



**City Council, Successor Agency to the Brea  
Redevelopment Agency, Brea Public Financing  
Authority, Brea Community Benefit Financing Authority  
and the Midbury Assessment Authority Agenda**

**Tuesday, June 19, 2018**

5:45 p.m. - Closed Session

6:15 p.m. - Study Session

7:00 p.m. - General Session

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*Glenn Parker, Mayor*

*Cecilia Hupp, Council Member*

*Christine Marick, Mayor Pro Tem*

*Marty Simonoff, Council Member*

*Steven Vargas, Council Member*

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This agenda contains a brief general description of each item Council will consider. The City Clerk has on file copies of written documentation relating to each item of business on this Agenda available for public inspection. Contact the City Clerk's Office at (714) 990-7756 or view the Agenda and related materials on the City's website at [www.cityofbrea.net](http://www.cityofbrea.net). Materials related to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

**Procedures for Addressing the Council**

The Council encourages interested people to address this legislative body by making a brief presentation on a public hearing item when the Mayor calls the item or address other items under **Matters from the Audience**. State Law prohibits the City Council from responding to or acting upon matters not listed on this agenda.

The Council encourages free expression of all points of view. To allow all persons the opportunity to speak, please keep your remarks brief. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of your entire group. Council rules prohibit clapping, booing or shouts of approval or disagreement from the audience. PLEASE SILENCE ALL PAGERS, CELL PHONES AND OTHER ELECTRONIC EQUIPMENT WHILE COUNCIL IS IN SESSION. Thank you.

**Special Accommodations**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 990-7757. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

**Important Notice**

The City of Brea shows both live broadcasts and replays of City Council Meetings on Brea Cable Channel 3 and over the Internet at [www.cityofbrea.net](http://www.cityofbrea.net). Your attendance at this public meeting may result in the recording and broadcast of your image and/or voice as previously described.

**CLOSED SESSION**  
**5:45 p.m. - Executive Conference Room**  
**Level Three**

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**CALL TO ORDER / ROLL CALL - COUNCIL**

1. **Public Comment**

Closed Session may convene to consider matters of purchase / sale of real property (G. C. §54956.8), pending litigation [G.C. §54956.9(d)(1)], potential litigation [G.C. §54956.9(d)(2)(3) or (4)], liability claims (G. C. §54961) or personnel items (G.C. §54957.6). Records not available for public inspection.
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2. **Conference with Legal Counsel - Potential Litigation Pursuant to Government Code Section §54956.9 - One Case - Lagos De Moreno Park/Laurel Elementary Magnet School - City Engineer Kooyman**
3. **Conference with City's Labor Negotiator Pursuant to Government Code Section §54957.6 Regarding the Brea Police Association (BPA) and the Brea Police Management Association (BPMA) - Mario Maldonado, Negotiator**
4. **Conference with City's Labor Negotiator Pursuant to Government Code 54957.6 Regarding Brea Fire Association (BFA)- Mario Maldonado, Negotiator**
5. **Conference with City's Labor Negotiator Pursuant to Government Code §54957.6 Regarding the Brea Management Association (Non-Safety) -Cindy Russell, Negotiator**
6. **Conference with City's Labor Negotiator Pursuant to Government Code Section §54957.6 Regarding the Brea City Employees' Association (BCEA)- Mario E. Maldonado, Negotiator**

**STUDY SESSION**  
**6:15 p.m. - Executive Conference Room**  
**Level Three**

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**CALL TO ORDER / ROLL CALL - COUNCIL**

7. **Public Comment**
8. **Clarify Regular Meeting Topics**

**DISCUSSION ITEMS**

9. **Designate Voting Delegate and Alternative for League of California Cities Annual Conference September 12 – 14, 2018 in Long Beach**
10. **Planning Commission Resignation and Recruitment Process - Accept resignation of Planning Commission Chair Arthur Willis effective June 5, 2018; designate two (2) City Council Members to serve as the Interview Committee; set the recruitment timeline; and direct staff to schedule applicant interviews accordingly.**
11. **Comprehensive Annual Financial Report for the City of Brea for Fiscal Year Ended June 30, 2017**

**REPORT**

12. **Council Member Report**

**GENERAL SESSION**  
**7:00 p.m. - Council Chamber**  
**Plaza Level**

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**CALL TO ORDER/ ROLL CALL - COUNCIL**

13. **Pledge of Allegiance: Girl Scout Independents**
14. **Invocation: Rick Darden, Friends Community Church**
15. **Report - Prior Study Session**
16. **Community Announcements**
17. **Matters from the Audience**
18. **Response to Public Inquiries - Mayor / City Manager**

**PUBLIC HEARINGS FOR THE CITY COUNCIL, SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY, BREA PUBLIC FINANCING AUTHORITY, BREA COMMUNITY BENEFIT FINANCING AUTHORITY, MIDBURY ASSESSMENT AUTHORITY AND INDUSTRIAL DEVELOPMENT AUTHORITY** - This portion of the meeting is for matters that legally require an opportunity for public input. - *This portion of the meeting is for matters that legally require an opportunity for public input. Audience participation is encouraged and is limited to 5 minutes per speaker.*

19. **Public Hearing to Consider the Adoption of the City of Brea FY 2018-19 Operating Budget** - 1) Receive public input on the Fiscal Year 2018-19 Proposed Operating Budget as presented in the Fiscal Year 2018-19 Proposed Operating Budget document; and 2) Adopt Resolution No. 2018-038 approving the Fiscal Year 2018-19 Operating Budget and appropriating funds for the City of Brea Fiscal Year 2018-19 Operating Program. Expenditures for all funds which make up the Fiscal Year 2018-19 Operating Budget total \$94,924,532
20. **Capital Improvement Program Budget For Fiscal Year 2018-2019** - Adopt Resolution No. 2018-039 for the Capital Improvement Program (CIP) Budget for FY 2018-2019 as presented in the proposed Seven-Year CIP document. Changes proposed by City Council or staff at the Public Hearing, if any, will be reflected in the final adopted CIP budget. The fiscal impact for the FY 2018-2019 CIP Budget is \$105,285,592.
21. **Public Hearing to Consider Adoption of 2018-19 Operating Budget for the Brea Public Financing Authority** - Adopt Resolution No. A-2018-01 appropriating funds for the Brea Public Financing Authority 2018-19 Operating Budget, as presented in the 2018-19 Proposed Budget document. The fiscal impact for the Brea Public Financing Authority Operating Budget for 2018-19 is \$4,207,400 which include bonds interest and bond principle.
22. **Public Hearing to Consider Adoption of 2018-19 Operating Budget for the Brea Community Benefit Financing Authority** - Adopt Resolution No. BCBFA 2018-01 appropriating funds for the Brea Community Benefit Financing Authority 2018-19 Operating Budget, as presented in the 2018-19 Proposed Budget document. The fiscal impact for the Brea Community Benefit Financing Authority Operating Budget for 2018 is \$4,207,400.
23. **Public Hearing to Consider Adoption of 2018-19 Operating Budget for the Midbury Assessment Authority Commission** - Adopt Resolution No. M-2018-01 appropriating funds for the Midbury Assessment Authority Commission 2018-19 Operating Budget, as presented in the 2018-19 Proposed Budget document. Expenditures which make up the Fiscal Year 2018-19 Operating Budget total \$6,580.
24. **Public Hearing to Consider the Adoption of the Successor Agency to the Brea Redevelopment Agency 2018-19 Operating and Capital Improvement Program Budget** - City Council (as Successor Agency): Adopt Resolution No. SA 2018-04 appropriating funds for the Successor Agency to the Brea Redevelopment Agency 2018-19 Proposed Operating Program Budget. The fiscal impact for Fiscal Year 2018-19 is \$22,107,355.

25. **Public Hearing to Consider Resolution Increasing Existing Fees for Special City Services** - Adopt Resolution No. 2018-040 increasing existing fees for special City services.

**CONSENT CALENDAR** - *The City Council/Successor Agency approves all Consent Calendar matters with one motion unless Council/Agency or Staff requests further discussion of a particular item. Items of concern regarding Consent Calendar matters should be presented during "Matters from the Audience."*

**CITY COUNCIL - CONSENT**

26. **June 5, 2018 City Council Regular Meeting Minutes** - Approve.
27. **City Internet Bandwith Upgrade** - Authorize staff to upgrade the existing internet service to 250 Mbps. The reduced rate will be \$30,739.20 plus a one-time installation fee of \$750. The funding for this expenditure will continue to come from the Information Technology Internal Service Fund Account 475-14-1471-4212.
28. **Renew Measure M (M2) Eligibility Submittal Package for Fiscal Year 2018-19** - Adopt Resolution No. 2018-041 authorizing the submittal of Renewed Measure M Eligibility package to Orange County Transportation Authority (OCTA). There is no fiscal impact.
29. **Approval of the Fiscal Year 2018-19 Property Tax Rate to Fund the City Paramedic Program** - 1) Adopt Resolution No. 2018-042 authorizing the tax levy; and 2) Authorize staff to discuss at a future public meeting the Paramedic Service Program costs based upon a reasonable cost allocation methodology. Other revenue sources include pass-thru revenue received for Advanced Life Support (ALS) Ambulance transport services as well as revenue received from the City of Fullerton for Fire Command Staff Sharing of the EMS Manager position. The City of Fullerton reimburses the City of Brea for 59% of the position.
30. **Comprehensive Annual Financial Report for the City of Brea for Fiscal Year Ended June 30, 2017** - Receive and file the City's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2017, which includes the independent Auditor's unmodified opinion. There is no fiscal impact on the City as a result of this audit.
31. **Approval of the Fiscal Year 2018-19 Appropriations Limit** - Adopt Resolution No. 2018-043 approving the Fiscal Year 2018-19 appropriations limit. There is no fiscal fund impact.
32. **Laurel Elementary Magnet School/Lagos de Moreno Park Upgrades, Project 7929** - Adopt Resolution No. 2018-044 to appropriate an additional \$480,000 from the Park Development Fund (Fund 250) for project construction engineering and administration. There is no fiscal fund impact for this action,
33. **Amend Resolution 2008-56 Updating the Foreign Language Policy** - Adopt Resolution No. 2018-045 updating the Foreign Language Policy Only. There is no fiscal fund impact.
34. **Purchase of Utility Terrance Vehicle** -The total cost including sales tax of \$2,247.75 is \$31,251.00. Donations of \$17,000 have been recieved by the Fire Department, with an additional \$14,251 recommended to be used from projected Fire Department budgeted savings this fiscal year.
35. **Brea Towing Services, LLC to Provide Official Police Towing Services** - Approve the agreement with Brea Towing for a four-year term with an option for an additional two-year extension. Yearly expenditures fluctuate based on the number of incidents requiring the impoundment of vehicles and the length of impoundment necessary for investigative purposes. Yearly expenditures fluctuate based on the number of incidents requiring the impoundment of vehicles and the length of impoundment necessary for investigative purposes
36. **June 8 and 15, 2018 City Check Registers**

**ADMINISTRATIVE ANNOUNCEMENTS**



37. City Manager

38. City Attorney

#### **COUNCIL ANNOUNCEMENTS**

#### **ADJOURNMENT**

City of Brea

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 06/19/2018

**SUBJECT:** Designate Voting Delegate and Alternative for League of California Cities Annual Conference September 12 – 14, 2018 in Long Beach.

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**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Lillian Harris-Neal, City Clerk

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**Attachments**

Attachment

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1400 K Street, Suite 400 • Sacramento,  
California 95814  
Phone: 916.658.8200 Fax: 916.658.8240  
[www.cacities.org](http://www.cacities.org)

**Council Action Advised by July 31, 2018**

May 17, 2018

**TO: Mayors, City Managers and City Clerks**

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES  
League of California Cities Annual Conference – September 12 - 14, Long Beach**

The League's 2018 Annual Conference is scheduled for September 12 – 14 in Long Beach. An important part of the Annual Conference is the Annual Business Meeting (during General Assembly), scheduled for 12:30 p.m. on Friday, September 14, at the Long Beach Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

**Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, August 31, 2018. This will allow us time to establish voting delegate/alternate records prior to the conference.**

Please note the following procedures are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates must be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: [www.cacities.org](http://www.cacities.org). In order to cast a vote, at least one voter must be present at the

Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.
- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Sacramento Convention Center, will be open at the following times: Wednesday, September 12, 8:00 a.m. – 6:00 p.m.; Thursday, September 13, 7:00 a.m. – 4:00 p.m.; and Friday, September 14, 7:30 a.m.– 11:30 a.m.. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League's office by Friday, August 31. If you have questions, please call Kayla Curry at (916) 658-8254.

Attachments:

- Annual Conference Voting Procedures
- Voting Delegate/Alternate Form

## **Annual Conference Voting Procedures**

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.

City of Brea

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members  
**FROM:** Bill Gallardo, City Manager  
**DATE:** 06/19/2018  
**SUBJECT:** Planning Commission Resignation and Recruitment Process

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**RECOMMENDATION**

Accept resignation of Planning Commission Chair Arthur Willis effective June 5, 2018; designate two (2) City Council Members to serve as the Interview Committee; set the recruitment timeline; and direct staff to schedule applicant interviews accordingly.

**BACKGROUND/DISCUSSION**

On June 5, 2018, Arhtur Willis resigned from his appointed position on the Planning Commision. The Brea City Code defines the process for unscheduled vacancies. Government Code Section 54974 requires that the appointment to fill the vacancy for the unexpired term to occur within 20 days. The term for the vacant position expires on December 31, 2018.

The following is the recruitment timeline:

A Notice of Vacancy was posted (online and City Hall) by City Clerk's Office on Thursday, June 7, 2018.

A Notice of Vacancy was published in the Star Progress on June 14, 2018.

The application deadline will be Friday, June 22, 2018 at 5:00 p.m.

Phone/In-person interviews with the Interview Committee will be conducted June 25-29.

Council will make the appointment on July 3, 2018, or soon thereafter.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager  
Prepared by: Lillian Harris-Neal

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## City of Brea

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### **COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 06/19/2018

**SUBJECT:** Public Hearing to Consider the Adoption of the City of Brea FY 2018-19 Operating Budget

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### **RECOMMENDATION**

Receive public input on the Fiscal Year 2018-19 Proposed Operating Budget as presented in the Fiscal Year 2018-19 Proposed Operating Budget document and adopt the attached Resolution approving the Fiscal Year 2018-19 Operating Budget and appropriating funds for the City of Brea Fiscal Year 2018-19 Operating Program.

### **BACKGROUND/DISCUSSION**

The City Council has reviewed and given direction on all components which are included in the proposed Fiscal Year 2018-19 Operating Budget at the Budget Workshop on May 15, 2018. The Proposed Fiscal Year 2018-19 budget document contains an overview message from the City Manager, summary schedules, the fund balances of each operating fund, a comprehensive review of revenues, and expenditure breakdowns by department.

#### **Budget Recap**

The Fiscal Year 2018-19 Proposed Budget adheres to City Council policy. The General Fund budget is balanced, revenues exceed expenditures, and the General Fund reserves exceed the minimum 8 - 10%. In fact, the reserve balance is 22% of the estimated expenditures for FY 2018-19.

#### ***Budget Resolution***

A change in the Budget Resolution is being proposed. This change will continue to allow the City Manager to administratively move budgets from one account to another within the same Fund and Department. Previous language limited which accounts could be moved administratively. For example, salary savings in a department budget could not be moved to pay for other operating expenses in a departments budget. This change now allows that adjustment. Budget movement between Departments and/or Funds and all additional appropriations will still require City Council approval. Additionally, the Budget Resolution specifically authorizes the outstanding encumbrances as approved by the City Manager or designee to be appropriated to the FY 2018-19 budget.

### *Revenues*

Beginning in FY 18-19, In-County Host Fees will now be deposited into the General Fund (110) and the Out-of-County Host Fees will be deposited in the Community Benefit & Economic Development Fund (140). Host fee revenue is generated for every ton of trash deposited in the the Alpha-Olinda Landfill. Because In-County deposits are prioritized ahead of Out-of-County and the revenue stream tends to be more consistent, it is more appropriate to place these revenues into the General Fund (110).

Overall, total operating revenue (excluding the Capital Improvement Program) is anticipated to decrease as compared to FY 2017-18 estimates.

### *Expenditures*

Overall, department operating expenditures have decreased as compared to FY 2017-18 estimates. The City's mission is to provide quality services with the resources available. However, this organization continues to be challenged to maintain the current level of service and additional duties with existing staff. For FY 2018-19, no Cost of Living Adjustment (COLA) has been budgeted for employees.

### *Funds*

New for Fiscal Year 2018-19 is the creation of the Paramedic Services Fund (174). This fund is used to account for revenues received and expenditures made for the City's Paramedic Services Program. This fund does not include any eligible department or Citywide overhead costs. Previously, the Paramedic Program was accounted for within the General Fund. In order to better track expenditures and revenues, the Paramedic Program will be accounted for in a separate fund. Revenues are collected on the property owner's tax bill. However, the program is not self-supporting and must be supplemented with General Fund (110) revenues.

A copy of the Fiscal Year 2018-19 Proposed Budget is available in the City Clerk's Office for review or click the link below to review the document online.

<http://www.ci.brea.ca.us/95/City-Budget>

### **FISCAL IMPACT/SUMMARY**

Expenditures for all funds which make up the Fiscal Year 2018-19 Operating Budget total \$94,924,532.

### **RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Faith Madrazo, Revenue & Budget Manager

Concurrence: Cindy Russell, Administrative Services Director

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### **Attachments**

Resolution

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## **RESOLUTION NO. 2018-038**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA,  
ADOPTING AN OPERATING BUDGET FOR SAID CITY FOR THE  
FISCAL YEAR COMMENCING JULY 1, 2018, AND ENDING JUNE 30,  
2019, AND AUTHORIZING APPROPRIATIONS AND EXPENDITURES  
THEREIN SET FORTH**

### **A. RECITALS:**

(i) The City Manager has, heretofore, presented to this Council the Proposed Operating Budget for the fiscal year July 1, 2018 through June 30, 2019.

