannot guarantee any rooms past this date. You will receive a separate confirmation email for your hotel reservation.

LOCATION & PARKING

JW Marriott Desert Springs Resort & Spa
74-855 Country Club Drive, Palm Desert, CA 92260

The event venue has ample parking. For overnight guests, self-parking is included in the resort fee. For all other attendees, mention SCAG to self-park for \$15 per day. Valet parking is \$40 for overnight.

AGENDA

MAY 1 | WEDNESDAY

3 p.m. EXECUTIVE/ADMINISTRATIVE COMMITTEE MEETING

6 p.m. PRESIDENT'S RECEPTION (Invitation Only)

MAY 2 | THURSDAY

8 a.m. REGISTRATION, NETWORKING & CONTINENTAL BREAKFAST

9 a.m. REGIONAL COUNCIL MEETING

10 a.m. WELCOME & OPENING REMARKS

11 a.m. GENERAL ASSEMBLY MEETING

12:15 p.m. SUSTAINABILITY AWARDS LUNCHEON

2:15 p.m. BREAKOUT SESSIONS I

2:15 p.m. STUDENT SHOWCASE

3:15 p.m. BREAK & NETWORKING

3:45 p.m. BREAKOUT SESSIONS II

3:45 p.m. STUDENT SHOWCASE

5:30 p.m. EVENING RECEPTION

MAY 3 | FRIDAY

8 a.m. REGISTRATION

8:30 a.m. BREAKFAST

9 a.m. WELCOME

9:10 a.m. STUDENT SHOWCASE AWARDS

9:30 a.m. KEYNOTE ADDRESS

10 a.m. PLENARY PANEL SESSION

11:15 a.m. CONFERENCE WRAP-UP

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: February 27, 2024

SUBJECT: APPROVE THE BUDGET ADJUSTMENTS PROPOSED FOR THE MID-YEAR BUDGET UPDATE FOR FISCAL YEAR 2023/24

REPORT IN BRIEF:

During the course of the fiscal year, it is often necessary to adjust estimated revenues and expenditure appropriations in various program areas, projects, and funds. Revenue for all City funds is increasing by \$4.2 million and expenditures for all City funds is increasing by \$4.6 million. Nearly half of the revenue increase, \$1.7 million, is to adjust investment income due to increased interest earned from the City's investment portfolio. In Fiscal Year 2022/23, the City earned over \$1.7 million in interest income. This trend has continued through the first half of the current fiscal year. All of the proposed changes to the Fiscal Year 2023/24 Adopted Operating Budget, including detailed explanations, are presented in Attachment A.

General Fund revenue is increasing by \$2.1 million, and expenditures are decreasing by \$748,425 resulting in a net increase in fund balance of \$2.9 million, which will increase the General Fund's available fund balance to a revised projected amount of \$35.8 million by June 30, 2024.

Housing Authority revenue is increasing by \$280,000, primarily due to interest income as previously discussed. Housing Authority expenditures are increasing by \$4.3 million, primarily for relocation services for residents of the Tina Pacific affordable housing project.

RECOMMENDED ACTIONS:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. City Council approve the budget adjustments summarized in Attachment A.

BACKGROUND:

Attachment B illustrates the impact of the proposed adjustments to each fund’s revenue account. Attachment C illustrates the impact of the proposed adjustments to each fund’s expenditure account. Attachment D summarizes the impact of the proposed adjustments to the City’s Capital Improvement Program (CIP) for the current fiscal year. Finally, Attachment E illustrates the impact of the proposed adjustments on each fund’s fund balance and includes a revised projected ending fund balance for June 30, 2024.

ANALYSIS:

General Fund Revenues (Attachment B, pages 1-6)

The City’s General Fund is reported in two funds, #101 (for the main General Fund activity) and #102 (for the Transaction & Use Tax Fund, i.e., Measure GG, activity). A summary of General Fund revenues is as follows:

Description	Amended Budget	Proposed Adjustments	Elimination*	Revised Budget	% of Total
Property Taxes	\$ 9,163,100	\$ 249,450		\$ 9,412,550	28.6%
Sales Taxes	5,471,900	(95,170)		5,376,730	16.3%
Franchise Fees	1,157,000	184,470		1,341,470	4.1%
UUT	2,176,400	343,325		2,519,725	7.7%
Other Taxes	1,451,600	(48,600)		1,403,000	4.3%
Intergovernmental	520,990	(54,740)		466,250	1.4%
Charges for Services	144,720	-		144,720	0.4%
Fees and Permits	2,791,875	521,290		3,313,165	10.1%
Fines and Forfeitures	442,700	32,755		475,455	1.4%
Use of Money & Property	420,085	467,400		887,485	2.7%
Other Revenue	197,846	567,033		764,879	2.3%
Transfers In	882,000	4,000	(200,000)	686,000	2.1%
Sub-total	24,820,216	2,171,213	(200,000)	26,791,429	
Transaction and Use Tax	6,154,000	(24,530)		6,129,470	18.6%
Total General Fund Revenues	\$ 30,974,216	\$ 2,146,683	\$ (200,000)	\$ 32,920,899	100.0%

* - Transfer from Transaction & Use Tax Fund to General Fund for Rodeo 39 loan repayment.

Property Taxes (29% of General Fund revenues) – Property taxes are the second largest funding source for General Fund operations. The County collects property taxes in April and December. The County’s website posts the amount of secured and unsecured property taxes that will be levied for Fiscal Year 2023/24, which is based on the assessed valuation of properties as of January 1, 2022. The City’s Fiscal Year 2023/24 adopted budget estimated a 4% increase in assessed valuation, however, the City’s assessed valuation increased 7% in Fiscal Year 2023/24. Total Fiscal Year 2023/24 estimated property tax revenue is increasing by \$249,450, primarily due to adjusting redevelopment-related pass through property tax revenue and property tax received in lieu of vehicle license fees based on the actual January 2024 payments received. (The City collects 50% of the total annual revenue in January.)

Sales Tax and Transaction & Use Tax (35% of total General Fund revenues) – The largest funding source for the General Fund are sales tax and transaction and use tax revenues. When the Fiscal Year 2023/24 Budget was adopted, the City’s consultant, HdL, Inc. estimated sales tax and transaction and use tax would be consistent (no change) from the Fiscal Year 2022/23 amended budget. As of September 30, 2023 (the most recent sales tax information available), retail sales in Stanton were 5% lower during the quarter ended September 30, 2023, compared to the same quarter the previous year. In comparison, retail sales activity only decreased 1.1% in Orange County and Statewide during this period. Two issues are the main drivers of the decline: fuel prices were over \$0.30 less per gallon during this quarter in 2023 compared to the same quarter in 2022 and the City’s share in the Countywide sales tax pool decreased by 5.4% during this quarter. HdL revised their Fiscal Year 2023/24 sales tax and transaction and use tax revenue estimates, resulting in reductions of \$95,170 and \$24,530, respectively. (HdL’s revised revenue estimates include the sales and transaction and use taxes from the City’s four retail cannabis businesses that opened during the current fiscal year.)

Franchise Fees (4% of General Fund revenues) – This category consists of franchise fees the City receives from cable TV, electric, gas, refuse, and water service providers. The fees are assessed at 5% of gross receipts. Staff is proposing an adjustment to increase revenues by \$184,470 to be consistent with Fiscal Year 2022/23 actuals. (25% of this adjustment represents approximately \$45,470 due from the Public Cable Television Authority (PCTA) for cable TV franchise fee revenue for the quarter ended June 30, 2023. As of the date of this staff report, this balance remains due to the City.)

Utility User Taxes (UUT) (8% of General Fund revenues) – This category consists of the 5% utility user tax assessed on charges of electricity, gas, water, and telephone charges. Staff is proposing an adjustment to increase revenues by \$343,325, to be consistent with the revenues collected in the previous fiscal year. UUT for electricity and gas services represent 94% of this adjustment.

Other Taxes (4% of General Fund revenues) – This category includes transient and occupancy tax (TOT), cannabis tax, and business license tax revenue. The original TOT revenue estimate used for the Fiscal Year 2023/24 adopted budget projected an increase of 3% from the Fiscal Year 2022/23 budgeted amount. However, actual revenue collected through January is approximately 8% lower than the amount collected for the same period in the previous year due to reduced occupancy at the motels. In addition, one motel business is expected to close during the fiscal year. As a result, staff recommends reducing the Fiscal Year 2023/24 TOT revenue estimate by \$48,600. Fiscal Year 2021/22 actual TOT revenue exceeded the Fiscal Year 2021/22 budget by approximately \$81,000. The Fiscal Year 2023/24 adopted budget expected \$620,000 in cannabis tax revenue. The City has collected approximately \$416,000 (67%) of this revenue goal for cannabis sales through December 31, 2023. The majority of the revenue (94%) was collected from the two retail cannabis businesses that opened during Summer 2023. The other two retail cannabis businesses opened at the end of

calendar year 2023 (in October and November). No adjustment to the Fiscal Year 2023/24 cannabis tax revenue estimate is proposed at this time.

Intergovernmental Revenue (1% of General Fund revenues) – This category includes federal, state, and local grant revenues, as well as funds from the County of Orange for the City’s share of waste disposal revenue and the City’s share of public safety sales tax revenue. The proposed reduction of \$54,740 in this category is to reflect a decrease of \$50,000 in the City’s share of waste disposal revenue based on the average of the two previous fiscal years and to reduce the City’s share of Proposition 172 public safety sales tax revenue by \$4,740 based on an updated estimate provided by HdL.

Fees and Permits (10% of General Fund revenues) – This category consists of fees charged to fund City services in building, engineering, and community services. Staff proposed an adjustment to increase revenues by \$521,290 based on actual revenue collected through January. The City collected \$386,650 in developer contributions for beautification, neighborhood preservation, and other public benefit fees. These revenues will be set aside in the General Fund’s committed fund balance because they can only be spent on activities outlined in the developer agreements. In addition, increases to the following revenues are proposed: other fees and permits for permit issuance fees (\$45,000); forfeited construction and demolition deposits (\$75,000); recycling fees (\$22,140); and other developmental fees (\$2,500). Lastly, an adjustment is proposed to eliminate the \$10,000 in revenue budgeted for cannabis business renewal permit fees that will not be collected in Fiscal Year 2023/24.

Fines and Forfeitures (1% of General Fund revenues) – This category consists of fines charged to individuals for violating State law and the City’s Municipal Code. An adjustment is proposed to increase these revenues by \$32,755 primarily due to increased parking citation revenue based on Fiscal Year 2022/23 actuals.

Use of Money & Property (3% of General Fund revenues) – This category accounts for revenue generated from the investment of City funds and the renting of City properties. The City has contracted with Chandler Asset Management (Chandler) to provide investment portfolio management services since June 2022. Over the last eighteen months, Chandler has improved the overall interest earned on the City’s investment portfolio by investing in different types of securities (corporate notes, supranational) and by investing in longer term securities (with maturity dates between two and five years) with higher interest rates. Due to the combination of Chandler’s investment strategy and the Federal Reserve increasing interest rates for U.S. Treasuries and federal agency securities, the City’s interest revenue has been significant over the last eighteen months. The City earned over \$1.7 million in interest in Fiscal Year 2022/23 (across all City funds). The City’s investment portfolio is performing just as well through the first half of Fiscal Year 2023/24 with total interest revenue received at \$1.1 million for all City funds. As a result, the General Fund includes an adjustment to increase the Fiscal Year 2023/24 revenue estimate for interest by \$460,000.

On November 22, 2022, the City Council approved a lease agreement with PCTA to lease the facility at Dotson Park from January 1, 2023, through December 31, 2023. Although the initial lease term ended, the agreement has transitioned to a month-to-month lease as PCTA continues to occupy the property. As a result, an adjustment is proposed to increase property rental revenue by \$7,400 to reflect the rent income anticipated from January 1, 2024, through June 30, 2024.

Other Revenue (2% of General Fund revenues) – This category consists of revenues that do not meet the definition of the other revenue categories (fees, taxes, fines). The types of revenues in this category are primarily donations, loan repayments, and expense reimbursements. An adjustment is proposed to increase these revenues by \$567,033. The primary component of this adjustment is to increase the loan repayment from the Landscape Maintenance District Fund by \$526,473 to repay the interfund loan in full. The interfund loan’s term is seven years, scheduled to be paid in full on June 30, 2028. However, the Landscape Maintenance District Fund currently has sufficient funds to repay the loan in full during the current fiscal year due to increased property tax revenue collected over the last few fiscal years.

The other adjustments in this category include an increase of \$21,000 to reflect donations received for special events (community art boxes, State of the City, and the 2023 tree lighting event) and \$19,560 due from Caltrans for Fiscal Year 2022/23 expense reimbursements that were collected during Fiscal Year 2023/24.

Transfers In (2%) – An adjustment is proposed to increase this revenue by \$4,000 to reflect additional assessment revenue available from the Fire Protective Services Tax Fund to reimburse the General Fund for fire protection services costs provided by the Orange County Fire Authority (OCFA).

General Fund Expenditures (Attachment C, pages 1-3)

A summary of General Fund expenditures is provided in the following table:

Description	Amended Budget	Proposed Adjustment	Elimination*	Revised Budget	% of Total
<u>General Fund (#101)</u>					
Administration	\$ 2,682,549	\$ 68,770		\$ 2,751,319	8.2%
Finance	1,080,665	6,715,000		1,087,380	3.2%
Public Safety	16,057,621	(1,756,191)		14,301,430	42.6%
Public Works	3,100,195	47,965		3,148,160	9.4%
Community Development	1,711,225	11,110		1,722,335	5.1%
Community Services	1,703,905	4,325		1,708,230	5.1%
Non-Departmental	390,000	5,000		395,000	1.2%
Transfers Out	1,605,976	20,155		1,626,131	4.8%
Sub-total	28,332,136	(1,592,151)	-	26,739,985	
<u>Transaction & Use Tax Fund (#102)</u>					
Finance	\$ 6,500	\$ -		\$ 6,500	0.0%
Public Safety	5,947,500	843,726		6,791,226	20.2%
Transfers Out	200,000	-	(200,000)	-	0.0%
Sub-total	6,154,000	843,726	(200,000)	6,797,726	
Total General Fund Expenditures	\$ 34,486,136	\$ (748,425)	\$ (200,000)	\$ 33,537,711	100.0%

* - Transfer from Transaction & Use Tax Fund to General Fund for Rodeo 39 loan repayment.