4. Copies of said proposed Operating Budget are on file in the Office of the City Clerk labeled "Proposed Operating Budget – 2018-19" and said Proposed Operating Budget is hereby made a part of this Resolution.

### **B. RESOLUTION:**

**NOW, THEREFORE,** be it is found, determined and resolved by the City Council of the City of Brea as follows:

1. Said Proposed Operating Budget is hereby adopted as the Operating Budget of the City of Brea for the fiscal year commencing July 1, 2018 and ending June 30, 2019, and consists of the estimated revenues and projected expenditures for the fiscal year.

2. There are hereby appropriated for obligation and expenditure by the City Manager the amounts shown for the various Funds and Departments separately set forth on the pages in the Fund and Department Summary sections, respectively of the

Proposed Operating Budget. All obligations and expenditures shall be incurred and made in the manner provided by the provisions of State law and the City ordinances and resolutions applicable to purchasing and contracting.

3. Subject to the further provisions of this Resolution, the appropriations above constitute the maximum amounts authorized for obligation and expenditure by the City Manager for the respective Funds and Departments funds as set forth on the pages of said Budget referenced in Paragraph 2 above.

4. The following controls are hereby placed on the budgeted funds:

- a. The City Manager may authorize the transfer of budgeted funds from account to account within any department within the various Funds and Departments contained in the above referenced pages of the Budget.
- b. The City Manager is authorized to employ during the fiscal year covered by said Budget the number and classification of such full-time and part-time employees as are shown in the Budget, all subject to the provisions of the City's classification and compensation plans as amended, and adopted by the City Council. Seasonal and part-time intermittent employees are authorized as necessary by the City Manager provided that the total amount to be obligated and expended within any Fund and Department set forth in said referenced pages for the classification therein of "Salaries and Wages" does not exceed the

budgeted and appropriated amount, as the same may be amended by the City Council.

- c. The City Manager's authorized settlement authority for workers compensation or general liability claims per occurrence is one hundred thousand dollars.
- d. All appropriations for outstanding encumbrances and projects currently underway and remaining unexpended at June 30, 2018, as approved by the City Manager or designee, are hereby appropriated to the Fiscal Year 2018-19 Operating Budget.

**APPROVED AND ADOPTED** this 19th day of June, 2018.

\_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the 19<sup>th</sup> day of June, 2018, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DATED: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

City of Brea

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members  
**FROM:** Bill Gallardo, City Manager  
**DATE:** 06/19/2018  
**SUBJECT:** Capital Improvement Program Budget For Fiscal Year 2018-2019

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**RECOMMENDATION**

Adopt resolution for the Capital Improvement Program (CIP) Budget for FY 2018-2019 as presented in the proposed Seven-Year CIP document. Changes proposed by City Council or staff at the Public Hearing, if any, will be reflected in the final adopted CIP budget.

**BACKGROUND/DISCUSSION**

Council reviewed the proposed Seven-Year CIP at the Budget Workshop held on May 15, 2018. Staff provided an overview of the CIP, project highlights, various funding sources available for each project, and proposed improvements for FY 2018-2019. This program includes budgeted carry-over projects and a number of new projects. Adoption of the CIP will appropriate funding for FY 2018-2019.

The Public Hearing allows the community an opportunity to provide input on the proposed Seven-Year CIP Budget and for City Council to consider adoption of the FY 2018-2019 CIP Budget. The Seven-Year CIP is divided into six categories, namely: Street Improvements, Traffic Safety Enhancements, Water Improvements, Storm Drain Improvements, Sewer Improvements and Facility Improvements. There are 38 projects in the proposed FY 2018-2019 funded portion of the CIP. A detail sheet has been prepared for each proposed project containing a description of the project, amount of funding required and source of funds. The following are highlights of the FY 2018-2019 CIP:

**Street Improvements:**

This CIP category continues the emphasis on street pavement rehabilitation in accordance with the City's Pavement Management Plan (PMP). The PMP is updated every two (2) years for arterial roads and every six (6) years for local roads as required by the Orange County Transportation Authority (OCTA). Current significant Projects as programmed and identified in the 2017 PMP and included in the FY 2017-2018 and FY 2018-2019 CIP are:

The Puente Street Rehabilitation Project (CIP 7311) which will rehabilitate Puente Street from Imperial Highway to Lambert Road. Improvements will consist of reconstructing existing asphalt pavement, replacing damaged sidewalks, curbs, and gutters as well as upgrading existing curb access ramps to current Americans with Disabilities Act (ADA) requirements. The Cliffwood Industrial Park Pavement Rehabilitation Project (CIP 7317). This project is combined with the Cliffwood Tract Water Main Project (CIP 7461) and several Alley Rehabilitation Projects (CIP 7315 and 7316), which will be completed in FY 2018-19. Also, staff will be looking to combine

and complete three (3) Alley Rehabilitation Projects (CIP 7319, 7320, and 7321) this next FY. Additionally, the Public Works Maintenance Division continues to implement the annual City-Wide Slurry Seal Program (CIP 7312).

#### Traffic Safety:

This year's CIP continues the implementation of the traffic signal synchronization project along Imperial Highway (CIP 7714) as part of the Measure M Regional Traffic Signal Synchronization Program (RTSSP). In addition, staff continues to implement the Illuminated Street Name Sign Upgrade Project (CIP 7212) throughout the City. A new project being added to the CIP this year is the Valencia Avenue Traffic Signal Synchronization Project (CIP 7715). This project will upgrade traffic signal control equipment and develop traffic signal timing plans and synchronize traffic signals along Valencia Avenue (SR 142) from Santa Fe Road to Imperial Highway as part of the OCTA RTSSP.

#### Water Projects:

As mentioned under the Street Improvements category, the Cliffwood Tract Water Main Project (CIP 7317) will be completed in FY 2018-19 as combined with the three pavement rehabilitation projects. Staff are also continuing to design four (4) key water main replacement projects inclusive of pavement rehabilitation in the project areas with the intent to construct in spring through the fall of 2019. The four key water projects are: Napoli Tract Water Main Replacement Project (CIP 7458), South Brea Neighborhood Water Main Replacement (CIP 7466), Walnut Ave.-Orange Ave. Waterline Improvements (CIP 7454), and North Hills (West/East) Tract Water Improvements (7459/7460 respectively). Public Works will also construct the Carbon Canyon Booster Pump Station 2&3 Replacement Projects (CIP 7470/7471) beginning in the summer of 2018. While these efforts cannot eliminate unplanned water line breaks, the strategic use of water funds for planned capital improvements reduces the number of more costly urgent projects that result from breaks in the City's water system.

#### Sewer Projects:

The Brea Villas – Sewer Point Repairs (CIP 7625) and South Brea Sewer Repairs (7626) Projects will be combined for completion in FY 2018-19. Additionally, staff will be pursuing the design and construction of several sewer mainline relining projects (CIP 7617) this next FY.

#### Facility Improvements:

Public Works continues to work on several projects as part of the Facilities Asset Replacement Program (FARP) that are expected to be significantly completed within the next fiscal year. Some of the main projects include: the Skate Park Upgrades (CIP 7914), Arovista Slope Repairs (CIP 7922), Dog Park Upgrades (CIP 7950) and Lagos de Moreno Park Upgrades (CIP 7929). Additionally, in coordination with the Finance and Community Development Departments, a FARP Reserve Study (Study) was completed to identify the appropriate levels of funding needed for fixed assets, primarily located at City facilities. This Study has provided a specific list of items that need to be addressed with a prioritization schedule and recommended solutions. Other facility Improvement projects that are being added in FY 2018-19 are: rehabilitating the upper and lower parking lots at Arovista Park (CIP 7947 & 7948) and conversion of the baseball infield at Arovista Park to synthetic turf (CIP 7949).

#### Annual CIP Programs:

Ongoing annual programs, including Slurry Seal (CIP 7312), Sidewalk Replacement (CIP 7313), Sewer Mainline Repair (CIP 7617), Miscellaneous Water System Improvements (CIP 7442), and Traffic Calming Enhancements (CIP 7219) will continue as funding allows.

In conclusion, with continued prudent fiscal management and project coordination, Brea’s Fiscal Year 2018-2019 CIP will support a variety of projects to sustain our infrastructure quality, as well as continuing the goals of enhancing the quality of life in the community, ensuring a safe environment, and promoting transportation improvements in the City.

A copy of the Proposed CIP (Capital Improvement Program) Budget is available in the City Clerk’s office for review or click the link below to review the file online:

<http://www.ci.brea.ca.us/95/City-Budget>

**FISCAL IMPACT/SUMMARY**

The fiscal impact for the FY 2018-2019 CIP Budget is \$105,285,592. Funding sources include the following: Fixed Asset Replacement Fund; Gas Tax Fund; Measure M Fund; Community Development Block Grant Fund; Urban Runoff Fund; Water Fund; Sewer Fund; Sanitation Fund; Storm Drain Fund; Equipment & Vehicle Maintenance Fund; Traffic Impact Fees Fund; Water Impact Fees Fund; Federal Grants; State Grants; County Grants; Southern California Edison Rule 20-A funds; and other miscellaneous contributions. As mentioned previously, any changes proposed by Council or staff at the Public Hearing will be reflected in the final adopted CIP budget.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager  
Prepared by: Warren Coleman, Senior Management Analyst  
Concurrence: Steve Kooyman, P.E. City Engineer, Tony Olmos, P.E., Public Works Director

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**Attachments**

Resolution

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## **RESOLUTION NO. 2018-039**

### **A RESOLUTION OF THE COUNCIL OF THE CITY OF BREA ADOPTING A CAPITAL IMPROVEMENT PROGRAM BUDGET FOR SAID CITY FOR THE FISCAL YEAR OF 2018-2019 AND APPROPRIATING FUNDS FOR PROJECTS AND PURPOSES THEREIN SET FORTH.**

#### **A. RECITALS:**

(i) The City Manager's proposed Capital Improvement Program (CIP) Budget for Fiscal Year (FY) 2018-2019, heretofore, has been presented to the Planning Commission and to this Council.

(ii) Copies of said proposed CIP budget are on file in the Office of the City Clerk and said proposed budget is hereby made a part of this resolution.

#### **B. RESOLUTION:**

**NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED** by the City Council of the City of Brea that:

1. Said proposed CIP budget is hereby adopted as the CIP Budget of the City of Brea for FY 2018-2019 consisting of the estimated and anticipated expenditures and revenue for this fiscal year.

2. There are hereby appropriated for obligation and expenditure by the City Manager the amounts shown as set forth in the pages of the proposed budget for FY 2018-2019.

3. Said appropriations for obligation and expenditure shall be deemed to relate to each separate project set forth and shall include as to each project the total of the sums listed in the proposed budget. All obligations and expenditures shall be incurred and made in the manner provided by the



provisions of State law and City ordinances and resolutions applicable to purchasing and contracting.

4. No warrant shall be issued or indebtedness incurred which exceeds the unexpended balances of the project appropriation herein before authorized unless such appropriations shall have been amended by a supplemental appropriation duly enacted by the City Council by resolution.

**APPROVED AND ADOPTED** this 19th day of June 2018.

\_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea held on the 19th day of June 2018, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAINED:	COUNCIL MEMBERS:

Dated: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

City of Brea

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**COUNCIL AND AUTHORITY COMMUNICATION**

**TO:** Honorable Mayor/Chair and City Council/Authority Members

**FROM:** Bill Gallardo

**DATE:** 06/19/2018

**SUBJECT:** Public Hearing to Consider Adoption of 2018-19 Operating Budget for the Brea Public Financing Authority

---

**RECOMMENDATION**

Adopt the resolution appropriating funds for the Brea Public Financing Authority 2018-19 Operating Budget, as presented in the 2018-19 Proposed Budget document.

**BACKGROUND/DISCUSSION**

The Brea Public Financing Authority is a shared exercise of powers between the City of Brea and the former Brea Redevelopment Agency, created by a Joint Powers Agreement. The following is the 2018-19 Proposed Budget for the Brea Public Financing Authority.

**SUMMARY/FISCAL IMPACT**

The fiscal impact for the Brea Public Financing Authority Operating Budget for 2018-19 is as follows:

	<b><u>Fiscal Year 2018-19</u></b>
Bond Principal	\$1,970,000
Bond Interest	<u>\$2,237,400</u>
<b>Total</b>	<b>\$4,207,400</b>

**RESPECTFULLY SUBMITTED**

William Gallardo, City Manager

Prepared by: Lee Squire, Financial Services Manager

Concurrence: Cindy Russell, Administrative Services Director

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**Attachments**

Resolution

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## **RESOLUTION NO. A-2018-01**

### **A RESOLUTION OF THE BREA PUBLIC FINANCING AUTHORITY ADOPTING AN OPERATING BUDGET FOR SAID AUTHORITY FOR THE FISCAL YEAR COMMENCING JULY 1, 2018, AND ENDING JUNE 30, 2019, AND APPROPRIATING FUNDS FOR ACCOUNTS, DEPARTMENTS, DIVISIONS, PROGRAMS, OBJECTS AND PURPOSES THEREIN SET FORTH**

#### **A. RECITALS:**

(i) The Executive Director has, heretofore, presented to the Authority Directors the "Proposed Budget" for the fiscal year July 1, 2018 through June 30, 2019.

(ii) Copies of said Proposed Budget are on file in the Office of the Secretary and said Proposed Budget is hereby made a part of this Resolution.

#### **B. RESOLUTION:**

**NOW, THEREFORE,** be it is found, determined and resolved by the Brea Public Financing Authority as follows:

1. Said Proposed Brea Public Financing Authority Budget is hereby adopted as the Budget of the Authority for the fiscal year commencing July 1, 2018 and ending June 30, 2019, and consists of the estimated and anticipated expenditures and revenues for the fiscal year.

2. There are hereby appropriated for obligation and expenditure by the Executive Director the amounts shown for the various funds and accounts separately set forth in the Brea Public Financing Authority Proposed Budget for fiscal year 2018-19. All obligations and expenditures shall be incurred and made in the manner provided by the provisions of State law and Authority resolutions applicable to purchasing and contracting.

3. No warrant shall be issued or indebtedness incurred which exceeds the unexpended balance of the fund and project appropriations herein before authorized unless such has been amended by a supplemental appropriation duly enacted by the Authority by resolution.

**APPROVED AND ADOPTED** this 19th day of June, 2018

\_\_\_\_\_  
Chair

ATTEST: \_\_\_\_\_  
Secretary

I, Lillian Neal-Harris, Secretary of the Brea Public Financing Authority, do hereby certify that the foregoing Resolution was adopted at the regular meeting of the Brea Public Financing Authority on the 19th day of June, 2018, by the following vote:

AYES:            AUTHORITY MEMBERS:

NOES:           AUTHORITY MEMBERS:

ABSENT:        AUTHORITY MEMBERS:

ABSTAIN:       AUTHORITY MEMBERS:

DATED: \_\_\_\_\_

\_\_\_\_\_  
Secretary

June 19, 2018  
**RESO. A-2018-01**

City of Brea

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**COUNCIL AND AUTHORITY COMMUNICATION**

**TO:** Honorable Mayor/Chair and City Council/Authority Members

**FROM:** Bill Gallardo

**DATE:** 06/19/2018

**SUBJECT:** Public Hearing to Consider Adoption of 2018-19 Operating Budget for the Brea Community Benefit Financing Authority

---

**RECOMMENDATION**

Adopt the attached Resolution appropriating funds for the Brea Community Benefit Financing Authority 2018-19 Operating Budget, as presented in the 2018-19 Proposed Budget document.

**BACKGROUND/DISCUSSION**

The Brea Community Benefit Financing Authority is a shared exercise of powers between the City of Brea and the Industrial Development Authority of the City of Brea, created by a Joint Powers Agreement in July 2014. The creation of such was necessary as the result of the Brea Redevelopment Agency's dissolution and the inability of the Brea Public Financing Authority to continue operations in regards to any new bond issues.

**SUMMARY/FISCAL IMPACT**

The fiscal impact for the Brea Community Benefit Financing Authority Operating Budget for 2018-19 is as follows:

**Fiscal Year 2018-19**

Bond Principal	\$ 340,000
Bond Interest	<u>\$ 832,300</u>
<b>Total</b>	<b>\$ 1,172,300</b>

**RESPECTFULLY SUBMITTED**

William Gallardo, City Manager

Prepared by: Lee Squire, Financial Services Manager

Concurrence: Cindy Russell, Administrative Services Director

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**Attachments**

Resolution

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## **RESOLUTION NO. BCBFA 2018-01**

### **A RESOLUTION OF THE BREA COMMUNITY BENEFIT FINANCING AUTHORITY ADOPTING AN OPERATING BUDGET FOR SAID AUTHORITY FOR THE FISCAL YEAR COMMENCING JULY 1, 2018, AND ENDING JUNE 30, 2019, AND APPROPRIATING FUNDS FOR ACCOUNTS, DEPARTMENTS, DIVISIONS, PROGRAMS, OBJECTS AND PURPOSES THEREIN SET FORTH**

#### **A. RECITALS:**

(i) The Executive Director has, heretofore, presented to the Authority Directors the "Proposed Budget" for the fiscal year July 1, 2018 through June 30, 2019.

(ii) Copies of said Proposed Budget are on file in the Office of the Secretary and said Proposed Budget is hereby made a part of this Resolution.

#### **B. RESOLUTION:**

**NOW, THEREFORE,** be it is found, determined and resolved by the Brea Community Benefit Financing Authority as follows:

1. Said Proposed Brea Community Benefit Financing Authority Budget is hereby adopted as the Budget of the Authority for the fiscal year commencing July 1, 2018 and ending June 30, 2019, and consists of the estimated and anticipated expenditures and revenues for the fiscal year.

2. There are hereby appropriated for obligation and expenditure by the Executive Director the amounts shown for the various funds and accounts separately set forth in the Brea Community Benefit Financing Authority Proposed Budget for fiscal year 2018-19. All obligations and expenditures shall be incurred and made in the manner

provided by the provisions of State law and Authority resolutions applicable to purchasing and contracting.

3. No warrant shall be issued or indebtedness incurred which exceeds the unexpended balance of the fund and project appropriations herein before authorized unless such has been amended by a supplemental appropriation duly enacted by the Authority by resolution.

**APPROVED AND ADOPTED** this 19th day of June, 2018

\_\_\_\_\_  
Chair

ATTEST: \_\_\_\_\_  
Secretary

I, Lillian Harris-Neal, Secretary of the Brea Community Benefit Financing Authority, do hereby certify that the foregoing Resolution was adopted at the regular meeting of the Brea Community Benefit Financing Authority on the 16th day of June, 2018, by the following vote:

AYES:            AUTHORITY MEMBERS:

NOES:           AUTHORITY MEMBERS:

ABSENT:        AUTHORITY MEMBERS:

ABSTAIN:       AUTHORITY MEMBERS:

DATED: \_\_\_\_\_

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Secretary



City of Brea

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**COUNCIL AND COMMISSION COMMUNICATION**

**TO:** Honorable Mayor/Chair and City Council/Commission Members

**FROM:** Bill Gallardo

**DATE:** 06/19/2018

**SUBJECT:** Public Hearing to Consider Adoption of 2018-19 Operating Budget for the Midbury Assessment Authority Commission

---

**RECOMMENDATION**

Adopt the attached Resolution appropriating funds for the Midbury Assessment Authority Commission 2018-19 Operating Budget, as presented in the 2018-19 Proposed Budget document.

**BACKGROUND/DISCUSSION**

The City of Brea, Los Angeles County and Orange County entered into a Joint Exercise of Powers Agreement on May 18, 1999, to form the Midbury Assessment Authority (MAA) Commission to provide a means for each party to the agreement to contribute money to a street improvement project, to form an assessment district and to levy an assessment to finance the balance of the cost of the project. MAA was formed as a separate public entity.

**SUMMARY/FISCAL IMPACT**

Expenditures which make up the Fiscal Year 2018-19 Operating Budget total \$6,580.

**RESPECTFULLY SUBMITTED**

William Gallardo, City Manager

Prepared by: Lee Squire, Financial Services Manager

Concurrence: Cindy Russell, Administrative Services Director

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**Attachments**

Resolution

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## **RESOLUTION NO. M-01-2018**

### **A RESOLUTION OF THE CITY OF BREA MIDBURY ASSESSMENT AUTHORITY COMMISSION ADOPTING AN OPERATING BUDGET FOR SAID AUTHORITY FOR THE FISCAL YEAR COMMENCING JULY 1, 2018, AND ENDING JUNE 30, 2019, AND APPROPRIATING FUNDS FOR ACCOUNTS, DEPARTMENTS, DIVISIONS, PROGRAMS, OBJECTS AND PURPOSES THEREIN SET FORTH**

#### **A. RECITALS:**

(i) The Chief Administrative Officer has, heretofore, presented to the Commissioners the "Proposed Budget" for the Fiscal Year July 1, 2018 through June 30, 2019.

(ii) Copies of said Proposed Budgets are on file in the Office of the Secretary and said Proposed Budget is hereby made a part of this Resolution.

#### **B. RESOLUTION:**

**NOW, THEREFORE,** be it found, determined and resolved by the City of Brea Midbury Assessment Authority Commission as follows:

1. Said Proposed City of Brea Midbury Assessment Authority Commission Budget is hereby adopted as the Budget of the Authority for the Fiscal Year commencing July 1, 2018 and ending June 30, 2019, and consists of the estimated and anticipated expenditures and revenues for the Fiscal Year.

2. There are hereby appropriated for obligation and expenditure by the Chief Administrative Officer the amounts shown for the various funds and accounts separately set forth in the City of Brea Midbury Assessment Authority Commission Proposed Budget for Fiscal Year 2018-19. All obligations and expenditures shall be incurred and made in

the manner provided by the provisions of State law and Authority resolutions applicable to purchasing and contracting.

3. No warrant shall be issued or indebtedness incurred which exceeds the unexpended balance of the fund and project appropriations herein before authorized unless such has been amended by a supplemental appropriation duly enacted by the Authority by resolution.

**APPROVED AND ADOPTED** this 19th day of June, 2018

\_\_\_\_\_  
Chair

ATTEST: \_\_\_\_\_  
Secretary

I, Lillian Harris-Neal, Secretary of the City of Brea Midbury Assessment Authority Commission, do hereby certify that the foregoing Resolution was adopted at the regular meeting of the Midbury Assessment Authority on the 19th day of June, 2018, by the following vote:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ABSTAINED: COMMISSIONERS:

DATED: \_\_\_\_\_

\_\_\_\_\_  
Secretary

**City of Brea**

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**COUNCIL AND AGENCY COMMUNICATION**

**TO:** Honorable Mayor/Chair and City Council/Agency Members

**FROM:** Bill Gallardo

**DATE:** 06/19/2018

**SUBJECT:** Public Hearing to Consider the Adoption of the Successor Agency to the Brea Redevelopment Agency 2018-19 Operating and Capital Improvement Program Budget

---

**RECOMMENDATION**

City Council, as Successor Agency: Adopt the attached Resolution appropriating funds for the Successor Agency to the Brea Redevelopment Agency 2018-19 Proposed Operating Program Budget.

**BACKGROUND/DISCUSSION**

The City Council of the City of Brea, as Successor Agency to the Brea Redevelopment Agency, reviewed the Successor Agency's Operating and Capital Improvement Program Budget for 2018-19 at the Budget Workshop held on May 15, 2018. The City Manager has provided an overview message and fund balances in the Proposed Budget document.

**SUMMARY/FISCAL IMPACT**

The fiscal impact for Fiscal Year 2018-19 is as follows:

Administration	\$ 58,000
Senior Rental Subsidy Program	85,344
Long Term Obligations	16,654,662
Capital Improvement Project (Downtown Parking Structure)	5,270,049
Support Services	<u>39,300</u>
<b>Total</b>	<b>\$22,107,355</b>

The City Council of the City of Brea, as Successor Agency to the Brea Redevelopment Agency, has reviewed the Proposed Budget at a City Council Study Session (Budget Workshop) held on May 15, 2018. The Successor Agency budget contains operating expenditures for administration, debt service, support services, the senior rental subsidy program and the transfer of the remaining housing bond proceeds to the City. The budget also provides information on all revenues received by the Successor Agency. An overview of the Proposed Budget and detailed fund balances are contained within the Fiscal Year 2018-19 budget documents.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Lee Squire, Financial Services Manager

Concurrence: David Crabtree, Community Development Director

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**Attachments**

Resolution

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## **RESOLUTION NO. SA 2018-04**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA, AS SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY, ADOPTING AN OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGET FOR SAID AGENCY FOR THE FISCAL YEAR COMMENCING JULY 1, 2018 AND ENDING JUNE 30, 2019, APPROPRIATING FUNDS FOR THE ACCOUNTS, DEPARTMENTS, DIVISIONS, PROGRAMS, OBJECTS AND PURPOSES THEREIN SET FORTH**

### **A. RECITALS:**

(i) The City Manager has, heretofore, presented to the City Council of the City Brea, as Successor Agency to the Brea Redevelopment Agency, the Proposed Budget for the fiscal year July 1, 2018 through June 30, 2019.

(ii) Copies of said Proposed Budget are on file in the Office of the City Clerk and said Proposed Budget is hereby made a part of this Resolution.

### **B. RESOLUTION:**

**NOW, THEREFORE**, be it is found, determined and resolved by the City Council of the City of Brea, as Successor Agency to the Brea Redevelopment Agency as follows:

1. Said Proposed Successor Agency to the Brea Redevelopment Agency Budget is hereby adopted as the Budget of the Successor Agency for the fiscal year commencing July 1, 2018 and ending June 30, 2019. The Successor Agency Budget consists of the estimated and anticipated expenditures and revenues for the fiscal year and as related shall be deemed to be debt of the Successor Agency.

2. There are hereby appropriated for obligation and expenditure by the City Manager the amounts shown for the various funds and accounts separately set forth in the Successor Agency to the Brea Redevelopment Agency Proposed Budget for fiscal year 2018-19. In the case of capital improvement program projects of said appropriation, they shall be deemed to relate to each separate project set forth and shall include as to each project the total of the amount of funding listed. All obligations and expenditures shall be incurred and made in the manner provided by the provisions of State law and Successor Agency resolutions applicable to purchasing and contracting.

3. No warrant shall be issued or indebtedness incurred which exceeds the unexpended balance of the fund and project appropriations herein before authorized unless such has been amended by a supplemental appropriation duly enacted by the Successor Agency by resolution.

**APPROVED AND ADOPTED** this 19th day of June, 2018.

\_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, as the Successor Agency to the Brea Redevelopment Agency, held on the 19<sup>th</sup> day of June, 2018, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DATED: \_\_\_\_\_

\_\_\_\_\_  
City Clerk



## City of Brea

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### COUNCIL COMMUNICATION

**TO:** Honorable Mayor and City Council Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 06/19/2018

**SUBJECT:** Public Hearing to Consider Resolution Increasing Existing Fees for Special City Services

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### **RECOMMENDATION**

Adopt resolution increasing existing fees for special City services.

### **BACKGROUND/DISCUSSION**

The City of Brea provides a wide range of services which are of general benefit to the public. Examples of these are the maintenance of streets and parks, and police, fire and paramedic response. The City also provides a number of services that benefit a specific user or users of those services.

When a service that is provided benefits a particular user of that service, it is appropriate to charge a fee to recover all or a portion of the cost of providing that service. When the full cost of providing that service is not recovered from the user, it is necessary to subsidize the cost of that service by using general tax dollars that would otherwise be available to support fundamental City-wide services. The application of user fees is not only an issue of equity in terms of who bears the financial burden for program and service costs, but is also good budget practice in that it better addresses the cost of conducting business in a changing environment.

During preparation of the FY 2018-19 Budget, all City user fees were evaluated based upon an analysis of the cost of providing the service, date of last review and/or update, and demand for the program or service relative to resources necessary to provide said program or service. Staff is recommending increasing certain existing user fees for the applicable programs and services as delineated in Exhibit A to the proposed resolution. The update of these fees was discussed with the City Council during the Budget Workshop conducted on May 15, 2018.

To maintain a sound fiscal plan, it is important that fees be reviewed and/or updated on a regular basis. The regular review process is currently applied for all City fees during each budget process to ensure that no fee goes unexamined for a long period of time. Doing so ensures that the City of Brea is keeping pace with internal and external changes that create a financial impact upon City programs and services.

Attached to this staff report is a description of each fee that is being proposed for adjusting. Also, included in the Resolution - Exhibit A are other water related fees listed which have no changes. This is a housekeeping item to separate miscellaneous water fees from the normal water rate resolution that is presented to City Council from time to time.

All fee adjustments will be effective July 1, 2018.

**FISCAL IMPACT/SUMMARY**

Adoption of the resolution and implementation of the associated fee schedule will result in additional cost recovery for providing the specified services. Based on a similar volume of services, this would result in an estimated \$69,817 in General Fund (110), \$8,494 in Urban Runoff Fund (410) and \$190,748 in Water Utility Fund (420) revenues annually.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Management Analyst

Concurrence: Cindy Russell, Administrative Services Director

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**Attachments**

Resolution

Exhibit A

Fee Descriptions

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## **RESOLUTION NO. 2018-040**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA INCREASING EXISTING FEES FOR SPECIAL CITY SERVICES**

#### **A. RECITALS:**

(i) The City Council has heretofore established fees for the provision of special municipal services provided Citywide and by the Administrative Services Department , Police Services Department, Community Development Department and Public Works Department of the City. Costs to the City for providing these services have increased since their establishment.

(ii) Of the services provided by the departments referenced above, some services have been provided at a cost lower than the costs of providing such service, causing loss to the City and further increasing its financial burdens.

(iii) It is the intent of the City Council in adopting this Resolution to increase certain existing fees to more accurately reflect the current costs of providing such special services, and to establish fees to offset the expense of providing those special services.

(iv) On June 19, 2018, the City Council conducted a duly noticed public hearing concerning the fees increased in this Resolution.

(v) All legal prerequisites to the adoption of this Resolution have occurred.

#### **B. RESOLUTION:**

NOW, THEREFORE, be it is found, determined and resolved by the City Council of the City of Brea as follows:

1. All facts set forth in the Recitals, Part A, of this Resolution are true and correct.

2. The fee adjustments provided in this resolution shall become effective on July 1, 2018.

3. The City Council hereby approves and adopts the fees for special services set forth in Exhibit "A" attached hereto and hereby incorporated by reference. Any and all provisions of prior resolutions of the City Council of the City of Brea establishing or modifying fees for the services set forth in Exhibit "A" are hereby repealed and replaced with the fees set forth in said Exhibit provided, however, that such repeal shall not excuse or affect the failure of any person or entity to pay any fee heretofore imposed upon such person or entity.

4. The fee amounts set forth in Exhibit "A" do not exceed the actual costs to the City of Brea in providing such special services.

5. The City Clerk shall certify to the adoption of this Resolution.

**APPROVED AND ADOPTED** this 19th day of June, 2018.

\_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the 19th day of June, 2018, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DATED: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

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## USER FEES – Exhibit A

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### Citywide

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<u>Service Fee/License/Permit</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Research Assistance Fee	\$16	\$38

### Administrative Services Department

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<u>Service Fee/License/Permit</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Water Utility		
New Account/Application Fee	\$20	\$45
Delinquent Service Charge ("Late Fee")	10% of Outstanding bill Up to \$25	10% of Outstanding bill
Lock-On Meter Fee	N/A	\$40
Cut Lock/Broken Lock/Missing Lock	\$30	\$60
Water Meter Damage (Intentional)	\$100	\$120 Plus cost of Equipment
Broken Angle Stop	\$30	\$45 per hour Plus cost of Equipment
Broken or Missing Meter Register	\$35	\$45 per hour Plus cost of Equipment
Unauthorized Use of Hydrant for Filling Water Truck	\$200 Plus cost of Water	\$350 Plus cost of Water
Meter Re-Reads & Efficiency Checks (Customer Initiated Requests)	\$30	\$55
Hang Tag Charges	\$20	\$30
Water Shut Off Charge	Varies	\$65
Temporary Construction Meter Processing Fee	N/A	\$100
Construction Water Use of City Equipment (Security Deposit)	\$1,900	\$2,650

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## USER FEES – Exhibit A

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### Administrative Services Department (Continued)

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<u>Service Fee/License/Permit</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Return Item Charge	up to \$35	up to \$35
After Hours Service	\$90	\$90
Past Due Notice	\$10	\$10
Security Deposit for Delinquent Account	\$150	\$150
Monthly Maintenance Fee for Accounts with Backflow Devices	\$7	\$7
Unauthorized turn-on or turn-off Meter Register	\$30	\$30

### Police Services Department

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<u>Service Fee/License/Permit</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Alarm System Permit Application		
Residential	\$25	\$30
Commercial	\$50	\$60
Digital Photos/Videos	\$25	\$35
Booking Fees	\$297	\$310

### Community Development Department

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<u>Service Fee/License/Permit</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Technology Fee (for Permitting System)	N/A	0.06% of Building Valuation

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## USER FEES – Exhibit A

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### Public Works Department

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<u>Service Fee/License/Permit</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
NPDES Inspection	\$88/hr	\$129/hr (effective 7/1/18) \$171/hr (effective 1/1/19)
Fats, Oils and Grease (FOG) Inspection	\$88/hr	\$129/hr (effective 7/1/18) \$171/hr (effective 1/1/19)



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## USER FEE DESCRIPTIONS

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### Citywide

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#### Research Assistance Fee

This fee is collected primarily from consulting companies requesting account history on behalf of clients who are typically Commercial/Industrial Water Customers. The request includes data for a one to three year period. This information is not a public record and due to confidentiality of the information requested, staff must obtain a Letter of Authorization from the utility bill customer for which the information is requested. The typical estimated time to process such a request is 57 minutes.

This charge has not been updated since 2006.

Effective date: July 1, 2018	Prior Resolution: 2008-065	Current Annual Revenue: \$900
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Current Fee: \$16	Proposed Fee: \$38
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Estimated Revenue to be generated with Fee Adjustment: \$1,238

### Administrative Services

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#### New Account/Application Fee – Utility Billing

This fee is to set-up water service. During this process, the Customer receives billing information and is entered into in the system. A deposit is collected and recorded and Administrative Services staff coordinates with Public Works staff for the service to be transferred/turned on. At month end, Administrative Services staff verifies all new accounts and ensures the proper fees have been applied. Both Administrative Services and Public Works staff time is involved to implement this process. The typical estimated time to process this request is 57 minutes. The revision to this fee includes salary charges as well as applicable vehicle use charges.

This charge has not been updated since 2006.

Effective date: July 1, 2018	Prior Resolution: 2016-013	Current Annual Revenue: \$31,100
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Current Fee: \$20	Proposed Fee: \$45
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Estimated Revenue to be generated with Fee Adjustment: \$38,875

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## USER FEE DESCRIPTIONS

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### Delinquent Service Charge (Late Fee) – Utility Billing

Customers who do not pay their Utility Bill by the 20<sup>th</sup> of every month incur a late fee. The current policy is 10% of the outstanding balance of \$10.00 and over. The minimum charge is \$1.00 and the maximum charge is \$25.00. The last change to this fee occurred in 2009.

The revised fee only eliminates the maximum charge of \$25.00. All other provisions would still apply.

Effective date: July 1, 2018                      Prior Resolution: 2016-013                      Current Annual Revenue: \$206,600

Estimated Revenue to be generated with Fee Adjustment: \$117,000

### Lock-On Meter Fee (NEW) – Utility Billing

This is to implement a charge when a meter is locked due to unauthorized water consumption. This includes, but is not limited to, customers who have been shutoff and have illicitly turned the meter backon themselves. This also relates to consumption on a closed account. In this instance, time is required to gather information to determine who is responsible and to contact and bill the responsible party. Both Administrative Services and Public Works staff time is involved to implement this process. The typical estimated time to process this action is 45 minutes. This fee includes the applicable vehicle use charge.