Revised Fiscal Year 2023/24 General Fund expenditures are decreasing by \$748,425. The most significant adjustments to General Fund expenditures are:

- Reduction of law enforcement contract costs with County of Orange due to approval of labor contract agreements (\$707,345);
- Reduction of law enforcement contract costs due to anticipated vacancy credit, net of overtime costs (\$250,000);
- Additional funding for City Attorney costs associated with prosecution, code enforcement and public safety issues (\$330,000);
- Unfunding of new ERP system for Finance (\$300,000); and
- Additional funding for general liability claims (\$52,275).

Lastly, although there is no impact to the General Fund as a whole, the proposed adjustments include shifting \$843,726 in law enforcement contract costs from the “main” General Fund (#101) to the Transaction & Use Tax Fund in an effort to spend the Measure GG revenues first.

Per Attachment E (page 1), the City’s General Fund reserves and available fund balance (“discretionary fund balance”) is estimated to be \$35.8 million, 112% of Fiscal Year 2023/24 General Fund operating expenditures, by June 30, 2024, as shown in the table below.

	Estimated Balance at 6/30/24
Set aside per Reserve Policy	\$ 14,400,000
Committed Developer Contributions	2,192,446
Assigned Fund Balance	2,762,092
Unassigned Fund Balance	<u>16,448,159</u>
Total Discretionary Fund Balance	\$ 35,802,697

Fiscal Year 2023/24 Law Enforcement Contract Costs

When the City’s budget was adopted in June 2023, the Fiscal Year 2023/24 law enforcement contract costs were unknown at the time because the County of Orange was in the process of negotiations with four labor bargaining groups: Association of Orange County Deputy Sheriffs (AOCDS); Association of County Law Enforcement Managers (ACLEM); Orange County Employees Association (OCEA); and Orange County Managers Association (OCMA). Since then, the County approved agreements with each labor bargaining group through June 27, 2025. The agreements include cost of living increases for all bargaining groups ranging from 4.25% to 5.00% effective June 28, 2024, and an additional cost of living increase of 4.00% for all bargaining groups effective June 27, 2025. Certain premium pays and other benefits are effective retroactively as of December 29, 2023. The City’s Fiscal Year 2023/24 law enforcement contract costs are \$13.4 million, an increase of \$206,400 (2%) from the Fiscal Year 2022/23 contract costs. (The spreadsheet summarizing the breakdown of the contract costs is included in Attachment F.) The preliminary estimate staff received from the County for the City’s Fiscal Year 2024/25 law enforcement contract costs reflects an increase of \$1.0 million (8%).

Proposed Adjustments to Revenues and Expenditures in Other Funds

Significant revenue and expenditure adjustments in other funds include the following:

- Gas Tax Fund (#211) – An adjustment is proposed to increase expenditures by \$70,760, primarily for: additional funding for the Catherine Street sidewalk repairs (\$15,000); funding for the City match for the Katella Avenue Regional Traffic Synchronization Project managed by the Orange County Transportation Authority (\$15,000); and additional funding for minor street repairs as needed for the remainder of the fiscal year (\$40,000).

- Lighting Maintenance 1919 Act Fund (#224) – An adjustment is proposed to increase expenditures by \$526,473 to repay the interfund loan received from the General Fund in full as previously discussed.
- Street Impact Fees Fund (#261) – An adjustment is proposed to increase revenues by \$125,000 to reflect revenue collected through January for residential development projects.
- Traffic Signal Impact Fees Fund (#262) – An adjustment is proposed to increase revenues by \$25,000 to reflect revenue collected through January for residential development projects.
- Community Center Impact Fees Fund (#263) – An adjustment is proposed to increase revenues by \$85,500 to reflect revenue collected through January for residential development projects.
- Police Services Impact Fees Fund (#264) – An adjustment is proposed to increase revenues by \$77,000 to reflect revenue collected through January for residential development projects.
- Housing Authority Fund (#285) – Adjustments are proposed to increase revenue by \$280,000, primarily due to interest income as previously discussed; and to increase expenditures by \$4.3 million, primarily for relocation services for residents of the Tina Pacific affordable housing project.
- Expendable Deposits Fund (#801) – Adjustments are proposed to increase revenue and expenditures by \$61,068 and \$51,140, respectively, based on actual deposits collected to fund City Attorney and other consulting costs for development projects.
- Sewer Maintenance Fund (#501) – An adjustment is proposed to increase revenue for sewer connection fees collected for Orange County Sanitation District by \$300,000 based on actual activity through January. This revenue is offset by an adjustment to increase expenditures by \$300,000 because the City passes the revenue through to the District.
- Liability/Risk Management Fund (#603) – An adjustment is proposed to increase expenditures by \$60,000 to provide additional funding for general liability claims. As of February 22, 2024, the City has paid over \$92,000 for claims. This expenditure increase is offset by additional revenue from interest and reimbursements from other City Funds. (The total impact of this cost increase to the General Fund is \$52,275.

Proposed Adjustments to the City's Capital Improvement Program (CIP) (Attachment D)

The Fiscal Year 2023/24 CIP budget includes \$7.0 million from the Fiscal Year 2023/24 Adopted Budget and \$12.7 million in carryover funding from Fiscal Year 2022/23, and \$37,000 in additional appropriations approved by City Council since July 1, 2023, for a total amended budget of \$19.7 million. Adjustments are proposed to increase the total CIP budget by \$13,009 to provide additional funding for the Family Resource Center Improvements Projects (Phases 1 and 2) (Task Codes 2022-2001 + 2023-201). The additional costs will be funded from interest earned on the unspent American Rescue Plan Act (ARPA) funds received from the County and the available balance in the Capital Projects Fund (#305).

In addition, although there is no impact to the total CIP budget as a whole, the proposed adjustments include swapping \$838,710 in the funding allocation for the Fiscal Year 2022/23 Citywide Street Rehabilitation Project (Task Code 2023-101) and Cerritos Avenue Street Resurfacing Project (Task 2024-102). Both projects are partially funded with Gas Tax and Measure M Funds. The City must spend approximately \$340,585 in Measure M funds by June 30, 2024, per the Measure M2 Ordinance's requirements. The City recently paid the contractor for the Cerritos Avenue Street Resurfacing Project that was recently completed. Shifting the funding allocation for these two projects will ensure the City satisfies the Measure M spending requirement for Fiscal Year 2023/24.

A similar adjustment is proposed for funding the Annual Sewer Rehabilitation Project. There is no change to the total project budget, however, an adjustment is proposed to eliminate the \$109,845 in funding from the Sewer Capital Improvement Fund (#502) and fund this amount from the Sewer Maintenance Fund (#501) instead due to insufficient funds available in the Sewer Capital Improvement Fund.

FISCAL IMPACT:

The fiscal impact of the proposed budget adjustments is summarized in the "Net Impact to Available Fund Balance" column on Attachment A.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Through the normal agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Obj. No. 4: Ensure fiscal stability and efficiency in governance.

Prepared by: Michelle Bannigan, Finance Director

Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

- A. Proposed Budget Adjustments
- B. Revenues and Transfers In by Fund
- C. Operating Expenditures and Transfers Out by Fund
- D. Capital Improvement Program (CIP) Expenditures
- E. Reserve Balances by Fund
- F. Final Fiscal Year 2023/24 OCSD Contract Cost Estimate

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City of Stanton
PROPOSED BUDGET ADJUSTMENTS
FISCAL YEAR 2023/24

Description	Revenue Adjustments	Expenditure Adjustments	Net Impact to Available Fund Balance
GENERAL FUND #101			
Early repayment of loan to the Landscape Maintenance District Fund	\$ 526,473		
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	460,000		
Reduce total contracted law enforcement contract costs for Fiscal Year 2023/24 from \$14.1 million to \$13.4 million per final contract spreadsheet received from County of Orange in February		\$ (707,345)	
Law enforcement contract cost savings anticipated during current fiscal year due to vacancy credits		(250,000)	
Shifting funding of OCSD contract costs to the Measure GG Fund based on additional funding available due to better than expected results in Fiscal Year 2022/23		(843,726)	
Adjust City Attorney costs based on actual costs for services billed through December 2023		330,000	
Unfund purchase of new ERP system for Finance		(300,000)	
Adjust property tax revenue based on actual revenue collected through January 2023	249,450		
Adjust developer contributions for revenues collected through January for beautification, neighborhood preservation and public benefit fees	386,650		
Adjust sales tax revenue based on updated estimate provided by City's consultant, HdL, Inc.	(95,170)		
Adjust utility user tax revenues based on Fiscal Year 2022/23 results	343,325		
Adjust franchise fee revenues based on Fiscal Year 2022/23 results	139,000		
Adjust revenue from County for waste disposal agreement based on Fiscal Year 2022/23 results	(50,000)		
Adjust transient occupancy tax revenue based on actual revenue collected for motel stays through December 2023 and motel closure anticipated in Spring 2024	(48,600)		
Adjust Cable franchise fee revenue to include revenue for the quarter ended June 30, 2023, that was not recognized in the prior year revenues because payment was not received by Public Cable Television Authority (PCTA) on or before August 31, 2023	45,470		
Adjust recycling fee revenue to include revenue for the quarter ended June 30, 2023, that was not recognized in the prior year revenues because payment was not received from Pick Your Part on or before August 31, 2023	22,140		
Adjust expense reimbursement revenues for Fiscal Year 2022/23 revenues that were not recognized in the prior year revenues because payment was not received from Caltrans on or before August 31, 2023	19,560		
Adjust parking citation revenue based on actual activity to date (offset by contracted parking citation processing costs)	30,000	4,500	
Adjust other permit revenue and forfeited construction and demolition deposits based on actual activity through January	122,500		

City of Stanton
PROPOSED BUDGET ADJUSTMENTS
FISCAL YEAR 2023/24

Description	Revenue Adjustments	Expenditure Adjustments	Net Impact to Available Fund Balance
Additional funding for increased general liability claims (reimbursement to Liability/Risk Management Fund #603)		52,275	
Funding need for equipment rental and equipment repairs not included in the adopted budget		25,000	
Additional funding needed for City's cost share of County of Orange 800 mhz program based on information provided by the County after budget adoption		15,000	
Additional funding needed due to NPDES permit fee issued by County exceeded budgeted amount		15,000	
Additional funding needed for Citywide phone system based on actual vendor costs		15,000	
Funding for consultant to facilitate update to City's Strategic Plan		15,000	
Net impact of adjusting personnel budget allocations for two Community Service Coordinator positions based on actual timesheet charges		(7,060)	
Additional funding from General Fund for FACT Grant program due to additional personnel costs		28,155	
Additional funding needed for City's share of North Service Planning Area Navigation Centers costs		13,000	
Reduce General Fund match for Senior Mobility Program due to increased investment income		(8,000)	
Sponsorship received from cannabis business to fund community art boxes event (Total sponsorship received was \$10,000. The Fiscal Year 2023/24 adopted budget included \$6,000 for this program. Therefore the increase to expenditures is \$4,000 to increase total budget to \$10,000.)	10,000	4,000	
Sponsorships received from cannabis businesses to fund the State of the City event (Total sponsorship received was \$15,000. The budget adjustment amount offsets the portion included in the Fiscal Year 2023/24 adopted budget only because the balance is already reflected in the "amended budget".)	6,000		
Sponsorship received from cannabis business to fund the 2023 Tree Lighting event	5,000		
Eliminate cannabis business permit renewal permit fees	(10,000)		
Adjust rental income to include revenue from PCTA for Dotson Park from January 2024 through June 2024	7,400		
Adjust Prop 172 public safety sales tax revenue based on updated estimate provided by City's consultant, HdL, Inc.	(4,740)		
Increase funding for revenue sharing agreement with City of Anaheim for Pick Your Part sales tax revenues based on Fiscal Year 2022/23 actuals		5,000	
Additional funding from Fire Protective Services special tax assessment	4,000		
Additional funding for property tax pass-through to Orange County Fire Authority based on Fiscal Year 2022/23 actuals		2,050	
Adjust general fines and motor vehicle license fee revenues for Fiscal Year 2022/23 revenues that were not recognized in the prior year revenues because payment was not received from the County of Orange on or before August 31, 2023	2,755		
TOTAL GENERAL FUND	2,171,213	(1,592,151)	3,763,364

**City of Stanton
PROPOSED BUDGET ADJUSTMENTS
FISCAL YEAR 2023/24**

Description	Revenue Adjustments	Expenditure Adjustments	Net Impact to Available Fund Balance
<u>TRANSACTION & USE TAX FUND (#102)</u>			
Measure GG revenue based on updated estimate provided by City's consultant, HdL, Inc.	(24,530)		
Shifting funding of OCSD contract costs to the Measure GG Fund based on additional funding available due to better than expected results in Fiscal Year 2022/23		843,726	
TOTAL TRANSACTION & USE TAX FUND	(24,530)	843,726	(868,256)
<u>GAS TAX FUND (#211)</u>			
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	45,000		
State Gas Tax revenues per updated estimates from State received in January	(2,340)		
Additional funding needed for minor street repairs (potholes; sidewalk repairs, etc.) for current fiscal year		40,000	
City match for Katella Avenue Regional Traffic Signal Synchronization Project per Cooperative Agreement with Orange County Transportation Authority approved by City Council on October 23, 2018		15,000	
Additional funding for Catherine Street sidewalk repairs		15,000	
Additional funding for increased general liability claims (reimbursement to Liability/Risk Management Fund #603)		760	
Reallocate funding for Cerritos Avenue Street Resurfacing Project (Task Code 2024-102) to spend Measure M funds by June 30, 2023		(838,710)	
Reallocate funding for Fiscal Year 2022/23 Citywide Street Rehabilitation Project (Task Code 2023-101)		838,710	
TOTAL GAS TAX FUND	42,660	70,760	(28,100)
<u>RMRA (#215)</u>			
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	35,000		
Adjust SB-1 (RMRA) revenues per updated estimates from State in January	(15,960)		
TOTAL RMRA FUND	19,040	-	19,040
<u>MEASURE M FUND (#220)</u>			
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	40,000		
Adjust Measure M revenue estimate based on actual receipts through January	31,200		
Reallocate funding for Cerritos Avenue Street Resurfacing Project (Task Code 2024-102) to spend Measure M funds by June 30, 2023		838,710	
Reallocate funding for Fiscal Year 2022/23 Citywide Street Rehabilitation Project (Task Code 2023-101)		(838,710)	
TOTAL MEASURE M FUND	71,200	-	71,200