Effective date: July 1, 2018                      Prior Resolution: N/A                      Current Annual Revenue: N/A

Current Fee: N/A    Proposed Fee: \$40

Estimated Revenue to be generated with Fee Adjustment: \$240

### Cut/Broken/Missing Lock – Utility Billing

This fee is to charge customers who have removed the lock that was placed on the meter. This includes, but is not limited to, customers who have been shutoff and have illicitly removed the lock and turned the meter backon themselves. This also includes when staff discovers consumption on a “locked” meter on an inactive account. Again, time is required to gather information to determine who is responsible and to contact and bill the responsible party. Both Administrative Services and Public Works staff time is involved to implement this process. The typical estimated time to process this service is 45 minutes. This fee includes the applicable vehicle use charge as well as the cost to replace the lock.

This charge has not been updated since 2006.

Effective date: July 1, 2018                      Prior Resolution: 2016-013                      Current Annual Revenue: \$240

Current Fee: \$30    Proposed Fee: \$60

Estimated Revenue to be generated with Fee Adjustment: \$240

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## USER FEE DESCRIPTIONS

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### Water Meter Damage (Intentional) – Utility Billing

This fee is to charge the responsible party for intentional damage to a water meter. Due to the sensitivity of such a situation, multiple communications between many parties occur and correspondence tends to be lengthy. Both Administrative Services and Public Works staff time is involved to implement this process. The typical estimated time to process this service is two hours. This fee includes the applicable vehicle use charge. In addition to the fee, the cost of a new meter will be charged.

This charge has not been updated since 2006.

Effective date: July 1, 2018                      Prior Resolution: 2016-013                      Current Annual Revenue: \$600

Current Fee: \$100    Proposed Fee: \$120 plus cost of equipment

Estimated Revenue to be generated with Fee Adjustment: \$120 plus cost of equipment

### Broken Angle Stop – Utility Billing

This fee is to charge the responsible party for a broken angle stop. The angle stop is the shut-off valve for the meter. Public Works staff time is involved to implement this process and because of the varying complexity of each situation, this fee will be billed on an hourly basis. The typical estimated time to complete this task is six hours. In addition to the fee, the cost of equipment will be charged.

This charge has not been updated since 2006.

Effective date: July 1, 2018                      Prior Resolution: 2016-013                      Current Annual Revenue: \$60

Current Fee: \$30 (flat fee)    Proposed Fee: \$45 per hour plus cost of equipment

Estimated Revenue to be generated with Fee Adjustment: \$480 plus cost of equipment

### Broken or Missing Meter Register – Utility Billing

This fee is to charge the responsible party for a broken or missing water meter register. Public Works staff time is involved to implement this process and because of the varying complexity of each situation, this fee will be billed on an hourly basis. The typical estimated time to complete this task is one hour. In addition to the fee, the cost of equipment will be charged.

This charge has not been updated since 2006.

Effective date: July 1, 2018                      Prior Resolution: 2016-013                      Current Annual Revenue: \$105

Current Fee: \$35 (flat fee)    Proposed Fee: \$45 per hour plus cost of equipment

Estimated Revenue to be generated with Fee Adjustment: \$30 plus cost of equipment

### Unauthorized Use of Hydrant – Utility Billing

Effective date: July 1, 2018      Prior Resolution: 2016-013      Current Annual Revenue: \$400

## Meter Re-Reads & Efficiency Check (Customer Initiated Requests) – Utility Billing

This charge has not been updated since 2006.

Effective date: July 1, 2018      Prior Resolution: 2016-013      Current Annual Revenue: \$720

Current Fee: \$30 Proposed Fee: \$55

Estimated Revenue to be generated with Fee Adjustment: \$600

### Hang Tag Charge – Utility Billing

This service charge is applied whenever a customer's account has been determined to be delinquent (greater than 45 days past due) resulting in a water shut-off notice to be hand delivered. Both Administrative Services and Public Works staff time is involved to implement this process. The typical estimated time to process this is 53 minutes. The revision to this fee includes salary charges as well as applicable vehicle use charges. This charge has not been updated since 2006.

Effective date: July 1, 2018      Prior Resolution: 2016-013      Current Annual Revenue: \$53,120

Current Fee: \$20 Proposed Fee: \$30

Estimated Revenue to be generated with Fee Adjustment: \$26,560

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## USER FEE DESCRIPTIONS

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### Water Shut Off Charge – Utility Billing

This disconnection/reconnection service charge applies whenever water service is discontinued for non-payment. This occurs when the account holder fails to pay the bill in full no later than sixteen days following the date of delinquency. Both Administrative Services and Public Works staff time is involved to implement this process. The typical estimated time to process this charge is one hour and 41 minutes. The revision to this fee include salary charges as well as applicable vehicle use charges.

This charge has not been updated since 2006. The current fees are charged as follows: First occurrence during 12 consecutive months - \$30; Second occurrence during 12 consecutive months - \$40; and Third occurrence during 12 consecutive months - \$60. The updated fee eliminates the tiers for water shut off charges.

Effective date: July 1, 2018

Prior Resolution: 2016-013

Current Annual Revenue: \$5,950

Current Fee: \$30, \$40, \$50

Proposed Fee: \$65

Estimated Revenue to be generated with Fee Adjustment: \$3,865

### Temporary Construction Meter Processing Fee (NEW) – Utility Billing

This new fee charges customers (typically contractors) a processing fee to open temporary water service. This fee would be in lieu of the New Account/Application Fee for these customers. During this setup, the Customer receives billing information and is entered into in the system. A deposit is collected and recorded and Administrative Services staff coordinates with Public Works staff for the service to begin. Additional services are required as the Contractor must coordinate with Staff for the pick-up/delivery of the temporary meter and eddy valve and additional correspondence occurs between the two departments regarding this set-up. At month end, Administrative Services staff verifies all new temporary accounts and ensures the proper fees have been applied. Both Administrative Services and Public Works staff time is involved to implement this process. The typical estimated time to process this request is two hours. This fee includes the applicable vehicle use charge.

Effective date: July 1, 2018

Prior Resolution: N/A

Current Annual Revenue: N/A

Current Fee: N/A

Proposed Fee: \$100

Estimated Revenue to be generated with Fee Adjustment: \$1,200

### Construction Water Use of City Equipment (Security Deposit) – Utility Billing

This is a security deposit charged to customers (typically contractors) for the use of City-owned water meter and eddy valve (device attached to the fire hydrant to regulate flow). The deposit is held in case there is damage to City-owned equipment. The increase is to cover the current cost of the equipment. If the deposit on file does not cover the entire cost of the equipment, the contractor will be billed for the balance. The deposit is typically refunded to customers on their last bill.

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## USER FEE DESCRIPTIONS

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Effective date: July 1, 2018

Prior Resolution: N/A

Current Annual Revenue: N/A

Current Fee: \$1,900

Proposed Fee: \$2,650

Estimated Revenue to be generated with Fee Adjustment: \$0

### Police Services Department

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#### Alarm System Application Permit (Residential)

This is an application fee for a residential alarm system permit. It includes both new applications and renewals. Processing of these applications involve a number of Police Services and Administrative Services staff. The typical estimated time to process this request is 45 minutes.

This fee has not been changed since 2005.

Effective date: July 1, 2018

Prior Resolution: 2005-47

Current Annual Revenue: \$35,925

Current Fee: \$25

Proposed Fee: \$30

Estimated Revenue to be generated with Fee Adjustment: \$7,185

#### Digital Photos/Video

This fee is to cover the staff, operating, and distributing costs to provide photos of evidence when requested. The research and validity of the request can be time intensive. The typical estimated time to process this request is 45 minutes.

This fee has not been changed since 2012.

Effective date: July 1, 2018

Prior Resolution: 2012-47

Current Annual Revenue: \$1,500

Current Fee: \$25

Proposed Fee: \$35

Estimated Revenue to be generated with Fee Adjustment: \$600

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## USER FEE DESCRIPTIONS

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### Booking Fees

This fee is charged to the person that was arrested in the City of Brea. Actual fees charged/collected and the terms and conditions is ultimately directed by the Courts. This fee sets the maximum the City can charge for the booking. There are at least seven different staff members (including billing and collection) involved in the process and the typical estimated time to process this is four hours and 50 minutes.

Unfortunately, the collection rate for these services is very low. The uncollectible amounts have been factored somewhat in these revenue projections.

This fee has not been changed since 2014.

Effective date: July 1, 2018                      Prior Resolution: 2014-49                      Current Annual Revenue: \$35,000

Current Fee: \$297    Proposed Fee: \$310

Estimated Revenue to be generated with Fee Adjustment: \$1,532

### Community Development Department

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#### Technology Fee (for Permitting System)

This fee is to offset the implementation and maintenance costs of the new permitting system. It will be applied to permits based upon the building valuation.

Effective date: July 1, 2018                      Prior Resolution: N/A                      Current Annual Revenue: N/A

Current Fee: N/A    Proposed Fee: 0.06% of Building Valuation

Estimated Revenue to be generated with Fee Adjustment: \$60,500

### Public Works Department

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#### NPDES Inspection

This fee is for inspections relating to the National Pollution Discharge Elimination System. Typically, this would be used for re-inspection and/or consistent non-compliance situations.

Effective date: July 1, 2018                      Prior Resolution: 2009-07                      Annual Revenue: N/A

Current Fee: \$88/hr.    Proposed Fee: \$129/hr. effective 07-01-18  
Proposed Fee: \$171/hr. effective 01-01-19

Estimated Revenue to be generated with Fee Adjustment: \$0. Currently evaluated on a case by case basis.

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## USER FEE DESCRIPTIONS

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### Fats, Oils and Grease (FOG) Inspection

This fee is for commercial inspections relating to Fats, Oils and Grease (FOG) pursuant to Ordinance No. 1137.

Effective date: July 1, 2018

Prior Resolution: 2009-07

Annual Revenue: \$12,056

Current Fee: \$88/hr.

Proposed Fee: \$129/hr. effective 07-01-18

Proposed Fee: \$171/hr. effective 01-01-19

Estimated Revenue to be generated with Fee Adjustment: \$8,494



City of Brea

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members

**DATE:** 06/19/2018

**SUBJECT:** June 5, 2018 City Council Regular Meeting Minutes - Approve.

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**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Victoria Popescu, Deputy City Clerk

Concurrence: Lillian Harris-Neal, City Clerk

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**Attachments**

Minutes

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# DRAFT

## BREA CITY COUNCIL SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY MEETING

### MINUTES June 5, 2018

#### CLOSED SESSION 6:00 p.m. - Executive Conference Room Level Three

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#### CALL TO ORDER / ROLL CALL - COUNCIL

Mayor Parker called the Closed Session to order at 6:00 p.m., all members were present.

Present: Parker, Marick, Hupp, Simonoff, Vargas

1. **Public Comment**  
None.

Closed Session may convene to consider matters of purchase / sale of real property (G. C. §54956.8), pending litigation [G.C. §54956.9(d)(1)], potential litigation [G.C. §54956.9(d)(2)(3) or (4)], liability claims (G. C. §54961) or personnel items (G.C. §54957.6). Records not available for public inspection.
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2. **Conference with Legal Counsel - Potential Litigation Pursuant to Government Code Section §54956.9 - One Case - Lagos De Moreno Park/Laurel Elementary Magnet School - City**  
Engineer Kooyman
3. **Conference with City's Labor Negotiator Pursuant to Government Code Section §54957.6 Regarding the Brea Police Association (BPA) and the Brea Police Management Association (BPMA) - Mario Maldonado, Negotiator**
4. **Conference with City's Labor Negotiator Pursuant to Government Code 54957.6 Regarding the Brea Fire Management Association (BFMA), Brea Fire Association (BFA) - Mario Maldonado, Negotiator**
5. **Conference with City's Labor Negotiator Pursuant to Government Code §54957.6 Regarding the Brea Management Association (Non-Safety) - Cindy Russell, Negotiator**

Mayor Parker adjourned the Closed Session at 6:45 p.m.

#### GENERAL SESSION 7:00 p.m. - Council Chamber Plaza Level

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#### CALL TO ORDER/ ROLL CALL - COUNCIL

Mayor Parker called the General Session to order at 7:00 p.m., all members were present.

**6. Pledge of Allegiance:**

Boy Scout Troop 801 led the Pledge of Allegiance.

**7. Invocation:**

Darcy Webster, Friends Community Church, delivered the invocation.

**8. Presentation: 2018 Mayor's Youth Award Recipients**

**9. Matters from the Audience**

Lee Squire spoke regarding Memorial Day and Veterans Day; and in memoriam, read the names which appear on the City of Brea's Veterans Memorial aloud.

Sean Thomas discussed Memorial Day and commented positively on the various events throughout the City in the past month.

Keith Fullington encouraged the community to vote.

**10. Response to Public Inquiries - Mayor / City Manager**

None.

**PUBLIC HEARING** - *This portion of the meeting is for matters that legally require an opportunity for public input. Audience participation is encouraged and is limited to 5 minutes per speaker.*

**11. Public Hearing to Consider Levying an Assessment for Landscape and Lighting Maintenance Districts (LLMDs) #1, 2, 3, 4, 5, 6 and 7 for Fiscal Year (FY) 2018-2019**

Maintenance Services Superintendent Bowlus presented the details of the staff report including requirements for adopting resolutions levying assessments for landscape and lighting maintenance districts, notification of property owners and noted no protests received in response to the proposed assessments.

Mayor Parker opened the public hearing. Noting there were no members of the public who wished to address the Council on this item, Mayor Parker closed the public hearing.

Motion was made by Council Member Simonoff, seconded by Council Member Vargas to adopt Resolution Nos. 2018-029 through 2018-035, levying assessments for Fiscal Year 2018-2019.

AYES: Mayor Parker, Mayor Pro Tem Marick, Council Member Hupp, Council Member Simonoff,  
Council Member Vargas

Passed

**ADMINISTRATIVE ITEM** - *This agenda category is for City Council consideration of a wide variety of topics related to the City's operations.*

**12. Senate Bill 54 Discussion**

Deputy City Attorney Boga presented details of the staff report including background and options for the Council to consider.

Chief Conklin presented details of the item which addressed the impact on the Brea Police Department.

Mayor Parker reviewed the rules of decorum and opened the public hearing.

Lynn Dauscher requested the Council receive and file the report and not take a stance on SB54.

DeAnn D'Lear requested the Council oppose SB54.

Robin Hvidston requested the Council oppose SB54.

Ron Chakavich requested the Council oppose SB54.

Laurie Masonis requested the Council oppose SB54.

Robert Laughton requested the Council oppose SB54.

Thomas Crisp requested the Council support SB54.

Barbara Sideri requested the Council support SB54.

Terry LePage requested the Council take no action on SB54.

Margee Hills requested the Council take no action on SB54.

John Willis requested the Council oppose SB54.

Raul Rodriguez Jr. requested the Council oppose SB54.

Alice Lee requested the Council support SB54.

Skye Wagoner requested the Council support SB54.

Brad Christerson requested the Council support SB54.

Liv Sandoval requested the Council support SB54.

Sylvia Poareo requested the Council take no action on SB54.

Tim Phan requested the Council support SB54.

Keith Fullington requested the Council oppose SB54.

Carlotta Serna requested the Council take no action on SB54.

Steve Shatynski requested the Council oppose SB54.

Adam Rogers requested the Council take no action on SB54.

Steve Frane requested the Council oppose SB54.

Jeff LeTourneau requested the Council support SB54.

Johnathan Park requested the Council support SB54.

Dr. Jody Vallejo requested the Council support SB54.

At 8:50 p.m. the Council recessed.

At 8:58 p.m. the Council reconvened.

Ursula Yager requested the Council oppose SB54.

Dr. Priya Shah requested the Council support SB54.

Natalie Estrada requested the Council support SB54.

Mike Rodriguez requested the Council support SB54.

Sean Thomas requested the Council support SB54.

Don Daucher requested the Council take no action on SB54.

Treva Wishart requested the Council oppose SB54.

Council Member Simonoff clarified the scheduling of the item on this evening was at his request and there was no intent to do so to reduce public input.

Motion was made by Mayor Pro Tem Marick, seconded by Council Member Hupp to receive and file this report.

AYES: Mayor Parker, Mayor Pro Tem Marick, Council Member Hupp, Council Member Simonoff

NOES: Council Member Vargas

Passed

**CONSENT CALENDAR** - *The City Council/Successor Agency approves all Consent Calendar matters with one motion unless Council/Agency or Staff requests further discussion of a particular item. Items of concern regarding Consent Calendar matters should be presented during "Matters from the Audience."*

#### **CITY COUNCIL - CONSENT**

Mayor Parker announced that Agenda Item No. 15 will be removed from the Consent Calendar and continued to a future meeting.

**13. May 15, 2018 City Council Regular Meeting Minutes**

The City Council approved the May 15, 2018 City Council regular meeting minutes.

**14. Acceptance of Contract and Notice of Completion for Contract with All American Asphalt, Inc. for the Kraemer Boulevard and Lambert Road (Phase 3) Rehabilitation, CIP Project No. 7318**

The City Council accepted the project as complete and authorize City Clerk to record Notice of Completion; and authorized the City Clerk to release the Payment and Performance Bond upon notification from the Public Works Department.

**15. Agreement with Brea Towing Services, LLC to Provide Official Police Towing Services**

This item was deferred to a meeting of a later date.

**16. Amendment No. 2 to Cooperative Agreement between the City of Brea and Caltrans for the Highway 57/Lambert Road Interchange Project, Project 7251**

The City Council approved Amendment No. 2 to the Cooperative Agreement between the City of Brea and Caltrans and Authorized the City Manager to execute Amendment No. 2.

**17. November 6, 2018 General Municipal Election Authorization and Consolidation Request**

The Council adopted Resolution No. 2018-036 calling and giving notice of the holding of a General Municipal Election on Tuesday, November 6, 2018 for the election of certain officers as required by the provisions of the laws of the State of California relating to General Law cities; and adopted Resolution No. 2018-037 requesting the Board of Supervisors of the County of Orange to consolidate a General Municipal Election held on Tuesday, November 6, 2018 with the Statewide General Election to be hold on that date pursuant to Section 10403 of the Elections Code.

**18. Accept donated vehicle and trailer to be used by the Police Department's Explorer Program**

The City Council accepted the donated vehicle and trailer from local resident and business owner, Dwight Manley.

**19. Approve Professional Services Agreement (PSA) with Hace Inc. for the 2017-18 CDBG Project (Brea Senior Center Kitchen Improvements CIP 7944)**

The City Council approved a Professional Services Agreement with Hace, Inc. in the amount of \$43,200.00 for design services and final plans, specifications and engineer's estimate for the Brea Senior Center Kitchen Improvements (CIP 7944).

**20. Monthly Report of Investments for the City of Brea for Period Ending April 30, 2018**

Receive and file.

**21. Outgoing Payment Log and May 18 & 25 and June 1, 2018 City Check Register**

Receive and file.

Motion was made by Council Member Simonoff, seconded by Council Member Vargas to approve Consent Calendar Items 13-21, except Item 15.

AYES: Mayor Parker, Mayor Pro Tem Marick, Council Member Hupp, Council Member Simonoff, Council Member Vargas

Passed

**CITY/ SUCCESSOR AGENCY - CONSENT**

**22. Monthly Report of Investments for the Successor Agency to the Brea Redevelopment Agency for Period Ending April 30, 2018**

Receive and file.

**23. May 25, 2018 Successor Agency Check Register**

Receive and file.

Motion was made by Council Member Hupp, seconded by Council Member Vargas to approve City/Successor Agency Consent Calendar Items 22-23.

AYES: Mayor Parker, Mayor Pro Tem Marick, Council Member Hupp, Council Member Simonoff, Council Member Vargas

Passed

**ADMINISTRATIVE ANNOUNCEMENTS**

**24. City Manager**

None.

**25. City Attorney**

None.

**COUNCIL ANNOUNCEMENTS**

Mayor Parker reported on the Lambert/57 Interchange project and recent funding received from CalTrans.

**ADJOURNMENT**

Mayor Parker adjourned the General Session at 9:42 p.m.

Respectfully submitted,

The foregoing minutes are hereby  
approved this 19th day of June, 2018.

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Lillian Harris-Neal, City Clerk

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Glenn Parker, Mayor

City of Brea

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members  
**FROM:** Bill Gallardo, City Manager  
**DATE:** 06/19/2018  
**SUBJECT:** CITY INTERNET BANDWIDTH UPGRADE

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**RECOMMENDATION**

City staff recommends upgrading the existing internet service to 250 Mbps, ensuring faster high speed access for existing applications and future demands.

**BACKGROUND/DISCUSSION**

The City of Brea currently receives all of our telecommunications (Telco) and internet service from AT&T. These services are extremely reliable with the industry's highest service availability (uptime) at a competitive rate (CalNet3 pricing or better) that has allowed the City of Brea to make effective use of online access. Technology is driving the City's demand for increased internet speed throughout the organization, and our existing level of service is becoming less adequate for meeting our organizational needs. Upgrading our existing AT&T service is the most cost-effective way to provide the needed bandwidth increase as our network and Telco infrastructure is built on AT&T's Internet Protocol (IP) platform.

Over the years, the demand for internet speed has increased in all industries, including local government. This is due to a greater use of web-based applications, hosted solutions, video conferencing, webinars and general online research that is done on a daily basis. To keep up with this demand, we are proposing to upgrade our existing internet service of 100 Mbps (megabits per second) to a 250 Mbps connection. By renegotiating a new two-year agreement with AT&T, we not only secure upgraded service but we also benefit from a reduced rate, resulting in cost savings.

**COMMISSION/COMMITTEE RECOMMENDATION**

The internet service upgrade was approved by the Finance Committee on May 29, 2018.

**FISCAL IMPACT/SUMMARY**

The cost of our existing two-year agreement for internet service is \$36,541.20 (\$18,270.60 annually). Our reduced rate with this new two-year agreement would be \$30,739.20 (\$15,369.60 annually) plus a one-time installation fee of \$750. Over a two-year period this represents a savings of \$5,052. The funding for this expenditure will continue to come from the Information Technology Internal Service Fund Account 475-14-1471-4212.



**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Anthony Godoy, Management Analyst II

Concurrence: Randy Hornsby, IT Manager

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**Attachments**

Quote

Pricing Schedule

Agreement

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# AT&T

Solution Design Quote Prepared For:

1 Civic Center Circle Brea, CA 92821

Solution	Qty	Monthly Charges	Wiring
			Pre-Configured Router is Provided.  One-time \$750 Installation Fee.
250 MBPS x 250 MBPS AT&T Dedicated Internet with managed router - Data Only <i>MIS Express Promotion</i>	1	\$ 1,280.80	
This quote is good for 30 days.	Not including taxes		
Important Options and Information			
Two or three year term available. 90-120 days to implement Award Winning Business Direct Online (billing) Portal	First Month Bill is Pro-Rated Taxes and fees are additional 24 x 7 x 365 Monitoring and Support		
Included Features and Benefits			
Fully Managed Internet Service including Router Taxes Approx. 10%	Reduntant Fiber Network Fortune 500 Corporation		
Solution Design Details			
Prepared For: City of Brea	Prepared By: AT&T		

AT&T Dedicated Internet Service includes the following:

- Service is proactively managed and monitored 24x7x365 when ordered with Managed Router
- Pricing includes access to AT&T's award winning Business Direct web portal
- Customer required to maintain analog line dedicated for each router for testing, diagnostics, troubleshooting, etc... if Managed Router selected
- Pricing includes installation of service to MPOE only (customer responsible for Inside Wiring)
- Pricing does not include taxes/surcharges
- Service Includes 15 Primary & 15 Secondary DNS at no additional cost
- Requests for additional Static IP's is at No Charge.
- **Speeds of 150 Mbps and above will have Optical Handoff with either Single-Mode Fiber (SMF) or Multi-Mode Fiber (MMF)**

\*\*\*This quote does not include construction costs. Based on a preliminary lookup, the fiber service is available. If we uncover that there are required construction charges, we would provide that at which time you can decide if you would like to continue the order process.


**AT&T DEDICATED INTERNET  
PRICING SCHEDULE**

<b>Customer</b>	<b>AT&amp;T</b>
City of Brea Street Address: 1 CIVIC CENTER CIR FL 3 City: BREA State/Province: CA Zip Code: 92821-5792 Country: US	AT&T Corp.
<b>Customer Contact (for Notices)</b>	<b>AT&amp;T Contact (for Notices)</b>
Name: Cliff Flaughner Title: Manager Street Address: 1 CIVIC CENTER CIR City: BREA State/Province: CA Zip Code: 92821-5792 Country: US Telephone: 714-671-4490 Email: cliff@ci.brea.ca.us	Name: SEAN SIMPSON Street Address: 1472 EDINGER AVE City: TUSTIN State/Province: CA Zip Code: 92780 Country: US Telephone: 714-651-9665 Fax: Email: ss6862@us.att.com Sales/Branch Manager: Perone SCVP Name: LED BADGED Sales Strata: Retail Sales Region: USA <b>With a copy (for Notices) to:</b> AT&T Corp. One AT&T Way Bedminster, NJ 07921-0752 ATTN: Master Agreement Support Team Email: <a href="mailto:mast@att.com">mast@att.com</a>
<b>AT&amp;T Solution Provider or Representative Information (if applicable) <input type="checkbox"/></b>	
Name: Company Name: Agent Street Address: City: State: Zip Code: Country: Telephone: Fax: Email: Agent Code:	

This Pricing Schedule is part of the Agreement between AT&T and Customer referenced above.

<b>Customer</b> (by its authorized representative)	<b>AT&amp;T</b> (by its authorized representative)
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:

**AT&T and Customer Confidential Information**

Page 1 of 6



## AT&T DEDICATED INTERNET PRICING SCHEDULE

### 1. SERVICES

Service	Service Publication Location
AT&T Dedicated Internet (ADI)	<a href="http://serviceguidenew.att.com/sg_flashPlayerPage/MIS">http://serviceguidenew.att.com/sg_flashPlayerPage/MIS</a> (see ADI Express)
AT&T Bandwidth Services	<a href="http://serviceguidenew.att.com/sg_flashPlayerPage/BWS">http://serviceguidenew.att.com/sg_flashPlayerPage/BWS</a>
AT&T Cloud Web Security Service	<a href="http://serviceguidenew.att.com/sg_flashPlayerPage/cwss">http://serviceguidenew.att.com/sg_flashPlayerPage/cwss</a>
AT&T Wi-Fi Enterprise	<a href="http://serviceguidenew.att.com/sg_flashPlayerPage/AWS">http://serviceguidenew.att.com/sg_flashPlayerPage/AWS</a>
AT&T Distributed Denial of Service	<a href="http://serviceguidenew.att.com/sg_flashPlayerPage/SNG">http://serviceguidenew.att.com/sg_flashPlayerPage/SNG</a>
AT&T Premises Based Firewall Service	<a href="http://serviceguidenew.att.com/sg_flashPlayerPage/MSS">http://serviceguidenew.att.com/sg_flashPlayerPage/MSS</a>
AT&T Collaborate™	<a href="http://serviceguidenew.att.com/sg_flashPlayerPage/COLLAB">http://serviceguidenew.att.com/sg_flashPlayerPage/COLLAB</a>

### 2. PRICING SCHEDULE TERM AND EFFECTIVE DATES

<b>Pricing Schedule Term</b>	<b>24 months</b>
<b>Pricing Schedule Term Start Date</b>	Effective Date of this Pricing Schedule
<b>Effective Date of Rates and Discounts</b>	Effective Date of this Pricing Schedule

### 3. MINIMUM PAYMENT PERIOD

Service Components	Percent of Monthly Service Fees Due Upon Termination Prior to Completion of Minimum Payment Period	Minimum Payment Period per Service Component
All Service Components	50%	Longer of 12 months or until the end of the Pricing Schedule Term
Per site†	\$250*	Longer of 12 Months or until the end of Pricing Schedule Term

†Applies to AT&T Collaborate only.

\*This charge applies in lieu of the applicable percentage set forth for termination charges in the Master Agreement.

### 4. GRANDFATHERING AND WITHDRAWAL

Availability of Service Components is subject to grandfathering and withdrawal per the Service Guide.

### 5. RATES

#### Section I: AT&T Dedicated Internet

**Table 1: ADI Self – Installation**

**Discount: 100%**

ADI Speed	Undiscounted ADI	Undiscounted ADI w/ Managed Router	Undiscounted ADI w/ Virtual Router
Ethernet	\$1,500	\$1,500.00**	\$0.00

\*\*Pricing available for ADI speeds of 100 Mbps and below and with electrical interfaces only.

AT&T and Customer Confidential Information

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### AT&T DEDICATED INTERNET PRICING SCHEDULE

**Table 2: On-Site Installation****Discount: 50%**

ADI Speed	Undiscounted ADI w/ Managed Router Only
Ethernet	\$1,500.00

**Table 3: Flat Rate and Flexible Bandwidth Billing Option – Ethernet (2 Mbps to 1 Gbps) - Group 1, 2, and 3**

Available bandwidth levels are subject to qualification at time of each order and may vary for ADI ports/access ordered with or without the ADI on Demand option

Bandwidth	Discounted Ethernet Access Monthly Fee Group 1	Discounted Ethernet Access Monthly Fee Group 2	Discounted Ethernet Access Monthly Fee Group 3	Minimum Bandwidth Commitment		Undiscounted Incremental Usage Fee Per Mbps
				Undiscounted ADI w/ Customer Router Monthly Fee	Undiscounted ADI w/ AT&T Managed Router Monthly Fee	
2 Mbps	\$400.00	\$500.55	\$603.64	\$260.00	\$388.00	\$355.00
4 Mbps	\$400.00	\$500.55	\$603.64	\$262.00	\$390.00	\$325.00
5 Mbps	\$400.00	\$500.55	\$603.64	\$263.00	\$391.00	\$270.00
8 Mbps	\$400.00	\$500.55	\$603.64	\$266.00	\$394.00	\$235.00
10 Mbps	\$400.00	\$500.55	\$603.64	\$268.00	\$396.00	\$198.00
20 Mbps	\$420.00	\$643.26	\$712.23	\$449.00	\$577.00	\$144.25
50 Mbps	\$524.00	\$805.14	\$891.09	\$813.00	\$955.00	\$95.50
100 Mbps	\$604.00	\$1,015.30	\$1,155.25	\$1,400.00	\$1,555.00	\$77.75
150 Mbps	\$610.00	\$1,199.90	\$1,376.75	\$1,800.00	\$1,965.00	\$65.50
250 Mbps	\$900.00	\$1,667.08	\$1,868.68	\$2,150.00	\$2,240.00	\$44.80
400 Mbps	\$1,100.00	\$2,159.82	\$2,464.02	\$2,700.00	\$3,380.00	\$42.25
500 Mbps	\$1,100.00	\$2,533.28	\$2,922.53	\$3,500.00	\$4,325.00	\$43.25
600 Mbps	\$1,100.00	\$2,815.86	\$3,251.46	\$4,096.00	\$4,840.00	\$40.33
1000 Mbps	\$1,400.00	\$2,999.75	\$3,505.55	\$4,505.00	\$5,620.00	\$28.10
<b>Discount:</b>				<b>83%</b>	<b>83%</b>	<b>83%</b>

**Table 4: Flexible Bandwidth Billing Option – Ethernet (2 Gbps to 10 Gbps) – Group 1, 2, 3, and 4**

Available bandwidth levels are subject to qualification at time of each order and may vary for ADI ports/access ordered with or without the ADI on Demand option.

Bandwidth	10 Gbps Discounted Ethernet Access Monthly Fee Group 1	10 Gbps Discounted Ethernet Access Monthly Fee Group 2	10 Gbps Discounted Ethernet Access Monthly Fee Group 3	10 Gbps Discounted Ethernet Access Monthly Fee Group 4	Minimum Bandwidth Commitment		Undiscounted Incremental Usage Fee Per Mbps
					Undiscounted ADI w/ Customer Router Monthly Fee	Undiscounted ADI w/ AT&T Managed Router Monthly Fee	
2 Gbps	\$4,000.00	\$6,397.00	\$10,151.44	NA	\$9,091.00	\$12,276.00	\$30.69
3 Gbps	\$4,000.00	\$6,397.00	\$10,151.44	NA	\$13,309.00	\$17,981.00	\$29.97
4 Gbps	\$4,000.00	\$6,397.00	\$10,151.44	NA	\$16,015.00	\$21,591.00	\$26.99
5 Gbps	\$4,000.00	\$6,397.00	\$10,151.44	NA	\$18,196.00	\$24,553.00	\$24.55
6 Gbps	\$4,000.00	\$6,397.00	\$10,151.44	NA	\$21,309.00	\$28,768.00	\$23.97
7 Gbps	\$4,000.00	\$6,397.00	\$10,151.44	NA	\$24,218.00	\$32,727.00	\$23.38
8 Gbps	\$4,000.00	\$6,397.00	\$10,151.44	NA	\$26,953.00	\$36,387.00	\$22.74
9 Gbps	\$4,000.00	\$6,397.00	\$10,151.44	NA	\$28,931.00	\$39,069.00	\$21.71
10 Gbps	\$4,000.00	\$6,397.00	\$10,151.44	NA	\$30,909.00	\$41,716.00	\$20.86
<b>Discount:</b>					<b>83%</b>	<b>83%</b>	<b>83%</b>

AT&T and Customer Confidential Information

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### AT&T DEDICATED INTERNET PRICING SCHEDULE

**Table 5: Flat Rate and Usage Based Billing Option – Ethernet (20 Gbps to 100 Gbps) – Group 1 and 4**

Available bandwidth levels are subject to qualification at time of each order and may vary for ADI ports/access ordered with or without the ADI on Demand option.

Bandwidth	Ethernet Access Speed	Discounted Ethernet Access Monthly Fee Group 1	Discounted Ethernet Access Monthly Fee Group 4	Minimum Bandwidth Commitment		Undiscounted Incremental Usage Fee Per Mbps
				Undiscounted ADI w/ Customer Router Monthly Fee	Undiscounted ADI w/ AT&T Managed Router Monthly Fee	
20 Gbps	40 Gbps	\$20,103.65	NA	\$39,766.00	\$49,999.00	\$2.00
30 Gbps	40 Gbps	\$20,103.65	NA	\$49,237.00	\$67,242.00	\$2.00
40 Gbps	40 Gbps	\$20,103.65	NA	\$62,871.00	\$84,485.00	\$2.00
70 Gbps	100 Gbps	\$31,043.55	NA	\$84,800.00	\$112,799.00	\$1.35
100 Gbps	100 Gbps	\$31,043.55	NA	\$104,174.00	\$136,595.00	\$1.35
<b>Discount:</b>				<b>83%</b>	<b>83%</b>	<b>83%</b>

**Table 6: Class Of Service Option - Flexible Bandwidth Billing Option - Monthly Fees**

The Class of Service option is not available for ADI ports/access ordered with the ADI on Demand option.

**Discount: 100%**

Speed	Undiscounted ADI w/ or w/o Managed Router Monthly Service Fee*
9.01 to 10.0 Mbps	\$825.00
15.01 - 20.0 Mbps	\$1,325.00
45.01 – 155 Mbps	\$5,000.00
200 - 250 Mbps	\$5,400.00

\*Applies to ADI Express Only and Charges waived for Sites with AT&T BVoIP Service

**Table 7: Class Of Service Option - Installation Fees**

**Discount: 100%**

<b>Class of Service Undiscounted Installation Fee*</b>	\$1,000.00
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\*Charges waived for Sites with AT&T BVoIP Service

#### Section III: Additional Service Fees

<b>Moving Fee (during hours)</b>	\$1,000 per location
<b>Additional Moving Fee (outside standard operating hours – 8:00 a.m. to 5:00 p.m. Monday through Friday)</b>	Additional \$500.00 per location

#### Section IV: AT&T Business in a Box®

AT&T Business in a Box® is not available for ADI ports/access ordered with the ADI on Demand option.