City of Stanton
PROPOSED BUDGET ADJUSTMENTS
FISCAL YEAR 2023/24

Description	Revenue Adjustments	Expenditure Adjustments	Net Impact to Available Fund Balance
CDBG FUND (#222)			
Adjust CDBG grant revenue to reflect timing difference for reimbursement of Fiscal Year 2022/23 program expenditures that was received during Fiscal Year 2023/24	350,000		
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	5,000		
TOTAL CDBG FUND	355,000	-	355,000
FIRE PROTECTIVE SERVICES FUND (#223)			
Additional funding to the General Fund due to additional revenues collected in the prior fiscal year		4,000	
TOTAL FIRE PROTECTIVE SERVICES FUND	-	4,000	(4,000)
LIGHTING MAINTENANCE 1919 ACT FUND (#224)			
Adjust property tax revenue based on actual revenue collected through January 2023	48,800		
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	25,000		
Early repayment of loan due to General Fund		526,473	
TOTAL LIGHTING MAINTENANCE 1919 ACT FUND	73,800	526,473	(452,673)
LIGHTING/MEDIAN MAINTENANCE 1972 ACT FUND (#225)			
Reimbursements from County of Orange, City of Garden Grove and City of Cypress for shared traffic signal maintenance costs for previous fiscal years	18,600		
Reimbursements from County of Orange, City of Garden Grove and City of Cypress for shared traffic signal maintenance costs for current fiscal year	12,000		
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	20,000		
Additional funding needed for annual tax administration services for Fiscal Year 2024/25 (services will begin during current fiscal year)		6,800	
LIGHTING/MEDIAN MAINTENANCE 1972 ACT FUND (#225)	50,600	6,800	43,800
AIR QUALITY IMPROVEMENT FUND (#226)			
Adjust AQMD revenue based on actual revenue through January and Fiscal Year 2022/23 actuals	10,000		
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	5,500		
TOTAL AIR QUALITY IMPROVEMENT FUND	15,500	-	15,500
OTHER GRANTS FUND (#227)			
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals for unspent ARPA Funds received from County; offset by increased funding for Family Resource Center Phase 2 Improvements (Task Code 2023-201)	10,000	10,004	
TOTAL OTHER GRANTS FUND	10,000	10,004	(4)

City of Stanton
PROPOSED BUDGET ADJUSTMENTS
FISCAL YEAR 2023/24

Description	Revenue Adjustments	Expenditure Adjustments	Net Impact to Available Fund Balance
<u>SUPPLEMENTAL LAW ENFORCEMENT GRANTS FUND (#242)</u>			
Adjust State COPS Grant revenue based on actual revenue to date and Fiscal Year 2022/23 actuals	10,000		
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	10,000		
TOTAL SUPPLEMENTAL LAW ENFORCEMENT GRANTS FUND	20,000	-	20,000
<u>FACT GRANT FUND (#250)</u>			
Revise personnel budget allocation for one Community Service Coordinator position based on actual timesheet charges (offset by additional reimbursement from General Fund)	28,155	28,155	
TOTAL FACT GRANT FUND	28,155	28,155	-
<u>SENIOR MOBILITY TRANSPORTATION PROGRAM (SMP) GRANT FUND (#251)</u>			
Adjust SMP grant revenue based on updated estimates provided by OCTA in January	16,300		
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	8,000		
Reduce match from General Fund (due to increased interest income)	(8,000)		
Revise personnel budget allocation for one Community Service Coordinator position based on actual timesheet charges		(21,095)	
SENIOR MOBILITY TRANSPORTATION GRANT FUND (#251)	16,300	(21,095)	37,395
<u>STREET IMPACT FEES FUND (#261)</u>			
Adjust impact fees based on actual revenue received through January	125,000		
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	10,000		
TOTAL STREET IMPACT FEES FUND	135,000	-	135,000
<u>TRAFFIC SIGNAL IMPACT FEES FUND (#262)</u>			
Adjust impact fees based on actual revenue received through January	25,000		
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	1,500		
TOTAL TRAFFIC SIGNAL IMPACT FEES FUND	26,500	-	26,500
<u>COMMUNITY CENTER IMPACT FEES FUND (#263)</u>			
Adjust impact fees based on actual revenue received through January	85,500		
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	8,500		
TOTAL COMMUNITY CENTER IMPACT FEES FUND	94,000	-	94,000
<u>POLICE SERVICES IMPACT FEES FUND (#264)</u>			
Adjust impact fees based on actual revenue received through January	77,000		
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	8,500		
TOTAL POLICE SERVICES IMPACT FEES FUND	85,500	-	85,500

City of Stanton
PROPOSED BUDGET ADJUSTMENTS
FISCAL YEAR 2023/24

Description	Revenue Adjustments	Expenditure Adjustments	Net Impact to Available Fund Balance
HOUSING AUTHORITY FUND (#285)			
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	250,000		
Adjust Tina-Pacific rental income based on actual revenue collected through January and Fiscal Year 2022/23 actuals	30,000		
Relocation of Tina-Pacific residents		4,000,000	
Contract with Interwest Consulting Group for planning and implementation of relocation services for the Tina-Pacific housing project		243,000	
Adjust City Attorney costs for Housing Authority related matters based on actual costs for services billed through December 2023		40,000	
Additional funding for increased general liability claims (reimbursement to Liability/Risk Management Fund #603)		1,455	
TOTAL HOUSING AUTHORITY FUND	280,000	4,284,455	(4,004,455)
EXPENDABLE DEPOSITS FUND #801			
Recognize expendable deposit revenues collected through January; offset by professional fees (legal services and consultant costs)	61,068	51,140	
TOTAL EXPENDABLE DEPOSITS FUND	61,068	51,140	9,928
CAPITAL PROJECTS FUND #305			
Additional funding from Other Grants Fund for Family Resource Center Improvements (Phase 2) project (Task Code 2023-201)	10,004	10,004	
Additional funding for Family Resource Center Improvements (Phase 1) (Tax Code 2022-201) based on final project costs		3,005	
TOTAL CAPITAL PROJECTS FUND	10,004	13,009	(3,005)
PARK IN-LIEU FEES FUND (#310)			
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	75,000		
TOTAL PARK IN-LIEU FEES FUND	75,000	-	75,000
SEWER MAINTENANCE FUND (#501)			
Adjust sewer connection fees collected on behalf of Orange County Sanitation District based on actual revenue collected through January 2024 (offset by pass-through of fees to the District)	300,000	300,000	
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	154,000		
Adjust sewer user fees based on actual revenue collected through January 2024	20,700		
Adjust FOG (fats, oils, grease) fees based on actual revenue collected in prior fiscal year	(3,000)		
Adjust property tax revenue based on actual revenue collected through January 2024	1,000		
Reallocate Fiscal Year 2023/24 capital improvement program funding to reduce funding from Sewer Capital Improvement Fund <i>(\$0 impact to total CIP project funding)</i>		109,845	

City of Stanton
PROPOSED BUDGET ADJUSTMENTS
FISCAL YEAR 2023/24

Description	Revenue Adjustments	Expenditure Adjustments	Net Impact to Available Fund Balance
<u>Sewer Maintenance Fund, Continued</u>			
Additional funding needed for annual tax administration services for Fiscal Year 2024/25 (services will begin during current fiscal year)		5,000	
Additional funding for increased general liability claims (reimbursement to Liability/Risk Management Fund #603)		395	
TOTAL SEWER MAINTENANCE FUND	472,700	415,240	57,460
<u>SEWER CAPITAL IMPROVEMENT FUND (#502)</u>			
Adjust City sewer connection fees based on actual revenue to date; offset by transfer to Capital Projects Fund to reduce capital improvement program funding from Sewer Capital Improvement Fund (<i>\$0 impact to total CIP project funding</i>)	(9,500)	(109,845)	
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	200		
TOTAL SEWER CAPITAL IMPROVEMENT FUND	(9,300)	(109,845)	100,545
<u>WORKERS COMPENSATION INSURANCE FUND</u>			
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals	25,000		
TOTAL WORKERS COMPENSATION FUND	25,000	-	25,000
<u>LIABILITY/RISK MANAGEMENT FUND (#603)</u>			
Increased funding needed for general liability claims based on outstanding claims (offset by reimbursement from other City funds)	55,000	55,000	
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals (offset by additional funding for general liability claims)	5,000	5,000	
TOTAL LIABILITY/RISK MANAGEMENT FUND	60,000	60,000	-
<u>FLEET MAINTENANCE FUND (#605)</u>			
Adjust investment income based on current portfolio performance to date and Fiscal Year 2022/23 actuals; offset by increased fuel costs	10,000	10,000	
Additional funding for increased general liability claims (reimbursement to Liability/Risk Management Fund #603)		115	
TOTAL FLEET MAINTENANCE FUND	10,000	10,115	(115)
GRAND TOTAL - ALL FUNDS	\$ 4,174,410	\$ 4,600,786	

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City of Stanton
REVENUES AND TRANSFERS IN BY FUND
FISCAL YEAR 2023/24

Acct. No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
GENERAL FUNDS						
<u>GENERAL FUND (#101)</u>						
Property Taxes						
430100	Current Year-Secured	\$ 1,116,680	\$ 1,096,100	\$ 1,096,100	\$ 17,900	\$ 1,114,000
430105	Current Year-Unsecured	31,470	32,600	32,600	-	32,600
430110	Property Tax-Prior Year	697	-	-	-	-
430115	Property Tax-Supplemental	46,181	24,400	24,400	-	24,400
430120	Residual Redevelopment Property Tax	1,652,646	1,777,300	1,777,300	(42,300)	1,735,000
430121	In-Lieu Vehicle License Fee	5,304,415	5,511,700	5,511,700	183,050	5,694,750
430135	Homeowners Tax Relief	4,801	4,800	4,800	-	4,800
430140	Property Transfer Tax	112,865	139,000	139,000	(49,000)	90,000
430145	Property Tax-Penalties/Int	11,887	-	-	-	-
440100	AB 1389 Pass Through from RDA	682,748	577,200	577,200	139,800	717,000
Total Property Taxes		8,964,390	9,163,100	9,163,100	249,450	9,412,550
Sales Taxes						
430200	Sales And Use Tax	5,321,610	5,471,900	5,471,900	(95,170)	5,376,730
Total Sales Taxes		5,321,610	5,471,900	5,471,900	(95,170)	5,376,730
Franchise Fees						
430405	Franchise Tax/Cable TV	227,368	200,000	200,000	55,470	255,470
430410	Franchise Tax/Electric	275,662	244,000	244,000	41,000	285,000
430415	Franchise Tax/Gas	96,193	75,000	75,000	23,000	98,000
430420	Franchise Tax/Refuse	610,614	550,000	550,000	65,000	615,000
430425	Franchise Tax/Water	86,619	88,000	88,000	-	88,000
Total Franchise Fees		1,296,456	1,157,000	1,157,000	184,470	1,341,470

* - Amended Budget is as of February 15, 2024.

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Acct. No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
Utility Users Taxes						
430600	Utility User Tax/Electricity	1,407,094	1,218,400	1,218,400	188,600	1,407,000
430605	Utility User Tax/Telephone	226,460	196,300	196,300	32,425	228,725
430610	Utility User Tax/Gas	458,179	336,700	336,700	133,300	470,000
430615	Utility User Tax/Water	413,091	425,000	425,000	(11,000)	414,000
Total Utility Users Taxes		2,504,824	2,176,400	2,176,400	343,325	2,519,725
Other Taxes						
430300	Transient Occupancy Tax	671,096	673,600	673,600	(48,600)	625,000
430500	Business License Tax	162,677	158,000	158,000	-	158,000
430700	Cannabis Tax	15,586	620,000	620,000	-	620,000
Total Other Taxes		849,359	1,451,600	1,451,600	(48,600)	1,403,000
Intergovernmental						
432121	WDA Shared Revenue	105,649	100,000	100,000	(50,000)	50,000
432135	Mandated Cost Reimbursement	182,793	30,000	30,000	-	30,000
432150	Motor Vehicle License Fees	40,258	31,100	31,100	-	31,100
432180	Public Safety Augmentation Tax	200,585	205,690	205,690	(4,740)	200,950
432245	Planning Grants	-	-	150,000	-	150,000
432256	Grants	5,362	4,200	4,200	-	4,200
432270	Federal Grants	9,083	-	-	-	-
Total Intergovernmental		543,730	370,990	520,990	(54,740)	466,250

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Acct. No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
General Fund, Continued						
Charges for Services						
433100	Charges For Services	149,954	108,230	108,230	-	108,230
433136	Information Technology Charges	37,605	36,490	36,490	-	36,490
Total Charges for Services		187,559	144,720	144,720	-	144,720
Fees and Permits						
431100	Building Plan Check Fees	159,236	125,000	135,000	-	135,000
431105	Mechanical Permits	282,548	100,000	100,000	-	100,000
431110	Building Permits	509,077	600,000	600,000	-	600,000
431115	Plumbing Permits	103,405	80,000	80,000	-	80,000
431120	Electrical Permits	204,763	100,000	100,000	-	100,000
431130	Engineering Plan Check Fees	25,345	45,000	35,000	-	35,000
431135	Public Works Permits	110,023	84,000	84,000	-	84,000
431140	S M I P - Commercial Fees	91	400	400	-	400
431145	S M I P-Residential Permits	73	250	250	-	250
431146	SB 1473 Fee	4,562	2,500	2,500	-	2,500
431160	Solid Waste Impact Fees	1,151,829	1,150,000	1,150,000	-	1,150,000
431180	Public Works Inspection Fees	22,444	15,000	15,000	-	15,000
431185	Parking Permits	10,081	45,000	45,000	-	45,000
431190	Towing Franchise Fee	15,570	25,000	25,000	-	25,000
431192	Beautification/Enhancement Fee	-	-	-	50,000	50,000
431193	Neighborhood Preservation Fees	19,500	-	-	6,000	6,000
431194	Public Benefit Fee	130,000	-	-	330,650	330,650
431195	Other Fees & Permits	56,953	15,000	15,000	45,000	60,000
431196	Forfeited Deposits	198	-	-	75,000	75,000