**Discount: 100.00%**

Option	Undiscounted Monthly Fee*
Base Unit NextGen	\$75.00
Base Unit 12 Port	\$75.00
8 Port Analog Module Add-On	\$40.00

\* Pricing also applies to Service locations in Alaska

AT&T and Customer Confidential Information

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**AT&T DEDICATED INTERNET  
PRICING SCHEDULE****Discount: 0%**

Per Site / Per Occurrence during Standard Business Hours (Monday- Friday, 8:00 am- 5:00 pm, local time)	Undiscounted Service Charge List Price*
Move, Addition, Change to Service	\$260.00
Delete Service	\$500.00

\* Pricing also applies to Service locations in Alaska

**Class Of Service Option - when ordered with AT&T BVoIP Services only****Discount: 100%**

<b>Class of Service Undiscounted Monthly Service Fee</b>	<b>\$225*</b>
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\*Pricing also applies to Service locations in Alaska

**Section V: AT&T Cloud Based Web Security**

No discounts apply

<b>AT&amp;T Cloud Web Security Service per port (10 users) Rate</b>	<b>\$30.00</b>
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**Section VI: AT&T Wi-Fi Enterprise:**

No discounts apply

<b>AT&amp;T Wi-Fi Enterprise per AP per month Rate</b>	<b>\$30.00</b>
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**Section VII: AT&T Distributed Denial of Service – Reactive Service**

No discounts apply

Service Component (Service Level)	Monthly Recurring Charge Per Circuit
Reactive service supporting from 10Mbps up to but not including 100Mbps circuit	\$98.00
Reactive service supporting from 100Mbps up to 1Gbps circuit	\$301.00

**Section VIII: AT&T Distributed Denial of Service – Mitigation Usage Charges**

No discounts apply

Service Component	Usage Charge per Occurrence
Mitigation	\$497.00

**Section IX: AT&T Premises Based Firewall Service – Small Business – Fortinet**

No discounts apply

Service Component	Monthly Recurring Charge Per Seat
AT&T Premises-Based Firewall - Small Business - Essential	\$198.00
AT&T Premises-Based Firewall - Small Business - Standard	\$330.00

**Section X: AT&T Collaborate****Table 1: AT&T Collaborate System License Fee**

No Discounts apply

AT&T Collaborate Feature Name	Monthly Recurring Charge
	<b>Per Seat</b>
Basic Voice Seat	\$26.00
Enhanced Voice Feature Bundle	\$5.00
Unified Communication Bundle	\$8.00
Shared Workspace Bundle	\$8.00

**AT&T and Customer Confidential Information**

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**AT&T DEDICATED INTERNET  
PRICING SCHEDULE**

	<b>Per Unit</b>
Contact Center Bundle (2 Supervisors and 10 Agents)	\$518.00
Auto Attendant	\$19.00
Receptionist Web Console	\$26.00
Pre-alerting Announcement	\$8.00
Contact Center Agent with Web Clients*	\$49.00
Contact Center Supervisor with Web Clients*	\$64.00
*Contact Center Agent with Web Clients and Contact Center Supervisor with Web Clients are add-on features. Customer must purchase Contact Center Bundle to purchase these features.	

**Table 2: AT&T Collaborate Equipment Fee**

No discounts apply

<b>Type of Equipment</b>	<b>Non-Recurring Charges Per Device</b>
EdgeMarc 250 IAD	\$169.00
EdgeMarc 3700 Intelligent Edge	\$195.00
Adtran NetVanta 1234 24-port	\$345.00
Adtran NetVanta 1238P 48-port	\$943.00
Polycom SoundStation IP 6000	\$669.00
Polycom SoundStation IP 7000	\$942.00
Polycom VVX 300	\$136.00
Polycom VVX 301	\$136.00
Polycom VVX 310	\$143.00
Polycom VVX 311	\$143.00
Polycom VVX 400	\$188.00
Polycom VVX 401	\$188.00
Polycom VVX 410	\$195.00
Polycom VVX 411	\$195.00
Polycom VVX 500	\$266.00
Polycom VVX 501	\$266.00
Polycom VVX 600	\$331.00
Polycom VVX 601	\$331.00
Polycom VVX Camera. For use with the VVX 500 and VVX 600	\$143.00
Polycom VVX Color Exp Module for VVX 300, 310, 400, 410, 500 and 600	\$253.50
Polycom RealPresence Trio 8800 IP conf. phone w built-in Wi-Fi	\$1,040.00
Yealink-W56P (Cordless)	\$130.00
Yealink-W56H (Cordless)	\$84.00
Yealink-T40P (Entry level)	\$97.00
Yealink-T46G (Mid-level)	\$182.00
Yealink EXP40 (Expansion accessory)	\$110.00

**Table 3: AT&T Collaborate Installation Fee**

No discounts apply

<b>Non-Recurring Billing Element</b>	<b>Non-Recurring Charge Per Device</b>
Equipment Installation and Shipping	\$151.00



## AT&T Multi-Service Agreement

This Multi-Service Agreement is between the customer ("Customer") and the AT&T Affiliate ("AT&T") identified on Customer's applicable Pricing Schedule (each a "Party") and is effective when accepted by the Parties ("Effective Date").

This AT&T Multi-Service Agreement consists of the attached provisions, and the AT&T Business Services Agreement, including definitions, located at <http://www.business.att.com/agreement> ("BSA") (collectively the attached provisions and BSA constitute the "MSA"). In order for Customer to purchase AT&T Services, the Parties must execute an applicable Pricing Schedule, referencing this MSA, reflecting the Services, the pricing and the pricing schedule term ("Pricing Schedule"). Collectively the MSA, Pricing Schedule and applicable Service Publications constitute the "Agreement" for those Services. A "Service Publication" includes Tariffs, Guidebooks, and Service Guides located at <http://serviceguidenew.att.com>, which reflect the product descriptions, rates, terms and conditions applicable to a particular Service. Services are further subject to the AT&T Acceptable Use Policy located at [www.att.com/aup](http://www.att.com/aup) ("AUP"). Service Publications and the AUP may be amended by AT&T from time to time without notice to Customer. The order of priority of the documents that form the Agreement is: the applicable Pricing Schedule or order; the MSA; the AUP; and then Service Publications; provided, however, if applicable laws or regulations of a jurisdiction prohibits contractual modification of Tariff terms, the Tariff will prevail. In the event of a conflict within the MSA between the provisions of this MSA and the BSA, the provisions of this MSA take precedence. For purposes of this MSA the arbitration provisions of the BSA are replaced entirely with and superseded by the following:

**ARBITRATION:** ALL CLAIMS AND DISPUTES ARISING FROM THIS AGREEMENT SHALL BE SETTLED BY BINDING ARBITRATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION UNDER ITS COMMERCIAL ARBITRATION RULES (SUBJECT TO THE REQUIREMENTS OF THE FEDERAL ARBITRATION ACT). ANY JUDGMENT ON ANY AWARD RENDERED MAY BE ENTERED AND ENFORCED IN A COURT HAVING JURISDICTION. THE ARBITRATOR SHALL NOT HAVE THE AUTHORITY TO AWARD ANY DAMAGES DISCLAIMED BY THIS AGREEMENT OR IN EXCESS OF THE LIABILITY LIMITATIONS IN THIS AGREEMENT, SHALL NOT HAVE THE AUTHORITY TO ORDER PRE-HEARING DEPOSITIONS OR DOCUMENT DISCOVERY, BUT MAY COMPEL ATTENDANCE OF WITNESSES AND PRODUCTION OF DOCUMENTS AT THE HEARING. THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY AND WAIVE ANY RIGHT TO PARTICIPATE IN OR INITIATE CLASS ACTIONS; IF THE PARTIES CANNOT WAIVE THESE RIGHTS, THIS ENTIRE PARAGRAPH IS VOID.

**Services:** "Service" or "Services" means all products and services, domestically and internationally, (including wireless, if applicable) AT&T provides Customer pursuant to this Agreement.

**Execution by Affiliates:** An AT&T Affiliate or Customer Affiliate may sign a Pricing Schedule in its own name. Such Affiliate contract will be a separate but associated contract incorporating the terms of this Agreement. Customer and AT&T will cause their respective Affiliates to comply with such separate, associated contract(s). An "Affiliate" of a party is any entity that controls, is controlled by or is under common control with such party.

**License and Other Terms:** Software, Purchased Equipment and Third-Party Services (a service provided directly to Customer by a third party under a separate agreement between Customer and the third party) may be provided subject to the terms of a separate license or other agreement between Customer and either the licensor, the third-party service provider or the manufacturer. Customer's execution of the Pricing Schedule or placement of an Order for Software, Purchased Equipment or Third-Party Services is Customer's agreement to comply with such separate agreement. Unless a Service Publication specifies otherwise, AT&T's sole responsibility with respect to Third-Party Services is to place Customer's orders for Third-Party Services, except that AT&T may invoice and collect payment from Customer for the Third-Party Services.

**Pricing and Pricing Schedule Term; Terms Applicable After End of Pricing Schedule Term:** Prices listed in a Pricing Schedule are stabilized until the end of the Pricing Schedule term, including applicable extensions, ("Pricing Schedule Term") and apply in lieu of corresponding prices in the applicable Service Publication. No promotions, credits, discounts or waivers set forth in a Service Publication apply. At the end of the Pricing Schedule Term, Customer may continue Service (subject to any applicable notice or other requirements in a Service Publication for Customer to terminate a Service Component) on a month-to-month basis at the prices, terms and conditions in effect on the last day of the Pricing Schedule Term. AT&T may change such prices, terms or conditions on 30 days' prior notice to Customer.

**MARC:** Minimum Annual Revenue Commitment ("MARC") is an annual revenue commitment set forth in a Pricing Schedule that Customer agrees to satisfy during each 12-month period of the Pricing Schedule Term. If Customer fails to satisfy the MARC for any such period, Customer agrees to pay a shortfall charge equal to the difference between the MARC and the total of the applicable MARC-Eligible Charges, as defined in the applicable Pricing Schedule, incurred during such period, and AT&T may withhold contractual credits until Customer pays the shortfall charge.

**Termination and Termination Charges:** Either party may terminate for material breach upon thirty (30) days' prior written notice to the other party. If a Service or Service Component is terminated by Customer for convenience or by AT&T for cause prior to Cutover, Customer (i) agrees to pay any pre-Cutover termination or cancellation charges set out in a Pricing Schedule or Service Publication, or (ii) in the absence of such specified charges, agrees to reimburse AT&T for time and materials incurred prior to the effective date of termination, plus any third-party charges resulting from the termination. If a Service or Service Component is terminated by Customer for convenience or by AT&T for cause after Cutover, Customer agrees to pay applicable termination charges as follows: (i) 50% of any unpaid recurring charges for the terminated Service or Service Component attributable to the unexpired portion of an applicable Minimum Payment Period (as defined in applicable Pricing Schedule); (ii) if termination occurs before the end of an applicable Minimum Retention Period (as defined in applicable Pricing Schedule), any associated credits or waived or unpaid non-recurring charges; and (iii) any charges incurred by AT&T from a third-party (i.e., not an AT&T Affiliate) due to the termination. The charges set forth in (i) and (ii) do not apply if a terminated Service Component is replaced with an upgraded Service Component at the same Site, but only if the Minimum Payment Period or Minimum Retention Period, as applicable, (the "Minimum Period") and associated charge for the replacement Service Component are equal to or greater than the corresponding Minimum Period and associated charge for the terminated Service Component,



## AT&T Multi-Service Agreement

respectively, and if the upgrade is not restricted in the applicable Service Publication. In addition, if Customer terminates a Pricing Schedule that has a MARC, Customer agrees to pay an amount equal to 50% of the unsatisfied MARC for the balance of the Pricing Schedule Term.

**Billing and Disputes:** If Customer does not dispute a charge in writing within 6 months after the invoice date, Customer waives the right to dispute. AT&T must issue a bill within six (6) months after charges are incurred (other than for automated or live operated assisted calls) or it waives the charges.

At Customer's request, but subject to AT&T's consent (which may not be unreasonably withheld or withdrawn), Customer's Affiliates may be invoiced separately, and AT&T will accept payment from such Affiliates. Customer will be responsible for payment if Customer's Affiliates do not pay charges in accordance with this Agreement.

**Purchased Equipment:** Except as specified in a Service Publication or Pricing Schedule, title to and risk of loss of equipment AT&T sells Customer ("Purchased Equipment") pass to Customer on delivery to the transport carrier for shipment to Customer's designated location. AT&T retains a purchase money security interest in all Purchased Equipment until Customer pays for it in full; Customer appoints AT&T as Customer's agent to sign and file a financing statement to perfect AT&T's security interest. All Purchased Equipment is provided on an "AS IS" basis, except that AT&T passes through to Customer any warranties available from its suppliers, to the extent that AT&T is permitted to do so under its contracts with those suppliers.

**Privacy:** Each party is responsible for complying with the privacy laws applicable to its business. AT&T shall require its personnel, agents and contractors around the world who process Customer personal data to protect such information in accordance with the data protection laws and regulations applicable to AT&T's business. If Customer does not want AT&T to comprehend Customer data to which it may have access in performing Services, Customer must encrypt such data to be unintelligible. Customer is responsible for obtaining consent from and giving notice to its users, employees and agents regarding Customer's and AT&T's collection and use of the User, employee or agent information in connection with a Service. Customer agrees to make accessible or provide Customer personal data to AT&T only if it has legal authority to do so.

**Trademarks and Publicity:** Neither party will display or use the other party's trade names, logos, trademarks, service marks or other indicia of origin, or issue public statements about this agreement or the Services, without the other party's prior written consent.

**Governing Law:** Unless a regulatory agency with jurisdiction over the applicable Service applies a different law, this Agreement is governed by the law of the State of New York, without regard to its conflict of law principles. The United Nations Convention on Contracts for International Sale of Goods will not apply.

## City of Brea

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### COUNCIL COMMUNICATION

**TO:** Honorable Mayor and City Council Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 06/19/2018

**SUBJECT:** Renewed Measure M (M2) Eligibility Submittal Package For FY 2018-19

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### **RECOMMENDATION**

Adopt resolution authorizing submittal of Renewed Measure M Eligibility package to Orange County Transportation Authority (OCTA).

### **BACKGROUND/DISCUSSION**

Measure M was a local Orange County tax initiative that levied a half-cent sales tax for the purpose of financing transportation improvements throughout the County. Since Measure M was implemented in 1991, the City of Brea has benefited in improving its residential and arterial streets from this transportation funding program. Collection of the half-cent sales tax and the Measure M program officially ended on March 31, 2011.

On November 7, 2006, voters approved Renewed Measure M (M2). M2 is a 30-year, multi-billion dollar program extension of the original Measure M with a new slate of projects and programs planned. These include improvements to the Orange County freeway system, streets and road network throughout the County, expansion of the Metrolink system, more transit services for seniors and the disabled, as well as funding for the cleanup of roadway storm water runoff.

M2 net revenues are generated from the transactions and use tax plus any interest or other earnings after allowable deductions. Net revenues may be allocated to local jurisdictions for a variety of programs as identified in OCTA's Renewed Measure M Transportation Ordinance and Investment Plan (Ordinance No. 3 dated July 24, 2006). Compliance with the eligibility requirements identified in the Ordinance must be established and maintained in order for local jurisdictions to receive the net revenues.

As with the original Measure M, each year the City must provide specific documentation to OCTA in order to maintain M2 eligibility for local fair share and competitive grant funding. OCTA is the Local Transportation Authority (LTA) responsible for administering the proceeds of the M2 sales tax in Orange County. The City of Brea routinely applies for competitive funding through the Comprehensive Transportation Funding Program (CTFP), which is a component of M2. The CTFP brings a number of competitive grant programs through M2 under one set of procedures and guidelines. M2 funds enable the City to undertake significant capital projects that improve the transportation and circulation system in Brea. Recently, the City was awarded over \$12 M in grant funds from the competitive CTFP FY 2018-19 program for the SR 57/Lambert Road Interchange Improvement Project, CIP 7251. Also, the City received over \$900,000 of fair share funds in FY 2017-18.

This year's eligibility package includes the following attachments:

- Resolution for Measure M2 Eligibility Submittal.
- Measure M2 Eligibility Checklist for Fiscal Year 2016-17.
- A copy of the Seven Year Capital Improvement Program (CIP) Budget beginning with Fiscal Year 2018-19 as it relates to Measure M2 funding. The CIP is presented in the required OCTA format.
- Documentation pertaining to Brea's Maintenance of Effort (MOE).
- Land Use Planning Strategies letter.

These items demonstrate to OCTA that Brea will fulfill its responsibility to implement the requirements of M2. Moreover, this eligibility package will help to ensure that Brea continues to receive the funding necessary to complete needed transportation improvement projects.

### **FISCAL IMPACT/SUMMARY**

Fulfillment of the eligibility requirements for FY 2018-19 will confirm the City's ability to continue receiving M2 funds. In addition, the City's annual M2 local jurisdiction apportionment, more commonly referred to as "Fair Share" is estimated at \$991,105 for Fiscal Year 2018-19. This action has no fiscal impact to the General Fund.

### **RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Warren Coleman, Senior Management Analyst

Concurrence: Steve Kooyman, P.E, City Engineer

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### **Attachments**

Resolution

OCTA Format CIP

OCTA Checklist

M.O.E. Certification

Strategies Letter

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## **RESOLUTION NO. 2018-041**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA, CALIFORNIA APPROVING THE CITY'S MEASURE M2 ELIGIBILITY SUBMITTAL**

#### **A. RECITALS:**

(i) The City of Brea desires to remain eligible to receive local Measure M2 funds, as well as funds from the State of California under Proposition 111.

(ii) The Orange County Transportation Authority (OCTA) requires specific information from the City of Brea in order for the City to remain eligible for these funds.

(iii) This necessary information includes the following items:

- 1 Measure M2 Eligibility Checklist for Fiscal Year 2018-19
2. A copy of Brea's Seven-Year CIP Budget beginning with Fiscal Year 2018-19, as it relates to Measure M2 funding.  
The CIP is presented in the required OCTA format.
3. Documentation pertaining to Brea's Maintenance of Effort
4. Land Use Planning Strategies letter

With the approval of the above documents, all requirements under Measure M2 will have been satisfied and the City of Brea will remain eligible for funding.

#### **B. RESOLUTION:**

**NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED,**

by the City Council of the City of Brea as follows:

- a) In all respects as set forth in Recitals, Part A, of this Resolution.

b) The City Council approves the attachments as identified in Recitals (iii) above for the Measure M2 eligibility package.

**APPROVED AND ADOPTED** by the Council of the City of Brea, California, this 19th day of June 2018.

\_\_\_\_\_  
Mayor

I, Lillian Harris-Neal, City Clerk of the City of Brea, California, do hereby certify that the foregoing resolution was adopted by the City Council of the City of Brea, California, at its regular meeting held on the 19th day of June 2018, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAINED:	COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk







Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: Alley Rehabilitation West of Sycamore, Between Elm & Date Street (7320)

Project Limits: Alley west of Sycamore Avenue between Elm Street and Date Street

Project Number: 7320

Type of Work (TOW): Road Maintenance

TOW Description: Alleys

Project Description: This project will rehabilitate the alleyway pavement west of Sycamore Avenue between Elm Street and Date Street. This is a carryover project for FY 18-19. Funding is reflected in a prior year.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Gas Tax	100.00	\$0	\$0	
		<b>\$0</b>	<b>\$0</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$ 0</b>

Agency: Brea

Project Name: Annual Arterial Rehabilitation Program (PN 7193)

Project Limits: Arterial streets identified in the Pavement Management Plan (PMP)

Project Number: N/A

Type of Work (TOW): Road Maintenance

TOW Description: Rehabilitation of roadway

Project Description: This is an annual program to reconstruct and resurface arterial streets identified in the Pavement Management Plan (PMP). Each year the project budget will be designated to a specific segment of an arterial roadway for overlay and rehabilitation.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Gas Tax	36.00	\$2,700,000	\$2,978,083	
M2 LFS	39.00	\$2,925,000	\$3,226,256	
SB1	25.00	\$1,875,000	\$2,068,113	
		<b>\$7,500,000</b>	<b>\$8,272,452</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$65,000	\$70,000	\$75,000	\$80,000	\$82,000	\$86,000	\$458,000	\$458,000
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$835,000	\$1,120,000	\$1,180,000	\$1,240,000	\$1,303,000	\$1,364,000	\$7,042,000	\$7,814,452
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$900,000</b>	<b>\$1,190,000</b>	<b>\$1,255,000</b>	<b>\$1,320,000</b>	<b>\$1,385,000</b>	<b>\$1,450,000</b>	<b>\$7,500,000</b>	<b>\$ 8,272,452</b>

Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: Birch Street & Brea Boulevard Intersection  
Rehabilitation (7308)

Project Limits: Intersection of Brea Boulevard and Birch Street

Project Number: 7308

Type of Work (TOW): Road Maintenance

TOW Description: Rehabilitation of roadway

Project Description: This project will rehabilitate the asphalt pavement and colored thermoplastic overlay at this intersection. This is a carryover project for FY 18-19. Funding is reflected in a prior year.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Gas Tax	100.00	\$0	\$0	
		<b>\$0</b>	<b>\$0</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$ 0</b>

Agency: Brea

Project Name: Birch Street Traffic Signal Synchronization (PN 7709)

Project Limits: Along Birch St. east to Rose Drive and city limit

Project Number: 14-BREA-TSP-3702

Type of Work (TOW): Traffic Signals

TOW Description: Interconnect traffic signals to improve coordination and communication

Project Description: Upgrade of traffic signal control equipment along Birch St. & Rose Dr., including fiber optic interconnect cable and synchronization of traffic signals. O&M llocally funded for FY19/20 - 21/22.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Impact Fees	27.24	\$30,526	\$30,526	Impact Fees (Traffic Nexus)
M2 TSSP	72.76	\$81,538	\$81,538	
		<b>\$112,064</b>	<b>\$112,064</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M	\$29,450	\$27,538	\$27,538	\$27,538	\$0	\$0	\$0	\$112,064	\$112,064
	<b>\$29,450</b>	<b>\$27,538</b>	<b>\$27,538</b>	<b>\$27,538</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$112,064</b>	<b>\$ 112,064</b>

Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: Brea Boulevard Widening (PN 7305)

Project Limits: West side of Brea Blvd. from Canyonale Dr. to north City limit

Project Number: 14-ORCO-ACE-3727 (Engineering)

Type of Work (TOW): Road Widening

TOW Description: Add 1 lane to existing roadway in project limits

Project Description: Project will widen the west side of Brea Blvd. from Canyonale Dr. to north City limit in accordance with Master Plan of Arterial Highway (MPAH) standards. Funding is reflected in a prior year for engineering phase.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
M2 ACE	0.00	\$0	\$0	County of Orange Public Works is lead agency
Impact Fees	54.08	\$1,442,500	\$1,518,585	Impact Fees (Traffic Nexus)
Unfunded	45.92	\$1,225,000	\$1,289,613	Unknown
		<b>\$2,667,500</b>	<b>\$2,808,198</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$63,000	\$0	\$0	\$0	\$0	\$0	\$0	\$63,000	\$63,000
R	\$0	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000	\$257,000
C/I	\$0	\$0	\$2,354,500	\$0	\$0	\$0	\$0	\$2,354,500	\$2,488,198
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$63,000</b>	<b>\$250,000</b>	<b>\$2,354,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,667,500</b>	<b>\$ 2,808,198</b>

Agency: Brea

Project Name: Citywide Catch Basin Inserts Round 1 (PN 7524)

Project Limits: Citywide

Project Number: 11-BREA-ECP-3564

Type of Work (TOW): Environmental Cleanup

TOW Description: Automatic Retractable Screen and other debris screens or inserts

Project Description: This project would use BMPs to install catch basin filters throughout the City.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
General Fund	100.00	\$62,500	\$62,500	
		<b>\$62,500</b>	<b>\$62,500</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$0	\$0	\$62,500	\$62,500
	<b>\$12,500</b>	<b>\$12,500</b>	<b>\$12,500</b>	<b>\$12,500</b>	<b>\$12,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$62,500</b>	<b>\$ 62,500</b>

Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: Citywide Catch Basin Inserts Round 2 (PN 7524)

Project Limits: Citywide

Project Number: 12-BREA-ECP-3605

Type of Work (TOW): Environmental Cleanup

TOW Description: Automatic Retractable Screen and other debris screens or inserts

Project Description: This project would use BMPs to install catch basin filters throughout the City.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
General Fund	100.00	\$69,410	\$69,410	
		<b>\$69,410</b>	<b>\$69,410</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M	\$13,882	\$13,882	\$13,882	\$13,882	\$13,882	\$0	\$0	\$69,410	\$69,410
	<b>\$13,882</b>	<b>\$13,882</b>	<b>\$13,882</b>	<b>\$13,882</b>	<b>\$13,882</b>	<b>\$0</b>	<b>\$0</b>	<b>\$69,410</b>	<b>\$ 69,410</b>

Agency: Brea

Project Name: Citywide Catch Basin Inserts Round 3 (PN 7524)

Project Limits: Citywide

Project Number: 13-BREA-ECP-3683

Type of Work (TOW): Environmental Cleanup

TOW Description: Automatic Retractable Screen and other debris screens or inserts

Project Description: This project would use BMPs to install catch basin filters throughout the City.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
General Fund	100.00	\$143,095	\$143,095	
		<b>\$143,095</b>	<b>\$143,095</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M	\$28,559	\$28,559	\$28,559	\$28,559	\$28,859	\$0	\$0	\$143,095	\$143,095
	<b>\$28,559</b>	<b>\$28,559</b>	<b>\$28,559</b>	<b>\$28,559</b>	<b>\$28,859</b>	<b>\$0</b>	<b>\$0</b>	<b>\$143,095</b>	<b>\$ 143,095</b>

Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: Citywide Catch Basin Inserts Round 4 (PN 7524)

Project Limits: Citywide

Project Number: 14-BREA-ECP-3749

Type of Work (TOW): Environmental Cleanup

TOW Description: Automatic Retractable Screen and other debris screens or inserts

Project Description: This project would use best management practices to install catch basins filters throughout the City.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
General Fund	100.00	\$155,540	\$155,540	
		<b>\$155,540</b>	<b>\$155,540</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M	\$31,108	\$31,108	\$31,108	\$31,108	\$31,108	\$0	\$0	\$155,540	\$155,540
	<b>\$31,108</b>	<b>\$31,108</b>	<b>\$31,108</b>	<b>\$31,108</b>	<b>\$31,108</b>	<b>\$0</b>	<b>\$0</b>	<b>\$155,540</b>	<b>\$ 155,540</b>

Agency: Brea

Project Name: Citywide Catch Basin Inserts Round 5 (PN 7524)

Project Limits: Citywide

Project Number: 15-BREA-ECP-3756

Type of Work (TOW): Environmental Cleanup

TOW Description: Automatic Retractable Screen and other debris screens or inserts

Project Description: This project uses best management practices to install catch basin filters throughout the City.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
M2 ECP-1	0.00	\$0	\$0	
General Fund	100.00	\$158,890	\$158,890	
		<b>\$158,890</b>	<b>\$158,890</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M	\$31,778	\$31,778	\$31,778	\$31,778	\$31,778	\$0	\$0	\$158,890	\$158,890
	<b>\$31,778</b>	<b>\$31,778</b>	<b>\$31,778</b>	<b>\$31,778</b>	<b>\$31,778</b>	<b>\$0</b>	<b>\$0</b>	<b>\$158,890</b>	<b>\$ 158,890</b>

Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: Citywide Catch Basin Inserts Round 6 (PN 7524)

Project Limits: Citywide

Project Number: 16-BREA-ECP-3846

Type of Work (TOW): Environmental Cleanup

TOW Description: Automatic Retractable Screen and other debris screens or inserts

Project Description: This project uses best management practices to install catch basin filters throughout the City. Project has 10 year O&M match requirement (\$35,992 per FY) from FY 17/18 through FY 26/27.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
M2 ECP-1	47.82	\$86,052	\$86,052	
General Fund	52.18	\$93,908	\$93,908	
		<b>\$179,960</b>	<b>\$179,960</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M	\$35,992	\$35,992	\$35,992	\$35,992	\$35,992	\$0	\$0	\$179,960	\$179,960
	<b>\$35,992</b>	<b>\$35,992</b>	<b>\$35,992</b>	<b>\$35,992</b>	<b>\$35,992</b>	<b>\$0</b>	<b>\$0</b>	<b>\$179,960</b>	<b>\$ 179,960</b>

Agency: Brea

Project Name: Citywide Catch Basin Inserts Round 7 (PN 7524)

Project Limits: Citywide

Project Number: 16-BREA-ECP-3847

Type of Work (TOW): Environmental Cleanup

TOW Description: Automatic Retractable Screen and other debris screens or inserts

Project Description: This project uses best management practices to install catch basin filters throughout the City. Project has 10 year O&M match requirement (\$37,800 per FY) from FY 17/18 through FY 26/27.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
General Fund	100.00	\$189,000	\$189,000	
		<b>\$189,000</b>	<b>\$189,000</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M	\$37,800	\$37,800	\$37,800	\$37,800	\$37,800	\$0	\$0	\$189,000	\$189,000
	<b>\$37,800</b>	<b>\$37,800</b>	<b>\$37,800</b>	<b>\$37,800</b>	<b>\$37,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$189,000</b>	<b>\$ 189,000</b>

Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: Citywide Catch Basin Inserts Round 8 (PN 7524)

Project Limits: Citywide

Project Number: 16-BREA-ECP-3848

Type of Work (TOW): Environmental Cleanup

TOW Description: Automatic Retractable Screen and other debris screens or inserts

Project Description: This project uses BMPs to install catch basin inserts throughout the city. Project has 10 year O&M match requirement (\$15,589 per FY) from FY 17/18 through FY 26/27.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
General Fund	100.00	\$77,945	\$77,945	
General Fund	0.00	\$0	\$0	
		<b>\$77,945</b>	<b>\$77,945</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M	\$15,589	\$15,589	\$15,589	\$15,589	\$15,589	\$0	\$0	\$77,945	\$77,945
	<b>\$15,589</b>	<b>\$15,589</b>	<b>\$15,589</b>	<b>\$15,589</b>	<b>\$15,589</b>	<b>\$0</b>	<b>\$0</b>	<b>\$77,945</b>	<b>\$ 77,945</b>

Agency: Brea

Project Name: Citywide Sidewalk Replacement Program (7313)

Project Limits: Citywide

Project Number: 7313

Type of Work (TOW): Pedestrian

TOW Description: Reconstruction or rehabilitation of sidewalk

Project Description: This project allows for repair and replacement of displaced concrete sidewalks, curb & gutter, and curb access ramps.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Gas Tax	100.00	\$700,000	\$761,622	
		<b>\$700,000</b>	<b>\$761,622</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$700,000	\$761,622
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$700,000</b>	<b>\$ 761,622</b>



[illegible]

Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: Emergency Changeable Message Signs (PN 7704)

Project Limits: West of Carbon Canyon Road

Project Number: N/A

Type of Work (TOW): Safety

TOW Description: Signage installation and/or replacement

Project Description: This project will install changeable message signs to notify drivers of Carbon Canyon Road closures. Signs will be placed strategically so drivers can alter their route when Carbon Canyon is closed. This is a carryover project for FY 18-19.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Gas Tax	50.00	\$125,000	\$125,000	
Impact Fees	50.00	\$125,000	\$125,000	Impact Fees (Traffic Nexus)
		<b>\$250,000</b>	<b>\$250,000</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$ 250,000</b>

Agency: Brea

Project Name: Illuminated Street Name Sign Upgrade (PN 7212)

Project Limits: Signalized intersections throughout the City

Project Number: N/A

Type of Work (TOW): Safety

TOW Description: Signage installation and/or replacement

Project Description: This project would upgrade existing illuminated street name signs at signalized intersections throughout the City. The existing deteriorated sign panels will be replaced. This is a carryover project for FY 18-19. Funding is reflected in a prior year.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Gas Tax	100.00	\$152,000	\$154,128	
		<b>\$152,000</b>	<b>\$154,128</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$76,000	\$76,000	\$0	\$0	\$0	\$0	\$0	\$152,000	\$154,128
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$76,000</b>	<b>\$76,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$152,000</b>	<b>\$ 154,128</b>

Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: Imperial Highway Landscape Median Enhancement  
(PN 7205)

Project Limits: Imperial Highway from Kraemer Blvd. to Valencia  
Avenue

Project Number: N/A

Type of Work (TOW): Aesthetics

TOW Description: Hardscape, lighting treatment, or community  
identity/monumentation improvements

Project Description: This project will replace existing landscaping within  
existing medians and install up-lighting for median  
trees on Imperial Hwy from Kraemer Blvd. to  
Valencia Ave. Caltrans coordination is required for  
design, permit and construction.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Unfunded	100.00	\$1,200,000	\$1,328,472	Unknown
		<b>\$1,200,000</b>	<b>\$1,328,472</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000	\$100,000
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$1,100,000	\$0	\$0	\$1,100,000	\$1,228,472
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,200,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,200,000</b>	<b>\$ 1,328,472</b>

Agency: Brea

Project Name: Imperial Highway Traffic Signal Synchronization (PN  
7714)

Project Limits: Imperial Highway/SR-90 from Brass Lantern Drive  
(La Habra) to Yorba Linda Blvd. (Yorba Linda)

Project Number: 15-LHAB-TSP-3773

Type of Work (TOW): Traffic Signals

TOW Description: Coordinate signals within project limits

Project Description: Project will synchronize the traffic signals along  
Imperial Highway/SR-90. This project includes 46  
traffic signals located in the cities of La Habra,  
Fullerton, Brea, Placentia and Yorba Linda. This is a  
carryover project for FY 18-19.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Impact Fees	18.70	\$8,860	\$8,860	
Other	1.30	\$614	\$614	Caltrans funds
M2 TSP	80.00	\$37,896	\$37,896	City of LaHabra is Lead Agency
		<b>\$47,370</b>	<b>\$47,370</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M	\$47,370	\$0	\$0	\$0	\$0	\$0	\$0	\$47,370	\$47,370
	<b>\$47,370</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$47,370</b>	<b>\$ 47,370</b>

Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: Imperial Hwy & Berry St Intersection Improvement  
(PN 7278)

Project Limits: North side of Imperial Hwy. east of Berry St.

Project Number: N/A

Type of Work (TOW): Intersection

TOW Description: Add right turn lane(s) to intersection

Project Description: Project will widen the north side of Imperial Hwy. to allow for dedicated westbound right turn lane. Construction pending Caltrans approval of City's proposed improvements/issuance of encroachment permit. This is a carryover project for FY 18-19.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Impact Fees	100.00	\$0	\$0	Impact Fees (Traffic Nexus)
		<b>\$0</b>	<b>\$0</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$ 0</b>

Agency: Brea

Project Name: Imperial Hwy/Kraemer Blvd Intersection Improvement  
(PN 7234)

Project Limits: Kraemer Blvd. and Imperial Hwy.

Project Number: N/A

Type of Work (TOW): Intersection

TOW Description: Add through and right turn lanes to intersection

Project Description: This project will provide an additional northbound through lane on Kraemer Blvd. and a westbound right-turn lane on Imperial Hwy. Caltrans coordination is required for design, permit and construction. Right of way acquisition will be included.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Gas Tax	2.41	\$75,000	\$80,831	
Impact Fees	21.67	\$675,000	\$727,476	Developer mitigation contribution
M2 LFS	2.41	\$75,000	\$80,831	
Unfunded	73.52	\$2,290,000	\$2,468,030	Unknown
		<b>\$3,115,000</b>	<b>\$3,357,168</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$140,000	\$0	\$0	\$0	\$0	\$140,000	\$140,000
R	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0	\$500,000	\$528,392
C/I	\$0	\$0	\$0	\$2,475,000	\$0	\$0	\$0	\$2,475,000	\$2,688,776
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$0</b>	<b>\$640,000</b>	<b>\$2,475,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,115,000</b>	<b>\$ 3,357,168</b>



Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: La Canada Storm Drain Improvements (PN 7525)

Project Limits: Northwest corner of La Canada Dr. and Northwood Ave.