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Acct. No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
General Fund, Continued						
431201	Cannabis Business Renewal Permit Fee	-	10,000	10,000	(10,000)	-
433200	Conditional Use Permit	9,615	7,000	7,000	-	7,000
433205	Precise Plan Of Design	20,500	15,000	15,000	-	15,000
433220	Preliminary Plan Review	1,875	3,750	3,750	-	3,750
433225	Environmental Services	900	4,400	4,400	-	4,400
433227	Foreclosure Registration	7,712	10,000	10,000	-	10,000
433235	Land Divisions	3,070	2,500	2,500	-	2,500
433240	Special Event Permits	1,890	500	500	-	500
433245	Sign/Ban'R/Gar Sa/Temp Use Per	5,535	4,000	4,000	-	4,000
433250	Ministerial Services	12,120	12,000	12,000	-	12,000
433260	Landscape Plan Check	3,250	1,500	1,500	-	1,500
433270	General Plan Maint Surcharge	24,885	10,000	10,000	-	10,000
433285	Other Developmental Fees	-	-	-	2,500	2,500
433305	General Recreation Programs	46,580	52,000	52,000	-	52,000
433315	Sports Fields	26,910	22,000	22,000	-	22,000
437115	Recycling Fees	61,928	87,700	87,700	22,140	109,840
430505	New/Moved Bus Lic Appl Rev	33,350	34,700	34,700	-	34,700
430510	Business Tax Renewal Process	106,766	125,500	125,500	-	125,500
430515	SB 1186	1,345	2,175	2,175	-	2,175
Total Fees and Permits		3,173,929	2,791,875	2,791,875	521,290	3,313,165
Fines and Forfeitures						
434100	General Fines	466	6,700	6,700	10	6,710
434105	Motor Vehicle Fines	41,523	85,000	85,000	2,745	87,745
434110	Parking Citations	261,084	270,000	270,000	30,000	300,000

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Acct. No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
General Fund, Continued						
434115	DMV Parking Collections	73,946	71,000	71,000	-	71,000
434120	Administrative Citations	6,498	10,000	10,000	-	10,000
Total Fines and Forfeitures		383,517	442,700	442,700	32,755	475,455
Use of Money and Property						
435100	Interest Earned	862,393	190,000	190,000	460,000	650,000
435110	Unrealized Gains (Loss)	(317,220)	-	-	-	-
435200	Interest on Loan to Landscape District Fund	11,070	9,000	9,000	-	9,000
436115	Property Rental	7,200	7,200	7,200	7,400	14,600
436125	Indoor Facility Rental	111,192	164,000	164,000	-	164,000
436127	Picnic Shelter Rental	24,243	28,000	28,000	-	28,000
436135	Pac Bell Mobile Svcs-Rent	22,303	21,885	21,885	-	21,885
Total Use of Money and Property		721,181	420,085	420,085	467,400	887,485
Other Revenue						
437100	Sale of Publications	83	-	-	-	-
437105	Firework Services	473	475	475	-	475
437110	Candidate Statements	1,508	-	-	-	-
437130	Insurance Reimbursement	-	-	6,141	-	6,141
437125	Donations	3,500	-	10,750	21,000	31,750
437135	Expense Reimbursement	41,232	15,000	15,000	19,560	34,560
437137	Loan Repayment from Landscape Maintenance District	-	135,480	135,480	526,473	661,953
437195	Other Revenue	39,882	30,000	30,000	-	30,000
Total Other Revenue		86,678	180,955	197,846	567,033	764,879

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Acct. No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
General Fund, Continued						
Transfers In						
439102	From Transaction and Use Tax Fund	148,054	200,000	200,000	-	200,000
439211	From Gas Tax Fund	95,000	140,000	140,000	-	140,000
439223	From Protective Services Fund	389,730	382,000	382,000	4,000	386,000
439242	From Supplemental Law Enforcement Grants Fund	150,000	160,000	160,000	-	160,000
Total Transfers In		782,784	882,000	882,000	4,000	886,000
Total General Fund		24,816,017	24,653,325	24,820,216	2,171,213	26,991,429
<u>TRANSACTION & USE TAX FUND (#102)</u>						
430250	Transaction and Use Tax	6,958,521	6,154,000	6,154,000	(24,530)	6,129,470
GENERAL FUNDS - TOTAL		\$ 31,774,538	\$ 30,807,325	\$ 30,974,216	\$ 2,146,683	\$ 33,120,899
<u>SPECIAL REVENUE FUNDS</u>						
<u>CASP PROGRAM (#210)</u>						
430515	SB 1186	\$ 7,933	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
<u>GAS TAX FUND (#211)</u>						
432183	State Gas Tax-Section 2103 Allocation	320,096	363,845	363,845	(19,770)	344,075
432185	State Gas Tax-Section 2105 Allocation	223,570	246,405	246,405	(8,480)	237,925
432190	State Gas Tax-Section 2106 Allocation	145,082	158,360	158,360	(3,515)	154,845
432195	State Gas Tax-Section 2107 Allocation	304,688	295,545	295,545	29,425	324,970
432200	State Gas Tax-Section 2107.5 Allocation	6,000	6,000	6,000	-	6,000
435100	Interest	43,048	5,000	5,000	45,000	50,000

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Acct. No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
Gas Tax Fund, Continued						
435110	Unrealized Gains (Loss)	(11,428)	-	-	-	-
Total Gas Tax Fund		1,031,056	1,075,155	1,075,155	42,660	1,117,815
<u>RMRA FUND (#215)</u>						
432335	RMRA	876,520	951,695	951,695	(15,960)	935,735
435100	Interest	21,275	5,000	5,000	35,000	40,000
435110	Unrealized Gains (Loss)	(10,008)	-	-	-	-
Total RMRA Fund		887,787	956,695	956,695	19,040	975,735
<u>MEASURE M FUND (#220)</u>						
432140	Measure M Turnback	701,618	703,800	703,800	31,200	735,000
435100	Interest	23,174	5,000	5,000	40,000	45,000
435110	Unrealized Gains (Loss)	(9,137)	-	-	-	-
Total Measure M Fund		715,655	708,800	708,800	71,200	780,000
<u>CDBG-CV FUND (#221)</u>						
432250	CDBG Grant	-	-	500,000	-	500,000
<u>CDBG FUND (#222)</u>						
432250	CDBG Grant	-	-	-	350,000	350,000
435100	Interest	3,971	5,000	5,000	5,000	10,000
435110	Unrealized Gains (Loss)	(425)	-	-	-	-
Total CDBG Fund		3,546	5,000	5,000	355,000	360,000
<u>FIRE PROTECTIVE SERVICES FUND (#223)</u>						
433140	Special Assessments	389,013	385,000	385,000	-	385,000

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Acct. No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
<u>LIGHTING MAINTENANCE 1919 ACT FUND (#224)</u>						
430100	Current Year-Secured	226,380	225,000	225,000	-	225,000
430105	Current Year-Unsecured	6,379	7,000	7,000	(200)	6,800
430110	Property Tax-Prior Year	142	-	-	-	-
430115	Property Tax-Supplemental	9,396	5,000	5,000	-	5,000
430120	Residual Redevelopment Property Tax	356,019	360,000	360,000	-	360,000
430135	Homeowners Tax Relief	977	1,000	1,000	-	1,000
430145	Property Tax-Penalties/Int	1,688	-	-	-	-
435100	Interest	26,919	5,000	5,000	25,000	30,000
435110	Unrealized Gains (Loss)	(7,473)	-	-	-	-
437130	Insurance Reimbursement	-	-	19,910	-	19,910
437135	Expense Reimbursement	4,980	-	-	-	-
437195	Other Revenue	129,870	-	-	-	-
440100	AB 1389 Pass Through from RDA	209,923	165,000	165,000	49,000	214,000
Total Lighting Maintenance 1919 Act Fund		965,200	768,000	787,910	73,800	861,710
<u>LIGHTING/MEDIAN MAINTENANCE 1972 ACT FUND (#225)</u>						
433140	Special Assessments	204,379	205,000	205,000	-	205,000
433160	Signal Maintenance	15,291	-	-	30,600	30,600
435100	Interest	25,781	10,000	10,000	20,000	30,000
435110	Unrealized Gains (Loss)	(7,585)	-	-	-	-
437130	Insurance Reimbursement	-	-	13,884	-	13,884
437135	Expense Reimbursement	9,651	-	-	-	-
Total Lighting/Median Maintenance 1972 Act Fund		247,517	215,000	228,884	50,600	279,484

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<u>AIR QUALITY IMPROVEMENT FUND (#226)</u>						
432110	Air Quality Program	64,861	45,000	45,000	10,000	55,000
435100	Interest	5,423	2,000	2,000	5,500	7,500
435110	Unrealized Gains (Loss)	(1,545)	-	-	-	-
Total Air Quality Improvement Fund		68,739	47,000	47,000	15,500	62,500
<u>OTHER GRANTS FUND (#227)</u>						
432145	Measure M Grant	85,741	-	56,000	-	56,000
432230	State Recycling Grant	5,114	-	5,000	-	5,000
432235	State Park Grant	-	-	7,893,036	-	7,893,036
432270	Federal Grants	223,581	276,000	277,419	-	277,419
435100	Interest	8,733	-	-	10,000	10,000
435110	Unrealized Gains (Loss)	(276)	-	-	-	-
437135	Expense Reimbursement	-	-	7,020	-	7,020
Total Other Grants Fund		322,893	276,000	8,238,475	10,000	8,248,475
<u>SUPPLEMENTAL LAW ENFORCEMENT GRANT FUND (#242)</u>						
432210	State COPS Grant	165,271	160,000	160,000	10,000	170,000
435100	Interest	9,755	-	-	10,000	10,000
435110	Unrealized Gains (Loss)	(2,083)	-	-	-	-
Total Supplemental Law Enforcement Grant Fund		172,943	160,000	160,000	20,000	180,000
<u>JUSTICE ASSISTANCE GRANT FUND (#245)</u>						
432270	Federal Grant	1,045,268	-	3,963,670	-	3,963,670

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<u>FACT GRANT FUND (#250)</u>						
432125	Fact Grant	352,031	357,240	357,240	-	357,240
439101	Transfer From General Fund	55,429	46,865	46,865	28,155	75,020
Total FACT Grant Fund		407,460	404,105	404,105	28,155	432,260
<u>SENIOR TRANSPORTATION FUND (#251)</u>						
432140	Measure M	46,851	32,000	32,000	16,300	48,300
435100	Interest	1,754	500	500	8,000	8,500
435110	Unrealized Gains (Loss)	(511)	-	-	-	-
439101	Transfer from General Fund	6,769	9,420	9,420	(8,000)	1,420
Total Senior Transportation Fund		54,863	41,920	41,920	16,300	58,220
<u>STREET IMPACT FEES FUND (#261)</u>						
431159	Impact Fees	5,754	5,000	5,000	125,000	130,000
435100	Interest	2,749	1,000	1,000	10,000	11,000
435110	Unrealized Gains (Loss)	(819)	-	-	-	-
Total Street Impact Fees Fund		7,684	6,000	6,000	135,000	141,000
<u>TRAFFIC SIGNAL IMPACT FEES FUND (#262)</u>						
431159	Impact Fees	1,287	5,000	5,000	25,000	30,000
435100	Interest	16	500	500	1,500	2,000
435110	Unrealized Gains (Loss)	(8)	-	-	-	-
Total Traffic Signal Impact Fees Fund		1,295	5,500	5,500	26,500	32,000

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<u>COMMUNITY CENTER IMPACT FEES FUND (#263)</u>						
431159	Impact Fees	4,266	5,000	5,000	85,500	90,500
435100	Interest	4,502	1,500	1,500	8,500	10,000
435110	Unrealized Gains (Loss)	(1,328)	-	-	-	-
Total Community Center Impact Fees Fund		7,440	6,500	6,500	94,000	100,500
<u>POLICE SERVICES IMPACT FEES FUND (#264)</u>						
431159	Impact Fees	3,861	5,000	5,000	77,000	82,000
435100	Interest	4,069	1,500	1,500	8,500	10,000
435110	Unrealized Gains (Loss)	(1,201)	-	-	-	-
Total Police Services Impact Fees Fund		6,729	6,500	6,500	85,500	92,000
<u>PUBLIC SAFETY TASK FORCE FUND (#271)</u>						
432260	Public Safety Task Force Grant	32,907	46,245	46,245	-	46,245
<u>STANTON CENTRAL PARK MAINTENANCE FUND (#280)</u>						
437125	Donations	50,000	50,000	50,000	-	50,000
439101	Transfer from General Fund	56,412	64,775	64,775	-	64,775
Total Stanton Central Park Maintenance Fund		106,412	114,775	114,775	-	114,775
<u>HOUSING AUTHORITY FUND (#285)</u>						
435100	Interest	252,442	25,000	25,000	250,000	275,000
435110	Unrealized Gains (Loss)	12,835	-	-	-	-
436140	Tina Way/Pacific Ave. Property Rent	671,329	620,000	620,000	30,000	650,000
437195	Other Revenue	213	-	-	-	-
Total Housing Authority Fund		936,819	645,000	645,000	280,000	925,000

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<u>EXPENDABLE DEPOSITS FUND (#801)</u>						
433282	Expendable Developer Deposits	132,355	-	-	61,068	61,068
SPECIAL REVENUE FUNDS - TOTAL		\$ 7,551,514	\$ 5,883,195	\$ 18,343,134	\$ 1,384,323	\$ 19,727,457
<u>CAPITAL PROJECTS FUND</u>						
<u>CAPITAL PROJECTS FUND (#305)</u>						
439101	Transfer from General Fund	\$ 51,467	\$ 660,000	\$ 1,484,916	\$ -	\$ 1,484,916
439211	Transfer from Gas Tax Fund	103,243	638,710	1,131,950	-	1,131,950
439215	Transfer from RMRA Fund	1,079,603	956,695	1,970,160	-	1,970,160
439220	Transfer from Measure M	813,510	824,595	1,731,365	-	1,731,365
439221	Transfer from CDBG-CV Fund	-	-	500,000	-	500,000
439222	Transfer from CDBG Fund	350,000	-	-	-	-
439227	Transfer from Other Grants Fund	354,726	276,000	8,103,691	10,004	8,113,695
439257	Transfer from ARPA Fund	198,240	-	-	-	-
439310	Transfer from Park In Lieu Fees Fund	184,297	3,080,000	3,692,628	-	3,692,628
439501	Transfer from Sewer Maintenance Fund	332,010	440,155	928,355	109,845	1,038,200
439502	Transfer from Sewer Capital Improvement Fund	-	109,845	109,845	(109,845)	-
Total Capital Projects Fund		3,467,096	6,986,000	19,652,910	10,004	19,662,914

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REVENUES AND TRANSFERS IN BY FUND
FISCAL YEAR 2023/24

Acct. No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
<u>PARK IN LIEU FEES FUND (#310)</u>						
433280	Quimby Fees	161,517	100,000	100,000	-	100,000
435100	Interest	101,625	25,000	25,000	75,000	100,000
435110	Unrealized Gains (Loss)	(30,449)	-	-	-	-
Total Park In Lieu Fees Fund		232,693	125,000	125,000	75,000	200,000
CAPITAL PROJECTS FUND - TOTAL		\$ 3,699,789	\$ 7,111,000	\$ 19,777,910	\$ 85,004	\$ 19,862,914
<u>ENTERPRISE FUNDS</u>						
<u>SEWER MAINTENANCE FUND (#501)</u>						
430100	Current Year-Secured	\$ 58,329	\$ 60,000	\$ 60,000	\$ -	\$ 60,000
430105	Current Year-Unsecured	1,675	1,500	1,500	-	1,500
430110	Property Tax-Prior Year	37	-	-	-	-
430115	Property Tax-Supplemental	2,461	1,000	1,000	-	1,000
430120	Residual Redevelopment Property Tax	83,326	88,000	88,000	(3,000)	85,000
430135	Homeowners Tax Relief	256	-	-	-	-
430145	Property Tax-Penalties/Int	442	-	-	-	-
431165	Fat/Oils/Grease User Fee	14,370	18,000	18,000	(3,000)	15,000
431175	Hook-Up Permit Fees (OCSD)	134,485	200,000	200,000	300,000	500,000
433155	User Fees/Tax Roll	940,707	920,000	920,000	20,700	940,700
435100	Interest	165,961	11,000	11,000	154,000	165,000
435110	Unrealized Gains (Loss)	(49,069)	-	-	-	-
440100	AB 1389 Pass Through from RDA	48,259	45,000	45,000	4,000	49,000
Total Sewer Maintenance Fund		1,401,239	1,344,500	1,344,500	472,700	1,817,200

* - Amended Budget is as of February 15, 2024.

City of Stanton
REVENUES AND TRANSFERS IN BY FUND
FISCAL YEAR 2023/24

Acct. No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
<u>SEWER CAPITAL IMPROVEMENT FUND (#502)</u>						
431170	Hook-Up Permit Fees (City)	105	14,500	14,500	(9,500)	5,000
435100	Interest	77	-	-	200	200
435110	Unrealized Gains (Loss)	(22)	-	-	-	-
Total Sewer Capital Improvement Fund		160	14,500	14,500	(9,300)	5,200
ENTERPRISE FUNDS - TOTAL		\$ 1,401,399	\$ 1,359,000	\$ 1,359,000	\$ 463,400	\$ 1,822,400
<u>INTERNAL SERVICE FUNDS</u>						
<u>WORKERS COMPENSATION FUND (#602)</u>						
433001	Workers' Compensation Charges	\$ 85,968	\$ 80,405	\$ 80,405	\$ -	\$ 80,405
435100	Interest	19,025	-	-	25,000	25,000
435110	Unrealized Gains (Loss)	(4,896)	-	-	-	-
437130	Insurance Reimbursement	10,056	-	-	-	-
437195	Other Revenue	-	-	9,590	-	9,590
Total Workers Compensation Fund		110,153	80,405	89,995	25,000	114,995
<u>LIABILITY/RISK MANAGEMENT FUND (#603)</u>						
433004	Liability Insurance Charges	245,108	328,925	328,925	55,000	383,925
435100	Interest	2,203	-	-	5,000	5,000
435110	Unrealized Gains (Loss)	(708)	-	-	-	-
437195	Other Revenue	-	-	26,980	-	26,980
Total Liability/Risk Management Fund		246,603	328,925	355,905	60,000	415,905

* - Amended Budget is as of February 15, 2024.

City of Stanton
REVENUES AND TRANSFERS IN BY FUND
FISCAL YEAR 2023/24

Acct. No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
EMPLOYEE BENEFITS FUND (#604)						
433002	Retirement Charges	1,107,505	945,670	945,670	-	945,670
433003	Health and Life Insurance Charges	476,542	583,745	583,745	-	583,745
433005	Unemployment Insurance Charges	11,306	17,760	17,760	-	17,760
433006	Other Benefit Charges	95,374	82,620	82,620	-	82,620
435110	Unrealized Gains (Loss)	297,969	25,000	25,000	-	25,000
437135	Expense Reimbursement	38,485	40,000	40,000	-	40,000
Total Employee Benefits Fund		2,027,181	1,694,795	1,694,795	-	1,694,795
FLEET MAINTENANCE FUND (#605)						
433100	Fleet Maintenance Charges	168,022	174,860	174,860	-	174,860
435100	Interest	12,429	5,000	5,000	10,000	15,000
435110	Unrealized Gains (Loss)	(3,594)	-	-	-	-
437135	Expense Reimbursement	18,304	-	-	-	-
437145	Sale of Assets	12,693	-	-	-	-
Total Fleet Maintenance Fund		207,854	179,860	179,860	10,000	189,860
INTERNAL SERVICE FUNDS - TOTAL		\$ 2,591,791	\$ 2,283,985	\$ 2,320,555	\$ 95,000	\$ 2,415,555
TOTAL REVENUES & TRANSFERS IN		\$ 47,019,031	\$ 47,444,505	\$ 72,774,815	\$ 4,174,410	\$ 76,949,225

* - Amended Budget is as of February 15, 2024.

City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
GENERAL FUNDS						
GENERAL FUND (#101)						
Administration						
1100	City Council	\$ 122,989	\$ 129,105	\$ 129,105	\$ 540	\$ 129,645
1200	City Attorney	563,415	300,000	300,000	330,000	630,000
1300	City Manager	478,144	588,165	593,265	19,895	613,160
1400	City Clerk	245,489	206,565	217,565	1,205	218,770
1410	Personnel/Risk Management	231,783	280,410	294,865	1,220	296,085
1510	Information Technology	634,199	1,039,515	1,147,749	(284,090)	863,659
Total Administration		2,276,019	2,543,760	2,682,549	68,770	2,751,319
Finance						
1500	Finance	899,581	1,074,275	1,080,665	6,715	1,087,380
1600	Non-Departmental (excluding transfers)	360,954	390,000	390,000	5,000	395,000
Total Finance		1,260,535	1,464,275	1,470,665	11,715	1,482,380
Public Safety						
1520	Emergency Preparedness	4,175	5,000	5,000	-	5,000
2100	O.C.S.D. Contract	2,127,845	9,690,355	10,195,606	(1,801,071)	8,394,535
2100	Other O.C.S.D. Costs	75,509	517,220	77,220	15,000	92,220
2200	O.C.F.A. Contract	3,163,154	4,003,815	4,003,815	-	4,003,815
2200	Other O.C.F.A. Costs	45,046	45,950	45,950	2,050	48,000
2230	Ambulance Services	2,238	2,500	2,500	-	2,500
2300	Homeless Prevention	56,471	422,385	393,785	13,000	406,785
2400	Animal Control Services	200,964	211,015	211,015	-	211,015
2500	Public Safety Administration	140,057	213,125	212,975	10,330	223,305

*= Amended Budget is as of February 15, 2024.

City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
General Fund, Continued						
4300	Parking Control	229,234	258,050	272,105	4,500	276,605
6200	Code Enforcement	615,509	622,955	637,650	-	637,650
Total Public Safety		6,660,202	15,992,370	16,057,621	(1,756,191)	14,301,430
Public Works						
3000	Public Works Administration	579,178	607,060	607,060	7,965	615,025
3100	Engineering	308,918	491,025	487,025	-	487,025
3200	Public Facilities Maintenance	784,253	649,865	644,695	25,000	669,695
3300	Crossing Guard Services	49,215	46,000	46,000	-	46,000
3400	Parks Maintenance	375,076	503,140	503,851	-	503,851
3500	Street Maintenance	403,256	477,045	493,599	-	493,599
3600	Storm Drain Maintenance	170,689	170,800	189,365	15,000	204,365
6300	Graffiti Abatement	85,639	129,800	128,600	-	128,600
Total Public Works		2,756,224	3,074,735	3,100,195	47,965	3,148,160
Community Development						
4000	Community Development Administration	256,648	389,890	381,190	11,110	392,300
4100	Planning	297,743	515,740	719,345	-	719,345
4200	Building Regulation	296,250	602,190	598,190	-	598,190
4400	Business Relations	2,852	12,500	12,500	-	12,500
Total Community Development		853,493	1,520,320	1,711,225	11,110	1,722,335
Community Services						
5000	Public Information Office	133,413	116,640	196,840	-	196,840
5100	Community Services Administration	613,305	660,400	671,150	11,385	682,535
5200	Community Center Operations	119,703	134,605	292,785	14,035	306,820
5300	Park Operations	269,414	360,365	360,365	-	360,365

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City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
General Fund, Continued						
5400	Senior Citizen Programs	82,139	77,535	77,535	(21,095)	56,440
5500	Recreation Programs	75,370	105,230	105,230	-	105,230
Total Community Services		1,293,344	1,454,775	1,703,905	4,325	1,708,230
Transfers Out						
800250	To FACT Grant Fund	55,429	46,865	46,865	28,155	75,020
800251	To Senior Transportation Fund	6,769	9,420	9,420	(8,000)	1,420
800280	To Stanton Central Park Maintenance Fund	56,412	64,775	64,775	-	64,775
800305	To Capital Projects Fund	51,466	660,000	1,484,916	-	1,484,916
Total Transfers Out		170,076	781,060	1,605,976	20,155	1,626,131
Total General Fund		15,269,893	26,831,295	28,332,136	(1,592,151)	26,739,985
<u>TRANSACTION & USE TAX FUND (#102)</u>						
1500	Finance	4,511	6,500	6,500	-	6,500
2100	O.C.S.D. Contract	4,227,300	4,447,500	4,447,500	843,726	5,291,226
2200	O.C.F.A. Contract	2,100,000	1,500,000	1,500,000	-	1,500,000
800101	To General Fund	148,054	200,000	200,000	-	200,000
Total Transaction & Use Tax Fund		6,479,865	6,154,000	6,154,000	843,726	6,997,726
GENERAL FUNDS - TOTAL		\$ 21,749,758	\$ 32,985,295	\$ 34,486,136	\$ (748,425)	\$ 33,737,711
SPECIAL REVENUE FUNDS						
<u>CASP PROGRAM (#210)</u>						
607115	Training	\$ -	\$ 5,000	\$ 5,000	\$ -	\$ 5,000

*= Amended Budget is as of February 15, 2024.

City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
<u>GAS TAX FUND (#211)</u>						
Salaries and Benefits						
501110	Salaries-Regular	54,202	44,930	44,930	-	44,930
501120	Salaries-Part-Time	26,204	32,195	32,195	-	32,195
502100	Retirement	14,063	8,490	8,490	-	8,490
502105	Workers' Compensation	1,479	1,205	1,205	-	1,205
502110	Health/Life Insurance	4,631	4,715	4,715	-	4,715
502111	Medical In-Lieu Pay	874	600	600	-	600
502115	Unemployment Insurance	214	315	315	-	315
502120	Medicare/FICA	1,178	1,120	1,120	-	1,120
502125	Leave Disbursals	8	-	-	-	-
502130	Other Benefits Charges	490	155	155	-	155
Total Salaries and Benefits		103,343	93,725	93,725	-	93,725
Maintenance and Operations						
608100	Contractual Services	150,906	100,000	67,980	40,000	107,980
608110	Engineering Services	15,000	-	-	-	-
608105	Professional Services	-	30,000	30,000	-	30,000
Total Maintenance and Operations		165,906	130,000	97,980	40,000	137,980
Allocated Charges						
612105	Vehicle Replacement Charge	8,890	9,630	9,630	-	9,630
612115	Liability Insurance Charge	4,375	4,550	4,550	760	5,310
612140	Information Technology Charge	12,190	10,380	10,380	-	10,380
614205	Admin Overhead	21,332	18,505	18,505	-	18,505
Total Allocated Charges		46,787	43,065	43,065	760	43,825

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City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
Gas Tax Fund, Continued						
Capital Outlay						
710106	Traffic Signal Improvements	49,716	-	-	15,000	15,000
710125	Citywide Sidewalk Repair	-	35,000	67,020	15,000	82,020
Total Capital Outlay		49,716	35,000	67,020	30,000	97,020
Transfers Out						
800101	Transfer to General Fund	95,000	140,000	140,000	-	140,000
800305	Transfer to Capital Projects Fund	103,243	638,710	1,131,950	-	1,131,950
Total Transfers Out		198,243	778,710	1,271,950	-	1,271,950
Total Gas Tax Fund		563,995	1,080,500	1,573,740	70,760	1,644,500
<u>RMRA FUND (#215)</u>						
800305	Transfer to Capital Projects Fund	1,079,603	956,695	1,970,160	(15,000)	1,955,160
<u>MEASURE M FUND (#220)</u>						
800305	Transfer to Capital Projects Fund	813,510	824,595	1,731,365	15,000	1,746,365
<u>CDBG-CV FUND (#221)</u>						
800305	Transfer to Capital Projects Fund	-	-	500,000	-	500,000
<u>CDBG FUND (#222)</u>						
740145	Housing Rehab	-	50,000	50,000	-	50,000
800305	Transfer to Capital Projects Fund	350,000	-	-	-	-
Total CDBG Fund		350,000	50,000	50,000	-	50,000

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City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
<u>FIRE PROTECTIVE SERVICES FUND (#223)</u>						
608105	Professional Services	3,013	3,000	3,000	-	3,000
800101	Transfer to General Fund	389,730	382,000	382,000	4,000	386,000
Total Fire Protective Services Fund		392,743	385,000	385,000	4,000	389,000
<u>LIGHTING MAINTENANCE 1919 ACT FUND (#224)</u>						
604105	Utilities	136,789	173,000	173,000	-	173,000
604110	Street Lighting	44,726	85,000	119,910	-	119,910
810100	Principal Payment	-	135,480	135,480	526,473	661,953
810105	Interest	11,020	9,000	9,000	-	9,000
Total Lighting Maintenance 1919 Act Fund		192,535	402,480	437,390	526,473	963,863
<u>LIGHTING/MEDIAN MAINTENANCE 1972 ACT FUND (#225)</u>						
603130	Median Maintenance	-	15,000	42,769	-	42,769
604105	Utilities	56,487	90,000	90,000	-	90,000
604109	Traffic Signal Maintenance	136,675	128,000	128,000	-	128,000
608100	Contractual Services	157,461	160,620	160,620	-	160,620
608105	Professional Services	53,392	94,460	101,055	6,800	107,855
710210	Street Trees	8,265	20,000	20,000	-	20,000
Total Lighting/Median Maintenance 1972 Act Fund		412,280	508,080	542,444	6,800	549,244
<u>AIR QUALITY IMPROVEMENT FUND (#226)</u>						
502135	Alternative Commute Incentive	-	1,000	1,000	-	1,000
701105	Equipment-General	4,752	8,000	8,000	-	8,000
703105	Alternate Fuel Vehicles	-	40,000	170,000	-	170,000
Total Air Quality Improvement Fund		4,752	49,000	179,000	-	179,000

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City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
<u>OTHER GRANTS FUND (#227)</u>						
Salaries and Benefits						
501110	Salaries-Regular	-	-	200	-	200
502100	Retirement	-	-	40	-	40
502105	Workers' Compensation	-	-	5	-	5
502120	Medicare/FICA	-	-	5	-	5
Total Salaries and Benefits		-	-	250	-	250
Maintenance and Operations						
608100	Contractual Services	10,171	-	11,785	-	11,785
608110	Engineering Services	19,333	-	-	-	-
Total Maintenance and Operations		29,504	-	11,785	-	11,785
Transfers to Other Funds						
800305	Transfer to Capital Projects Fund	354,726	276,000	8,103,691	10,004	8,113,695
Total Transfers to Other Funds		354,726	276,000	8,103,691	10,004	8,113,695
Total Other Grants Fund		384,230	276,000	8,115,726	10,004	8,125,730
<u>SUPPLEMENTAL LAW ENFORCEMENT GRANTS FUND (#242)</u>						
602100	Special Department Expense	99,100	34,000	34,000	-	34,000
800101	Transfer to General Fund	150,000	160,000	160,000	-	160,000
Total Supplemental Law Enforcement Grants Fund		249,100	194,000	194,000	-	194,000
<u>JUSTICE ASSISTANCE GRANT (JAG) FUND (#245)</u>						
602100	Special Department Expense	8,937	-	-	-	-
608100	Contractual Services	1,036,330	-	3,963,670	-	3,963,670
Total Justice Assistance Grant Fund		1,045,267	-	3,963,670	-	3,963,670

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City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
<u>FACT GRANT FUND (#250)</u>						
Salaries and Benefits						
501110	Salaries-Regular	108,705	116,815	116,815	-	116,815
501115	Salaries-Overtime	698	-	-	-	-
501120	Salaries-Part-Time	53,074	37,860	37,860	21,140	59,000
502100	Retirement	30,265	23,215	23,215	5,885	29,100
502105	Workers' Compensation	2,977	2,340	2,340	325	2,665
502110	Health/Life Insurance	19,112	21,800	21,800	-	21,800
502111	Medical In-Lieu Pay	-	870	870	330	1,200
502115	Unemployment Insurance	488	775	775	125	900
502120	Medicare/FICA	2,337	2,200	2,200	290	2,490
502125	Leave Disbursals	(900)	-	-	-	-
502130	Other Benefits	983	215	215	60	275
Total Salaries and Benefits		217,739	206,090	206,090	28,155	234,245
Maintenance and Operations						
602100	Special Department Expense	4,944	2,710	2,710	-	2,710
608100	Contractual Services	159,221	174,505	174,505	-	174,505
610155	Emergency Assistance	25,556	20,800	20,800	-	20,800
Total Maintenance and Operations		189,721	198,015	198,015	-	198,015
Total FACT Grant Fund		407,460	404,105	404,105	28,155	432,260
<u>SENIOR TRANSPORTATION FUND (#251)</u>						
Salaries and Benefits						
501110	Salaries-Regular	19,257	19,650	19,650	(14,885)	4,765
501120	Salaries-Part-Time	7,499	15,510	15,510	-	15,510

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City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
Senior Transportation Fund, Continued						
502100	Retirement	4,702	3,575	3,575	(3,075)	500
502105	Workers' Compensation	492	530	530	(250)	280
502110	Health/Life Insurance	2,860	2,865	2,865	(2,665)	200
502111	Medical In-Lieu Pay	3	240	240	-	240
502115	Unemployment Insurance	60	145	145	-	145
502120	Medicare/FICA	388	495	495	(220)	275
502130	Other Benefits	173	65	65	-	65
Total Salaries and Benefits		35,434	43,075	43,075	(21,095)	21,980
Maintenance and Operations						
602145	Gas/Oil/Lube	981	2,000	2,000	-	2,000
Total Maintenance and Operations		981	2,000	2,000	-	2,000
Allocated Charges						
614205	Admin Overhead	3,641	4,510	4,510	-	4,510
Total Allocated Charges		3,641	4,510	4,510	-	4,510
Total Senior Transportation Fund		40,056	49,585	49,585	(21,095)	28,490
<u>PUBLIC SAFETY TASK FORCE FUND (#271)</u>						
Salaries and Benefits						
501120	Salaries-Part-Time	-	37,935	37,935	-	37,935
502105	Workers' Compensation	-	595	595	-	595
502110	Health/Life Insurance	-	350	350	-	350
502115	Unemployment Insurance	-	225	225	-	225

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City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
<u>Public Safety Task Force Fund, Continued</u>						
502120	Medicare/FICA	-	540	540	-	540
502130	Other Benefits	-	150	150	-	150
Total Salaries and Benefits		-	39,795	39,795	-	39,795
Maintenance and Operations						
608100	Contractual Services	32,907	-	-	-	-
Total Maintenance and Operations		32,907	-	-	-	-
Allocated Charges						
614205	Admin Overhead	-	6,450	6,450	-	6,450
Total Allocated Charges		-	6,450	6,450	-	6,450
Total Public Safety Task Force Fund		32,907	46,245	46,245	-	46,245
<u>STANTON CENTRAL PARK MAINTENANCE FUND (#280)</u>						
603105	Equipment Maintenance	163	-	-	-	-
608100	Contractual Services	106,249	114,775	114,775	-	114,775
Total Stanton Central Park Maintenance Fund		106,412	114,775	114,775	-	114,775
<u>HOUSING AUTHORITY FUND (#285)</u>						
Salaries and Benefits						
501110	Salaries-Regular	133,101	142,795	143,680	-	143,680
501115	Salaries-Overtime	40	-	-	-	-
501120	Salaries-Part-Time	2,253	2,435	2,435	-	2,435
502100	Retirement	34,798	25,990	25,990	-	25,990
502105	Workers' Compensation	2,491	2,160	2,160	-	2,160
502110	Health/Life Insurance	13,200	14,425	14,425	-	14,425
502111	Medical In-Lieu Pay	356	470	470	-	470

*= Amended Budget is as of February 15, 2024.

City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
Housing Authority Fund, Continued						
502115	Unemployment Insurance	247	250	250	-	250
502120	Medicare/FICA	1,807	1,965	1,980	-	1,980
502125	Leave Disbursals	(1,593)	-	-	-	-
502130	Other Benefits	1,173	30	30	-	30
Total Salaries and Benefits		187,873	190,520	191,420	-	191,420
Maintenance and Operations						
602100	Special Department Expense	283	500	500	-	500
602115	Postage	51	500	500	-	500
602130	Clothing	2,937	2,500	2,500	-	2,500
602140	Materials and Supplies	2,020	2,500	2,500	-	2,500
604105	Utilities	51,049	60,000	60,000	-	60,000
607100	Membership Dues	-	4,800	4,800	-	4,800
607110	Travel/Conference/Meetings	-	1,000	1,000	-	1,000
607115	Training	-	2,500	2,500	-	2,500
608100	Contractual Services	19,177	23,000	23,000	-	23,000
608105	Professional Services	228,540	328,875	328,875	40,000	368,875
610130	Tina Pacific Operating Expenses	232,626	243,825	243,825	-	243,825
610131	Bad Debt Expense	41,923	40,000	40,000	-	40,000
610135	Relocation Assistance	27,385	40,000	40,000	4,243,000	4,283,000
610230	Navigation Center (North SPA)	50,000	95,000	95,000	-	95,000
611110	O.C. Sanitation User Fee	19,484	24,000	24,000	-	24,000
Total Maintenance and Operations		675,475	869,000	869,000	4,283,000	5,152,000

*= Amended Budget is as of February 15, 2024.

City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
Housing Authority Fund, Continued						
Allocated Charges						
612105	Vehicle Replacement Charge	5,805	12,305	12,305	-	12,305
612115	Liability Insurance Charge	6,540	8,690	8,690	1,455	10,145
612140	Information Technology Charge	18,215	19,215	19,215	-	19,215
614205	Admin Overhead	24,633	20,980	20,980	-	20,980
Total Allocated Charges		55,193	61,190	61,190	1,455	62,645
Capital Outlay						
702100	Office Furniture	218	-	-	-	-
760100	Demolition/Condemnation	93,800	100,000	100,000	-	100,000
790100	Land Acquisition	2,500,000	-	-	-	-
Total Capital Outlay		2,594,018	100,000	100,000	-	100,000
Total Housing Authority Fund		3,512,559	1,220,710	1,221,610	4,284,455	5,506,065
<u>EXPENDABLE DEPOSITS FUND (#801)</u>						
Maintenance and Operations						
608105	Professional Services	119,384	-	-	51,140	51,140
SPECIAL REVENUE FUNDS - TOTAL		\$ 9,706,793	\$ 6,566,770	\$ 21,483,815	\$ 4,960,692	\$ 26,444,507
CAPITAL PROJECTS FUNDS						
<u>CAPITAL PROJECTS FUND (#305)</u>						
750100	Dotson Park Improvements	\$ 8,500	\$ -	\$ -	\$ -	\$ -
750103	Stanton Central Park Improvements	19,219	-	-	-	-
Total Capital Projects Fund		27,719	-	-	-	-

*= Amended Budget is as of February 15, 2024.

City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
<u>PARK IN LIEU FEES FUND (#310)</u>						
800305	Transfer to Capital Projects Fund	-	3,080,000	3,692,628	-	3,692,628
CAPITAL PROJECTS FUND - TOTAL		\$ 27,719	\$ 3,080,000	\$ 3,692,628	\$ -	\$ 3,692,628
ENTERPRISE FUND						
<u>SEWER MAINTENANCE FUND (#501)</u>						
Salaries and Benefits						
501110	Salaries-Regular	\$ 41,615	\$ 41,655	\$ 41,655	\$ -	\$ 41,655
501115	Salaries-Overtime	513	650	650	-	650
502100	Retirement	10,502	7,665	7,665	-	7,665
502105	Workers' Compensation	766	645	645	-	645
502110	Health/Life Insurance	4,427	4,425	4,425	-	4,425
502111	Medical In-Lieu Pay	176	-	-	-	-
502115	Unemployment Insurance	80	90	90	-	90
502120	Medicare/FICA	613	600	600	-	600
502125	Leave Disbursals	1,203	-	-	-	-
502130	Other Benefits	366	5	5	-	5
Total Salaries and Benefits		60,261	55,735	55,735	-	55,735
Maintenance and Operations						
602140	Materials & Supplies	1,317	-	-	-	-
603100	Emergency Maintenance Services	-	12,000	12,000	-	12,000
603122	System Repairs/Maintenance	1,092	5,000	5,000	-	5,000
608100	Contractual Services	-	10,000	10,000	-	10,000
608105	Professional Services	4,810	54,460	54,460	5,000	59,460

*= Amended Budget is as of February 15, 2024.

City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
Sewer Maintenance Fund, Continued						
608110	Engineering Services	20,161	32,500	32,500	-	32,500
608155	Waste Discharge Monitoring	21,119	27,500	27,500	-	27,500
611116	Payment to Other Agencies	134,602	200,000	200,000	300,000	500,000
730100	CCTV & Line Cleaning	107,787	335,000	335,000	-	335,000
830100	Depreciation Expense	143,474	150,000	150,000	-	150,000
Total Maintenance and Operations		434,362	826,460	826,460	305,000	1,131,460
Allocated Charges						
612105	Vehicle Replacement Charge	1,665	1,805	1,805	-	1,805
612115	Liability Insurance Charge	2,129	2,380	2,380	395	2,775
612140	Information Technology Charge	5,930	5,605	5,605	-	5,605
614205	Admin Overhead	12,019	12,080	12,080	-	12,080
Total Allocated Charges		21,743	21,870	21,870	395	22,265
Transfer to Other Funds						
800305	Transfer to Capital Projects Fund	332,010	440,155	928,355	109,845	1,038,200
Total Transfer to Other Funds		332,010	440,155	928,355	109,845	1,038,200
Total Sewer Maintenance Fund		848,376	1,344,220	1,832,420	415,240	2,247,660
<u>SEWER CAPITAL IMPROVEMENT FUND (#502)</u>						
800501	Transfer to Capital Projects Fund	-	109,845	109,845	(109,845)	-
ENTERPRISE FUNDS - TOTAL		\$ 848,376	\$ 1,454,065	\$ 1,942,265	\$ 305,395	\$ 2,247,660
INTERNAL SERVICE FUNDS						

*= Amended Budget is as of February 15, 2024.

City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
<u>WORKERS COMPENSATION FUND (#602)</u>						
606105	Insurance Premium	\$ 56,970	\$ 60,105	\$ 60,105	\$ -	\$ 60,105
606110	Benefit Claims	26,628	20,000	29,590	-	29,590
608105	Professional Services	-	300	300	-	300
Total Workers Compensation Fund		83,598	80,405	89,995	-	89,995
<u>LIABILITY/RISK MANAGEMENT FUND (#603)</u>						
606105	Insurance Premium	255,169	293,925	293,925	-	293,925
606110	Benefit Claims	62,341	35,000	61,980	60,000	121,980
Total Liability/Risk Management Fund		317,510	328,925	355,905	60,000	415,905
<u>EMPLOYEE BENEFITS FUND (#604)</u>						
502100	Retirement Charges (for GASB 68 accounting onl	1,363,312	-	-	-	-
502101	CalPERS Retirement System	1,081,080	943,170	943,170	-	943,170
502110	Health Insurance (retirees)	38,485	40,000	40,000	-	40,000
502112	Medical Insurance Premiums	406,161	498,520	498,520	-	498,520
502113	Dental Insurance Premiums	23,500	28,650	28,650	-	28,650
502114	Vision Insurance Premiums	5,647	6,825	6,825	-	6,825
502115	Unemployment Insurance Payments	10,573	17,760	17,760	-	17,760
502116	Life Insurance Premiums	5,861	6,480	6,480	-	6,480
502117	Disability Insurance Premiums	31,189	43,270	43,270	-	43,270
502120	Medicare/FICA	70,024	76,920	76,920	-	76,920
502125	Leave Disbursals	(10,212)	-	-	-	-
502130	Other Benefits	7,100	5,700	5,700	-	5,700

*= Amended Budget is as of February 15, 2024.

City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
Employee Benefits Fund, Continued						
608105	Professional Services	-	2,500	2,500	-	2,500
608107	Financial Services	23,625	25,000	25,000	-	25,000
Total Employee Benefits Fund		3,056,345	1,694,795	1,694,795	-	1,694,795
<u>FLEET MAINTENANCE FUND (#605)</u>						
Salaries and Benefits						
501110	Salaries-Regular	5,898	11,760	11,760	-	11,760
501115	Salaries-Overtime	-	800	800	-	800
502100	Retirement	1,440	2,025	2,025	-	2,025
502105	Workers' Compensation	109	175	175	-	175
502110	Health/Life Insurance	407	1,075	1,075	-	1,075
502111	Medical In-Lieu Pay	1,050	420	420	-	420
502115	Unemployment Insurance	20	45	45	-	45
502120	Medicare/FICA	101	165	165	-	165
502125	Leave Disbursals	(614)	-	-	-	-
502130	Other Benefits	52	5	5	-	5
Total Salaries and Benefits		8,463	16,470	16,470	-	16,470
Maintenance and Operations						
602125	Small Tools	31	-	-	-	-
602135	Safety Equipment	493	-	-	-	-
602145	Gas/Oil/Lube	33,307	35,000	35,000	10,000	45,000
603105	Equipment Maintenance	-	30,000	30,000	-	30,000
603125	Vehicle Maintenance	51,122	53,000	53,000	-	53,000
830100	Depreciation Expense	93,810	40,000	40,000	-	40,000
Total Maintenance and Operations		178,763	158,000	158,000	10,000	168,000

*= Amended Budget is as of February 15, 2024.

City of Stanton
OPERATING EXPENDITURES AND TRANSFERS OUT BY FUND
FISCAL YEAR 2023/24

Division/ Object No.	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
Fleet Maintenance Fund, Continued						
Allocated Charges						
612115	Liability Insurance Charge	668	690	690	115	805
612140	Information Technology Charge	1,270	1,290	1,290	-	1,290
614205	Admin Overhead	1,647	3,410	3,410	-	3,410
Total Allocated Charges		3,585	5,390	5,390	115	5,505
Capital Outlay						
701105	Equipment-General	-	-	15,000	-	15,000
703100	Vehicle	-	-	60,000	-	60,000
Total Capital Outlay		-	-	75,000	-	75,000
Total Fleet Maintenance Fund		190,811	179,860	254,860	10,115	264,975
INTERNAL SERVICE FUNDS - TOTAL		\$ 3,648,264	\$ 2,283,985	\$ 2,395,555	\$ 70,115	\$ 2,465,670
TOTAL OPERATING EXPENDITURES & TRANSFERS OUT		\$ 35,980,910	\$ 46,370,115	\$ 64,000,399	\$ 4,587,777	\$ 68,588,176

*= Amended Budget is as of February 15, 2024.

CITY OF STANTON
FY 2023/24
CAPITAL IMPROVEMENT PROGRAM (CIP) EXPENDITURES

Task Code	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
Street Projects						
202x-101	Citywide Street Rehabilitation	\$ 1,985,490	\$ 1,690,000	\$ 3,703,050	\$ -	\$ 3,703,050
202x-103	Catch Basin Full Trash Capture Installations	66	-	76,935	-	76,935
2022-102	Citywide Street Sign Replacement	-	-	149,490	-	149,490
2023-104	Pavement Management Plan Update	23,730	-	-	-	-
2024-102	Cerritos Avenue Resurfacing	-	930,000	960,000	-	960,000
Total Street Projects		\$ 2,009,286	\$ 2,620,000	\$ 4,889,475	\$ -	\$ 4,889,475
Parks Projects						
2021-201	Park Master Plan	\$ 166,314	\$ -	\$ 8,306	\$ -	\$ 8,306
2021-205	Dog Park (design)	56,247	-	-	-	-
2022-201	Family Resource Center Improvements (Phase 1)	607,432	-	196,639	3,005	199,644
2022-203	Orangewood Parkette (design)	15,822	-	-	-	-
2022-204	Norm Ross Sports Park	124,398	2,000,000	9,566,660	-	9,566,660
2022-205	Replace Shade Structure at Stanton Central Park	1,642	-	58,360	-	58,360
2022-206	Premier Park Renovation	85,125	840,000	1,604,875	-	1,604,875
2022-820	Stanton Park Adult Fitness Equipment	2,718	90,000	174,090	-	174,090
2022-833	Stanton Park Refresh	-	-	410,000	-	410,000
2023-201	Family Resource Center Improvements (Phase 2)	-	150,000	353,055	10,004	363,059
2024-601	Stanton Central Park Lighting Project	-	76,000	76,000	-	76,000
Total Parks Projects		\$ 1,059,698	\$ 3,156,000	\$ 12,447,985	\$ 13,009	\$ 12,460,994
Sewer						
202x-301	Annual Sewer Rehabilitation Project	\$ -	\$ 550,000	\$ 550,000	\$ -	\$ 550,000
2022-301	Sewer Master Plan Update	332,010	-	488,200	-	488,200
Total Sewer Projects		\$ 332,010	\$ 550,000	\$ 1,038,200	\$ -	\$ 1,038,200

* = Amended Budget is as of February 15, 2024.

CITY OF STANTON
FY 2023/24
CAPITAL IMPROVEMENT PROGRAM (CIP) EXPENDITURES

Task Code	Description	FY 2022/23 Actual	FY 2023/24 Adopted Budget	FY 2023/24 Amended Budget*	Increase (Decrease)	FY 2023/24 Revised Budget
Facilities						
2022-834	City Fire Alarm Upgrade Project	\$ 26,988	\$ -	\$ 173,015	\$ -	\$ 173,015
2022-839	ADA Transition Plan	76,405	-	33,595	-	33,595
2023-603	Stanton Community Center Improvements	-	-	500,000	-	500,000
Total Facilities Projects		\$ 103,393	\$ -	\$ 706,610	\$ -	\$ 706,610
Storm Drain						
2024-801	Storm Drain Master Plan	\$ -	\$ 600,000	\$ 600,000	\$ -	\$ 600,000
2024-802	Stanford Avenue Storm Drain Repair	-	60,000	60,000	-	60,000
Total Storm Drain Projects		\$ -	\$ 660,000	\$ 660,000	\$ -	\$ 660,000
TOTAL CIP EXPENDITURES		\$ 3,504,387	\$ 6,986,000	\$ 19,742,270	\$ 13,009	\$ 19,755,279
Funding Source						
101	General Fund Assigned Fund Balance	\$ 54,185	\$ 660,000	\$ 1,484,916	\$ -	\$ 1,484,916
211	Gas Tax Fund	103,243	638,710	1,131,950	-	1,131,950
215	Road Maintenance Rehabilitation Account (RMRA) (SB-1)	1,079,603	956,695	1,970,160	-	1,970,160
220	Measure M Turnback Fund	813,510	824,595	1,731,365	-	1,731,365
221	CDBG-CV Grant Fund	-	-	500,000	-	500,000
222	CDBG Grant Fund	350,000	-	-	-	-
227	Other Grants Fund	347,979	276,000	8,103,691	10,004	8,113,695
257	ARPA Fund	198,240	-	-	-	-
305	Capital Projects Fund (Reserves)	34,573	-	89,360	3,005	92,365
310	Park In-Lieu Fund	191,044	3,080,000	3,692,628	-	3,692,628
501	Sewer Maintenance Fund	332,010	440,155	928,355	109,845	1,038,200
502	Sewer Capital Improvement Fund	-	109,845	109,845	(109,845)	-
TOTAL CIP FUNDING		\$ 3,504,387	\$ 6,986,000	\$ 19,742,270	\$ 13,009	\$ 19,755,279

* = Amended Budget is as of February 15, 2024.

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City of Stanton
RESERVE BALANCES BY FUND
FISCAL YEAR 2023/24

	Beginning Balance 7/1/2023 ⁽¹⁾	Revenues FY 2023/24	Operating Expenditures FY 2023/24	CIP Expenditures FY 2023/24	Transfers In FY 2023/24	Transfers Out FY 2023/24	Adjustments ⁽⁵⁾	Projected Ending Balance 6/30/2024
GENERAL FUNDS								
General Fund (#101)								
Unassigned	\$ 12,890,227	\$ 25,718,779	\$ (22,905,632)	\$ -	\$ 886,000	\$ (141,215)	\$ -	\$ 16,448,159
Reserve - Continuing Appropriations (Carryovers)	1,328,850	-	(1,328,850)	-	-	-	-	-
Reserve - Economic Uncertainty ⁽²⁾	6,100,000	-	-	-	-	-	-	6,100,000
Reserve - Emergency Disaster Continuity ⁽²⁾	3,000,000	-	-	-	-	-	-	3,000,000
Reserve - Capital Improvement ⁽²⁾	5,000,000	-	-	-	-	-	-	5,000,000
Reserve -Equipment and Maintenance ⁽²⁾	150,000	-	-	-	-	-	-	150,000
Reserve -Technology Equipment ⁽²⁾	150,000	-	-	-	-	-	-	150,000
Committed by Developer Agreements for Public Benefit/Public Facilities ⁽³⁾	1,507,796	330,650	-	-	-	-	-	1,838,446
Committed by Developer Agreements for Beautification Projects ⁽³⁾	190,000	50,000	-	-	-	-	-	240,000
Committed by Developer Agreements for Neighborhood Preservation ⁽³⁾	108,000	6,000	-	-	-	-	-	114,000
Assigned - Special Projects ⁽⁴⁾	4,975,672	-	(728,664)	-	-	(1,484,916)	-	2,762,092
Non-Spendable-Prepays	150,708	-	(150,708)	-	-	-	-	-
Non-Spendable-Loan to Lighting Maintenance District Fund	661,953	-	-	-	-	-	-	661,953
Non-Spendable-Public Benefit Agreement with Rodeo 39	1,368,540	-	-	-	-	-	-	1,368,540
Non-Spendable-Other Notes Receivable	84,035	-	-	-	-	-	-	84,035
Total General Fund	37,665,781	26,105,429	(25,113,854)	-	886,000	(1,626,131)	-	37,917,225
Transaction & Use Tax Fund (#102)								
Unassigned	868,256	6,129,470	(6,797,726)	-	-	(200,000)	-	-
GENERAL FUNDS - TOTAL	\$ 38,534,037	\$ 32,234,899	\$ (31,911,580)	\$ -	\$ 886,000	\$ (1,826,131)	\$ -	\$ 37,917,225
Special Revenue Funds								
CASP Program Fund (#210)								
Restricted-CASP Program	\$ 61,130	\$ 10,000	\$ (5,000)	\$ -	\$ -	\$ -	\$ -	\$ 66,130
Gas Tax Fund (#211)								
Restricted-Street Rehabilitation and Maintenance	1,851,322	1,117,815	(372,550)	-	-	(1,271,950)	-	1,324,637
Road Maintenance and Rehabilitation Account								
(RMRA) Fund (#215)								
Restricted-Streets and Roads Capital Projects	1,014,447	975,735	-	-	-	(1,955,160)	-	35,022

City of Stanton
RESERVE BALANCES BY FUND
FISCAL YEAR 2023/24

	Beginning Balance 7/1/2023 ⁽¹⁾	Revenues FY 2023/24	Operating Expenditures FY 2023/24	CIP Expenditures FY 2023/24	Transfers In FY 2023/24	Transfers Out FY 2023/24	Adjustments ⁽⁵⁾	Projected Ending Balance 6/30/2024
<u>Measure M Fund (#220)</u>								
Restricted-Streets and Roads Capital Projects	1,043,222	780,000	-	-	-	(1,746,365)	-	76,857
<u>Community Development Block Grant-CV (CDBG-) Fund (#221)</u>								
Restricted-Small Business Loan Program	-	500,000	-	-	-	(500,000)	-	-
<u>Community Development Block Grant (CDBG) Fund (#222)</u>								
Restricted-Housing Rehabilitation for Low and Moderate Income Housing Persons	(135,113)	360,000	(50,000)	-	-	-	-	174,887
<u>Fire Protective Services Fund (#223)</u>								
Restricted-Fire Protection and Prevention Services	4,000	385,000	(3,000)	-	-	(386,000)	-	-
<u>Lighting Maintenance 1919 Act Fund (#224)</u>								
Restricted-Maintenance and Capital Projects for Street Lights	1,288,207	861,710	(963,863)	-	-	-	(661,953)	524,101
Advance Payable Due to General Fund	(661,953)	-	-	-	-	-	661,953	-
Total Lighting Maintenance 1919 Act Fund	626,254	861,710	(963,863)	-	-	-	-	524,101
<u>Lighting and Median Maintenance 1972 Act Fund (#225)</u>								
Restricted-Lighting and Landscape Maintenance	889,445	279,484	(549,244)	-	-	-	-	619,685
<u>Air Quality Improvement Fund (#226)</u>								
Restricted-Mobile Source Emissions Reduction Programs	242,042	62,500	(179,000)	-	-	-	-	125,542
<u>Other Grants Fund (#227)</u>								
Restricted-Grant Specific Programs	(122,745)	8,248,475	(12,035)	-	-	(8,113,695)	-	-
<u>Supplemental Law Enforcement Grants Fund (#242)</u>								
Restricted-Law Enforcement	292,352	180,000	(34,000)	-	-	(160,000)	-	278,352
<u>Justice Assistance Grant Fund (#245)</u>								
Restricted-North Orange County Public Safety Collaborative Program	-	3,963,670	(3,963,670)	-	-	-	-	-
<u>Families and Communities Together (FACT) Grant Fund (#250)</u>								
Restricted-Family Preservation and Support Program	-	357,240	(432,260)	-	75,020	-	-	-
<u>Senior Transportation Fund (#251)</u>								
Restricted-Senior Mobility Program	76,134	56,800	(28,490)	-	1,420	-	-	105,864
<u>Street Impact Fees Fund (#261)</u>								
Restricted-Streets and Roads Capital Projects	109,556	141,000	-	-	-	-	-	250,556

City of Stanton
RESERVE BALANCES BY FUND
FISCAL YEAR 2023/24

	Beginning Balance 7/1/2023 ⁽¹⁾	Revenues FY 2023/24	Operating Expenditures FY 2023/24	CIP Expenditures FY 2023/24	Transfers In FY 2023/24	Transfers Out FY 2023/24	Adjustments ⁽⁵⁾	Projected Ending Balance 6/30/2024
<u>Traffic Signal Impact Fees Fund (#262)</u>								
Restricted-Traffic Signals Capital Projects	1,295	32,000	-	-	-	-	-	33,295
<u>Community Center Impact Fees Fund (#263)</u>								
Restricted-New Community Center Facility	183,328	100,500	-	-	-	-	-	283,828
<u>Police Services Impact Fees Fund (#264)</u>								
Restricted-New Police Center Facility	166,275	92,000	-	-	-	-	-	258,275
<u>Public Safety Task Force Fund (#271)</u>								
Restricted-North Orange County Public Safety Collaborative Program	-	46,245	(46,245)	-	-	-	-	-
<u>Stanton Central Park Maintenance Fund (#280)</u>								
Restricted-Park Maintenance	-	50,000	(114,775)	-	64,775	-	-	-
<u>Housing Authority Fund (#285)</u>								
Restricted-Affordable Housing	9,838,500	925,000	(5,506,065)	-	-	-	40,000	5,297,435
Non-Spendable-Notes Receivable	1,018,000	-	-	-	-	-	(40,000)	978,000
Total Housing Authority Fund	10,856,500	925,000	(5,506,065)	-	-	-	-	6,275,435
<u>Expendable Deposits Fund (#801)</u>								
Restricted-Projects Funded by Developers	(9,928)	61,068	(51,140)	-	-	-	-	-
SPECIAL REVENUE FUNDS - TOTAL	\$ 17,149,516	\$ 19,586,242	\$ (12,311,337)	\$ -	\$ 141,215	\$ (14,133,170)	\$ -	\$ 10,432,466
<u>Capital Projects Funds</u>								
<u>Capital Projects Fund (#305)</u>								
Assigned-Capital Projects	\$ 278,929	\$ -	\$ -	(19,755,279)	19,662,914	\$ -	\$ -	\$ 186,564
<u>Park In Lieu Fees Fund (#310)</u>								
Restricted-Parks and Recreation	3,499,901	200,000	-	-	-	(3,692,628)	-	7,273
CAPITAL PROJECTS FUNDS - TOTAL	\$ 3,778,830	\$ 200,000	\$ -	\$ (19,755,279)	\$ 19,662,914	\$ (3,692,628)	\$ -	\$ 193,837
GENERAL GOVERNMENTAL FUNDS - TOTAL	\$ 59,462,383	\$ 52,021,141	\$ (44,222,917)	\$ (19,755,279)	\$ 20,690,129	\$ (19,651,929)	\$ -	\$ 48,543,528

City of Stanton
RESERVE BALANCES BY FUND
FISCAL YEAR 2023/24

	Beginning Balance 7/1/2023 ⁽¹⁾	Revenues FY 2023/24	Operating Expenditures FY 2023/24	CIP Expenditures FY 2023/24	Transfers In FY 2023/24	Transfers Out FY 2023/24	Adjustments ⁽⁵⁾	Projected Ending Balance 6/30/2024
ENTERPRISE FUNDS								
<u>Sewer Maintenance Fund (#501)</u>								
Unrestricted Net Position - Available	\$ 5,613,776	\$ 1,817,200	\$ (1,209,460)	\$ -	\$ -	\$ (1,038,200)	\$ -	\$ 5,183,316
Reserve-Capital Improvements ⁽²⁾	1,000,000	-	-	-	-	-	-	1,000,000
Investment in Capital Assets	4,683,660	-	-	-	-	-	-	4,683,660
Total Sewer Maintenance Fund	11,297,436	1,817,200	(1,209,460)	-	-	(1,038,200)	-	10,866,976
<u>Sewer Capital Improvement Fund (#502)</u>								
Restricted-Sewer Capital Projects	3,004	5,200	-	-	-	-	-	8,204
Total Sewer Capital Improvement Fund	3,004	5,200	-	-	-	-	-	8,204
ENTERPRISE FUNDS - TOTAL	\$ 11,300,440	\$ 1,822,400	\$ (1,209,460)	\$ -	\$ -	\$ (1,038,200)	\$ -	\$ 10,875,180
INTERNAL SERVICE FUNDS								
<u>Workers Compensation Fund (#602)</u>								
Unrestricted Net Position-Available	\$ 827,800	\$ 114,995	\$ (89,995)	\$ -	\$ -	\$ -	\$ -	\$ 852,800
<u>Liability/Risk Management Fund (#603)</u>								
Unrestricted Net Position-Available	50,349	415,905	(415,905)	-	-	-	-	50,349
<u>Employee Benefits Fund (#604)</u>								
Unrestricted Net Position-Available	132,276	1,694,795	(1,694,795)	-	-	-	-	132,276
Net Pension Liability, Net of Deferred Amounts	(4,832,863)	-	-	-	-	-	-	(4,832,863)
Non-Spendable-Pension Stabilization	4,254,533	-	-	-	-	-	-	4,254,533
Total Employee Benefits Fund	(446,054)	1,694,795	(1,694,795)	-	-	-	-	(446,054)
<u>Fleet Maintenance Fund (#605)</u>								
Unrestricted Net Position - Available	333,581	189,860	(189,975)	-	-	-	-	333,466
Reserve - Continuing Appropriations (Carryovers)	75,000	-	(75,000)	-	-	-	-	-
Vehicle Replacement Reserve ⁽²⁾	100,000	-	-	-	-	-	-	100,000
Investment in Capital Assets	187,958	-	-	-	-	-	-	187,958
Total Fleet Maintenance Fund	696,539	189,860	(264,975)	-	-	-	-	621,424
INTERNAL SERVICE FUNDS - TOTAL	\$ 1,128,634	\$ 2,415,555	\$ (2,465,670)	\$ -	\$ -	\$ -	\$ -	\$ 1,078,519
ALL FUNDS - TOTAL	\$ 71,891,457	\$ 56,259,096	\$ (47,898,047)	\$ (19,755,279)	\$ 20,690,129	\$ (20,690,129)	\$ -	\$ 60,497,227

City of Stanton
RESERVE BALANCES BY FUND
FISCAL YEAR 2023/24

	Beginning Balance 7/1/2023 ⁽¹⁾	Revenues FY 2023/24	Operating Expenditures FY 2023/24	CIP Expenditures FY 2023/24	Transfers In FY 2023/24	Transfers Out FY 2023/24	Adjustments ⁽⁵⁾	Projected Ending Balance 6/30/2024

Notes:

(1) - Per audited financial statements as of June 30, 2023.

(2) - Per City Council Reserve Policy adopted annually.

(3) - Pursuant to approved developer agreements, this amount represents public benefit fees the City received that should be used for the following projects relating to: public facilities, neighborhood preservation, and city beautification/enhancement.

(4) - Assigned by City Council on June 13, 2023, resulting from the reallocation of the City's American Rescue Plan Act (ARPA) Grant funds. The funds are designated for special projects such as capital improvement projects, limited term staffing positions, and other pilot programs.

(5) - The amounts in the "adjustments" column represent the shifting of fund balance from the "non-spendable" category to the "available" category to reflect loan repayments.

CITY OF STANTON

**FISCAL YEAR 2023-24
YEAR 1 OF 5 YEAR TERM**

FINAL - ADJUSTED

February 13, 2024

Update:

Salary and benefit changes approved for:

- Association of County Law Enforcement Managers (ACLEM)
- Association of Orange County Deputy Sheriffs (AOCDS)
- Orange County Managers Association (OCMA)
- Orange County Employees Association (OCEA)

NO	DIRECT PURCHASE POSITIONS	SALARIES & EMPLOYEE BENEFITS						INDIRECT COSTS						SAVINGS/REVENUE	TOTAL
		REGULAR SALARY	OVERTIME	BENEFITS	POST PAY	SERVICES & SUPPLIES	TRANSP.	DEPT. OH	DIV. OH	TRAINING	COUNTY OH	OTHER			
1	Captain	209,205	0	192,064	4,020	3,703	0	9,240	20,542	4,584	3,070	0	0	446,428	
1	Sergeant/ Investigative	157,518	0	147,026	15,627	3,703	0	9,240	7,079	4,584	2,493	0	0	347,270	
4	Sergeant/ Patrol	630,072	0	588,104	62,508	14,812	0	36,960	97,672	18,336	9,972	0	0	1,458,436	
2	Investigator	277,972	0	262,514	24,488	7,406	0	18,480	14,158	9,168	4,356	0	0	618,542	
22	DS II Patrol	2,793,648	0	2,633,202	171,710	81,466	0	203,280	578,688	100,848	42,702	0	0	6,605,544	
1	DS II Motorcycle	131,646	0	122,499	7,805	3,703	0	9,240	26,304	4,584	2,008	0	0	307,789	
31	Subtotal Safety	\$4,200,061	\$0	\$3,945,409	\$286,158	\$114,793	\$0	\$286,440	\$744,443	\$142,104	\$64,601	\$0	\$0	\$9,784,009	
1	Community Service Officer	60,133	0	41,931	0	3,703	0	9,240	24,418	0	866	0	0	140,291	
2	Investigative Assistant	141,898	0	117,598	0	7,406	0	18,480	13,764	0	2,044	0	0	301,190	
1	Crime Prevention Specialist	61,984	0	39,561	0	3,703	0	9,240	3,006	0	893	0	0	118,387	
2	Office Specialist	115,190	0	73,158	0	7,406	0	18,480	6,012	0	1,658	0	0	221,904	
	Office Trainee/Cadets (2 x 1,039 hours each)	34,952	0	745	0	3,700	0	9,230	3,004	0	503	0	0	52,134	
6	Subtotal Professional	\$414,157	\$0	\$272,993	\$0	\$25,918	\$0	\$64,670	\$50,204	\$0	\$5,964	\$0	\$0	\$833,906	
37	TOTAL STAFF	\$4,614,218	\$0	\$4,218,402	\$286,158	\$140,711	\$0	\$351,110	\$794,647	\$142,104	\$70,565	\$0	\$0	10,617,915	
	REGIONAL / SHARED STAFF														
0.6	Traffic - Sergeant	8.78%	11,395	1,218	9,509	823	416	264	487	858	241	251	0	0	25,462
4	Traffic - Deputy Sheriff II	8.78%	52,200	8,631	46,511	2,741	2,771	8,269	3,245	5,720	1,610	1,189	0	0	132,887
2	Traffic - Investigative Assistant	8.78%	12,866	0	10,434	0	1,363	0	1,623	2,145	0	241	0	0	28,672
1	Traffic - Office Specialist	8.78%	5,187	36	3,241	0	682	0	811	1,072	0	98	0	0	11,127
0.3	Auto Theft - Sergeant	15.31%	9,936	1,062	8,291	718	316	230	424	747	211	219	0	0	22,154
2	Auto Theft - Investigator	15.31%	44,987	4,791	41,273	3,750	2,106	1,538	2,830	4,980	1,404	1,001	0	0	108,660
1	Auto Theft - Investigative Assistant	15.31%	11,068	452	9,138	0	1,034	0	1,415	1,866	0	215	0	0	25,188
1	Auto Theft - Office Specialist	15.31%	8,830	0	5,605	0	1,034	0	1,415	1,866	0	165	0	0	18,915
1	Motorcycle Sergeant	3.77%	6,235	427	5,803	590	368	650	349	615	173	144	469	0	15,823
12.90	Subtotal		\$162,704	\$16,617	\$139,805	\$8,622	\$10,090	\$10,951	\$12,599	\$19,869	\$3,639	\$3,523	\$469	\$0	\$388,888

CITY OF STANTON

**FISCAL YEAR 2023-24
YEAR 1 OF 5 YEAR TERM**

FINAL - ADJUSTED

February 13, 2024

Update:

Salary and benefit changes approved for:

- Association of County Law Enforcement Managers (ACLEM)
- Association of Orange County Deputy Sheriffs (AOCDS)
- Orange County Managers Association (OCMA)
- Orange County Employees Association (OCEA)

NO	ADDITIONAL COSTS/REVENUE	SALARIES & EMPLOYEE BENEFITS						INDIRECT COSTS					SAVINGS/ REVENUE	TOTAL	
		REGULAR SALARY	OVERTIME	BENEFITS	POST PAY	SERVICES & SUPPLIES	TRANSP.	DEPT. OH	DIV. OH	TRAINING	COUNTY OH	OTHER			
	Overtime		1,019,965	74,973							14,687				1,109,625
	Estimate: Vacancy Credit												(125,231)		(125,231)
	Annual Leave (Pay Downs & Termination Pay) AB109 (2011 Public Safety Realignment)												192,857		192,857
	Body Worn Cameras (BWC) and In Car Video (ICV) Costs												235,435		235,435
	Contract Administration												39,520		39,520
	Data Line					5,450									5,450
1	E-Citation - Recurring Costs												2,221		2,221
	Enhanced Helicopter Response Services						28,017								28,017
	Holiday Pay: Comp & Straight Time												180,262		180,262
	Integrated Law & Justice Agency of Orange County												3,948		3,948
	Mobile Data Computers (MDC) - Acquisition														0
24	Mobile Data Computers (MDC) - Recurring Costs												83,296		83,296
	Patrol Training Cost Allocation (FTB)									145,340					145,340
	Premium Pay												144,070		144,070
	Retirement Rate Discount (Expenses for Interest and Issuance)														0
	Retirement Rate Discount (Gross)														0
	Revenue/False Alarms												(15,149)		(15,149)
	Revenue/Training Reimbursement														0
	Savings Related to Unincorp. Deployment from Stanton												(65,757)		(65,757)
	Services & Supplies					134,473									134,473
	Transportation - Vehicle Fuel, Mileage Interest and Maint., etc.						396,034								396,034
	Restitution Payments Credits												(220)		(220)
	Subtotal	\$0	\$1,019,965	\$74,973	\$0	\$139,923	\$424,051	\$0	\$0	\$145,340	\$14,687	\$756,378	(\$117,953)		\$2,457,363
	FY 2023-24 - FINAL ADJUSTED CONTRACT TOTAL	\$4,776,922	\$1,036,582	\$4,433,180	\$294,780	\$290,724	\$435,002	\$363,709	\$814,516	\$291,083	\$88,775	\$756,847	(\$117,953)		\$13,464,166
	FY 2023-24 - FINAL CONTRACT TOTAL	\$4,586,436	\$996,166	\$4,281,835	\$273,914	\$290,724	\$435,002	\$363,709	\$784,690	\$283,944	\$85,115	\$749,235	(\$115,884)		\$13,014,884
		4.15%	4.06%	3.53%	7.62%	0.00%	0.00%	0.00%	3.80%	2.51%	4.30%	1.02%	1.79%		3.45%
		\$190,486	\$40,416	\$151,345	\$20,866	\$0	\$0	\$0	\$29,826	\$7,139	\$3,660	\$7,612	(\$2,069)		\$449,282