Project Number: N/A

Type of Work (TOW): Environmental Cleanup

TOW Description: Other

Project Description: This project will construct a junction structure and associated storm drain piping at the northwest corner of La Canada Drive and Northwood Avenue

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Unfunded	100.00	\$400,000	\$410,304	Unknown
		<b>\$400,000</b>	<b>\$410,304</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$32,000	\$0	\$0	\$0	\$0	\$0	\$32,000	\$32,000
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$368,000	\$0	\$0	\$0	\$0	\$0	\$368,000	\$378,304
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$ 410,304</b>

Agency: Brea

Project Name: Lambert Road & Puente Street Intersection Improvement (PN 7276)

Project Limits: North side of Lambert Rd. east of Puente St.

Project Number: N/A

Type of Work (TOW): Intersection

TOW Description: Add right turn lane(s) to intersection

Project Description: This project will widen the north side of Lambert Road east of Puente Street to allow for a dedicated westbound right turn lane. Final design has been completed and right-of-way has been dedicated to allow for the widening.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Impact Fees	100.00	\$520,000	\$534,000	Impact Fees (Traffic Nexus)
		<b>\$520,000</b>	<b>\$534,000</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0	\$20,000	\$20,000
R	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0	\$20,000	\$20,560
C/I	\$0	\$480,000	\$0	\$0	\$0	\$0	\$0	\$480,000	\$493,440
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$520,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$520,000</b>	<b>\$ 534,000</b>

Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: Lambert Road Streetscape (PN 7314 - Formerly PN 7863)

Project Limits: Lambert Road from the 57 Freeway to the West City limits.

Project Number: N/A

Type of Work (TOW): Aesthetics

TOW Description: Landscaping of roadway

Project Description: This project will construct street and parkway amenities along Lambert Road from the 57 freeway to the west City limit. Amenities may include raised medians, sidewalk, landscaping, street trees and block walls.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Unfunded	100.00	\$4,700,000	\$5,150,008	Unknown
		<b>\$4,700,000</b>	<b>\$5,150,008</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0	\$300,000	\$300,000
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$0	\$0	\$2,100,000	\$2,300,000	\$0	\$0	\$4,400,000	\$4,850,008
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$0</b>	<b>\$300,000</b>	<b>\$2,100,000</b>	<b>\$2,300,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,700,000</b>	<b>\$ 5,150,008</b>

Agency: Brea

Project Name: Puente Street Rehabilitation (PN 7311)

Project Limits: Puente Street from Imperial Hwy. to Lambert Rd.

Project Number: N/A

Type of Work (TOW): Road Maintenance

TOW Description: Rehabilitation of roadway

Project Description: Project will rehabilitate Puente Street from Imperial Hwy. to Lambert Rd. Improvements consist of reconstructing existing asphalt pavement, replacing damaged sidewalk, curb, gutter and upgrading existing curb access ramps to current ADA requirements.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
SB1	100.00	\$734,000	\$734,000	Unknown
		<b>\$734,000</b>	<b>\$734,000</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$35,000	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000	\$35,000
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$699,000	\$0	\$0	\$0	\$0	\$0	\$0	\$699,000	\$699,000
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$734,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$734,000</b>	<b>\$ 734,000</b>

Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

**Agency:** Brea

**Project Name:** Randolph Avenue Rehabilitation (PN 7288)

**Project Limits:** Randolph Avenue from Imperial Highway to Birch Street

**Project Number:** N/A

Type of Work (TOW): Road Maintenance

**TOW Description:** Rehabilitation of roadway

**Project Description:** Rehabilitate Randolph Ave. from Imperial Hwy to Birch St. Improvements include reconstructing asphalt pavement, replacing sidewalk, curb and gutter and upgrading curb access ramps to current ADA requirements. This is a carryover project for FY 18-19.

<u>FUND NAME</u>	<u>PERCENT</u>	<u>ESTIMATED COST</u>	<u>PROJECTED COST</u>	<u>NOTES</u>
M2 LFS	0.00	\$0	\$0	
		<b>\$0</b>	<b>\$0</b>	

[illegible]

**Agency:** Brea

**Project Name:** Regulatory Sign Replacement (PN 7702)

**Project Limits:** City limits

**Project Number:** N/A

Type of Work (TOW): Safety

**TOW Description:** Signage installation and/or replacement

**Project Description:** This project will remove and replace 1,600 regulatory signs within the City to meet Manual on Uniform Traffic Control Devices (MUTCD) compliance. This is a carryover project for FY 18-19.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
General Fund	100.00	\$0	\$0	Fixed Asset Replacement Fund (182)
		<b>\$0</b>	<b>\$0</b>	

[illegible]



Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: Residential Streets Rehabilitation Program (PN 7173)

Project Limits: Citywide

Project Number: N/A

Type of Work (TOW): Road Maintenance

TOW Description: Rehabilitation of roadway

Project Description: This is an annual project to reconstruct and resurface residential streets identified in the Pavement Management Program (PMP). Specific streets are designated for rehabilitation for each year's program & assigned a separate project number.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Gas Tax	35.83	\$4,200,000	\$4,646,675	
M2 LFS	35.52	\$4,163,033	\$4,605,776	
SB1	28.65	\$3,357,500	\$3,714,574	
		<b>\$11,720,533</b>	<b>\$12,967,024</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$65,000	\$114,800	\$120,000	\$127,400	\$134,400	\$141,400	\$703,000	\$703,000
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$920,433	\$1,812,800	\$1,910,000	\$2,013,100	\$2,122,600	\$2,238,600	\$11,017,533	\$12,264,024
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$985,433</b>	<b>\$1,927,600</b>	<b>\$2,030,000</b>	<b>\$2,140,500</b>	<b>\$2,257,000</b>	<b>\$2,380,000</b>	<b>\$11,720,533</b>	<b>\$ 12,967,024</b>

Agency: Brea

Project Name: Rose Drive Widening (PN 7272)

Project Limits: Rose Drive from Valencia Avenue to Promenade Avenue

Project Number: N/A

Type of Work (TOW): Road Widening

TOW Description: Widen width of existing traffic lanes

Project Description: This project will initiate preliminary engineering design, environmental documentation, right-of-way needs analysis, and final design to widen Rose Drive from Valencia Avenue to Promenade Avenue.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Unfunded	100.00	\$2,660,000	\$2,928,659	Unknown
		<b>\$2,660,000</b>	<b>\$2,928,659</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0	\$300,000	\$300,000
R	\$0	\$0	\$30,000	\$170,000	\$0	\$0	\$0	\$200,000	\$216,387
C/I	\$0	\$0	\$0	\$0	\$2,160,000	\$0	\$0	\$2,160,000	\$2,412,272
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$0</b>	<b>\$0</b>	<b>\$330,000</b>	<b>\$170,000</b>	<b>\$2,160,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,660,000</b>	<b>\$ 2,928,659</b>

[illegible]

Seven Year Capital Improvement Program (Sorted by Project Name)  
Fiscal Years 2018/2019 through 2024/2025

Agency: Brea

Project Name: Traffic Calming Improvements (PN 7219)

Project Limits: Citywide

Project Number: N/A

Type of Work (TOW): Safety

TOW Description: Traffic calming such as bulbout, chokers, speed hump, etc.

Project Description: This is an annual program for the development and implementation of traffic calming improvements as recommended by Traffic Committee and approved by City Council.

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Gas Tax	93.33	\$350,000	\$375,881	
M2 LFS	6.67	\$25,000	\$26,849	
		<b>\$375,000</b>	<b>\$402,730</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$40,000	\$40,000
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$65,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$335,000	\$362,730
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$75,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$375,000</b>	<b>\$ 402,730</b>

Agency: Brea

Project Name: Traffic Signal Controller Upgrade (PN 7218)

Project Limits: Brea limits

Project Number: N/A

Type of Work (TOW): Traffic Signals

TOW Description: Replace and upgrade traffic signals and equipment

Project Description: This project will replace obsolete traffic signal controllers, install video detection and upgrade traffic signal equipment citywide

FUND NAME	PERCENT	ESTIMATED COST	PROJECTED COST	NOTES
Impact Fees	32.88	\$600,000	\$655,713	Impact Fees (Traffic Nexus)
M2 LFS	17.81	\$325,000	\$355,178	
Unfunded	49.32	\$900,000	\$983,570	
		<b>\$1,825,000</b>	<b>\$1,994,461</b>	

Project Phase	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Estimated Cost	Projected Cost
E	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$175,000	\$175,000
R	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C/I	\$0	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000	\$1,650,000	\$1,819,461
O&M	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>\$25,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$1,825,000</b>	<b>\$ 1,994,461</b>



## APPENDIX D

### Eligibility Checklist

Jurisdiction: City of Brea

Capital Improvement Program (CIP)		YES	NO
1.	Did you submit your draft or adopted Measure M2 (M2) seven-year CIP to OCTA by June 30?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	a. Did you utilize the required OCTA CIP database?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	b. Have you included projects required to demonstrate compliance with signal synchronization, pavement maintenance and environmental clean-up commitments?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	c. Are there any non-transportation related projects included in your M2 CIP?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	d. Did you include all projects that are partially, fully, or potentially funded by M2 Net Revenues?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	e. The City Council/Board of Supervisors approval date* to adopt the final 7-Year CIP is: <u>6/19/18</u> *Must be prior to July 31		
Maintenance of Effort (MOE)		YES	NO
2.	Did you submit the MOE certification form (Appendix I) to OCTA by June 30?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	a. Did you provide supporting budget documentation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	b. Has the MOE Reporting form been signed by the Finance Director or appropriate designee?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pavement Management Program (PMP)		YES	N/A
3.	Are you required to submit a PMP update to OCTA for this eligibility cycle? If you are not required to submit a PMP update, check N/A. Refer to Exhibit 3 for PMP submittal schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	a. If yes, did you use the current PMP Submittal Template (Appendix F)?	<input type="checkbox"/>	<input type="checkbox"/>
	b. If yes, is the adopted PMP consistent with the OCTA Countywide Pavement Management Program?	<input type="checkbox"/>	<input type="checkbox"/>
4.	If you answered "N/A" to question 3, did you submit a PMP Update to OCTA through the previous eligibility cycle by June 30?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Resolution of Master Plan of Arterial Highways (MPAH) Consistency		YES	N/A
5.	Did you submit a resolution demonstrating consistency with the MPAH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	a. Have you enclosed a figure representing your most current circulation element?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6.	If the requirement is not due as part of the current cycle, has there been an update to the circulation element since the last report period? If yes, include a copy of the latest circulation element.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Local Signal Synchronization Plan (LSSP)		YES	N/A
7.	Did you adopt and submit an update to the LSSP as part of the current cycle?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	a. Is your LSSP consistent with the Regional Traffic Signal Synchronization Master Plan?	<input checked="" type="checkbox"/>	<input type="checkbox"/>



## APPENDIX D

Eligibility Checklist

Time Limits for Use of Net Revenues		YES	NO
8.	Has your jurisdiction complied with the three-year time limit for the use of Net Revenues over the last year per the requirements outlined in the Ordinance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
a.	If no, has a time extension been requested through the semi-annual review process for funds subject to expiration?	<input type="checkbox"/>	<input type="checkbox"/>
Supplanting of Developer Commitments		YES	NO
9.	Has your jurisdiction ensured they have not supplanted developer commitments for transportation projects and funding with M2 funds?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mitigation Fee Program (MFP)		YES	N/A
10.	Does your jurisdiction currently have a defined development impact MFP in place?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11.	Has an update to the MFP occurred since the last reporting period?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12.	If yes to 11, has your jurisdiction submitted a copy of the current MFP or City Council/Board of Supervisors approved policy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a.	Have you included a copy of your current impact fee schedule; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b.	Have you provided OCTA with a copy of your mitigation fee nexus study; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c.	Have you provided OCTA with a copy of your City Council/Board of Supervisors resolution approving the MFP?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Planning Strategies		YES	NO
13.	Does your jurisdiction consider as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14.	Have you provided a letter identifying land use planning strategies that accommodate transit and non-motorized transportation consideration in the General Plan?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Traffic Forums		YES	NO
15.	Did representatives of your jurisdiction participate in the regional traffic forum(s)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
a.	If you answered yes, provide date of attendance: _____		
Congestion Management Program (CMP)		YES	N/A
16.	Has your jurisdiction completed the required CMP checklist? (Appendix C)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Warren Coleman

Name (Print)

Warren Coleman

Signature

6/6/18

Date

**APPENDIX I**

Maintenance of Effort (MOE) Reporting Form

**Jurisdiction:** City of Brea**Type of GENERAL FUND Transportation Expenditures:**

Please attach supporting budget documentation for each line item listed below.

<b>MAINTENANCE</b>	<b>Total Expenditure</b>
Street Maintenance	1,500,902
Parkway Trees	267,263
Slurry Seal	200,000
<b>Subtotal Maintenance</b>	<b>\$ 1,968,165 -</b>

<b>CONSTRUCTION</b>	<b>Total Expenditure</b>
<b>Subtotal Construction</b>	<b>\$ -</b>

<b>MAINTENANCE</b>	<b>Total Expenditure</b>
<b>Subtotal Indirect/Other</b>	<b>\$ -</b>

Total General Fund Transportation Expenditures \$ 1,968,165 -

(Less Total MOE Exclusions<sup>1</sup>) \$ (650,000) -**MOE Expenditures** \$ 1,318,165 -**MOE Benchmark Requirement** \$ (719,028) -**(Shortfall) / Surplus** \$ 599,137 -**Certification:**

I hereby certify that the City of Brea has budgeted and will meet the Maintenance of Effort (MOE) requirement for Fiscal Year 2018-19.

  
Finance Director SignatureCindy Russell  
Finance Director (Print Name)06/05/2018  
DateMeasure M/State Gas Tax<sup>1</sup>Funding Sources include Measure M, federal state, redevelopment, and bond financing.

# PUBLIC WORKS | FY 2018-19 Recommended Budget Worksheets

## 110515121 STREET MAINTENANCE

ACCOUNT	TITLE	FY 2015-16 ACTUALS	FY 2016-17 BUDGET	FY 2016-17 ACTUALS	FY 2017-18 BUDGET	FY 2017-18 ACTUALS	FY 2017-18 YE ESTIMATE	FY 2018-19 BUDGET
4111	FULL TIME	269,800	283,640	271,196	244,601	205,261	244,601	292,879
4112	PART-TIME & SEASONAL	73,753	75,174	79,824	79,945	72,679	79,945	82,168
4113	OVERTIME	6,655	2,600	6,229	9,500	5,001	8,000	3,000
	OVERTIME						3,000	
							<del>3,000</del>	
4116	DISABILITY PAY	-	-	351	-	-	-	-
4123	SPECIAL PAY	90	11,380	210	5,961	-	6,000	11,800
	ON CALL PAY (300/WK)						7,800	
	OTHER SPECIAL PAY						4,000	
							<del>11,800</del>	
41230045	VACATION PAYOFF	-	-	-	-	1,167	-	-
41230048	VACATION BUYDOWN	1,703	-	3,167	-	901	-	-
41230064	COMP TERMINATION PAYOFF	-	-	-	-	62	-	-
41230137	HOLIDAY BANKS PAID	-	-	-	-	365	-	-
41230192	WORK SHOE REIMBURSEMENT	1,075	-	1,075	-	1,075	-	-
41230196	FITNESS/WEELNESS PROGRAM	175	-	284	-	450	-	-
41230650	ON CALL STIPEND	-	-	-	-	3,753	-	-
4131	RETIREMENT PERS	47,369	49,303	47,278	43,793	37,616	43,793	58,799
4131A	PERS COST SHARING	-	-	-	-	-308	-	-
4134	WORKERS' COMPENSATION	13,121	12,487	12,487	12,930	9,702	12,930	12,602
4141	MEDICARE	5,316	5,371	5,374	4,837	4,315	4,837	5,246
4151	FLEXIBLE BENEFITS	39,009	39,591	37,958	30,032	26,917	30,032	41,454
4153	AUTOMOBILE ALLOWANCE	1,701	1,680	1,680	1,680	1,470	1,680	1,680
	EMPLOYEE COSTS SUB-TOTAL	459,765	481,226	467,112	433,279	370,424	431,818	509,628
4221	TRAINING	100	-	50	-	-	-	-

# PUBLIC WORKS | FY 2018-19 Recommended Budget Worksheets

## 110515121 STREET MAINTENANCE

ACCOUNT	TITLE	FY 2015-16 ACTUALS	FY 2016-17 BUDGET	FY 2016-17 ACTUALS	FY 2017-18 BUDGET	FY 2017-18 ACTUALS	FY 2017-18 YE ESTIMATE	FY 2018-19 BUDGET
4249	PROFESSIONAL SVC-OTHER	169,430	274,000	232,077	224,000	228,153	212,000	214,000
	CONCRETE REPAIR						80,000	
	GRAFFITI REMOVAL						24,000	
	STREET STRIPING (REDUCED BY \$30K)						60,000	
	BUCKNAM PAVEMENT INVENTORY (EVERY 2 YEARS) - \$50K						50,000	
							<del>214,000</del>	
4259	RENTALS & LEASES-OTHER	220	1,000	925	1,000	-	1,000	1,000
	PUBLIC LOT MAINTENANCE						1,000	
							<del>1,000</del>	
4261	SVC & REPAIR-EQUIP	920	-	-	-	-	-	-
4269	BLDG & EQUIP SVC-OTHER	442,567	240,000	269,965	260,000	322,060	250,000	250,000
	CONTRACT ASPHALT REPAIRS						100,000	
	LIGHT POLE INSTALLTION FROM ACCIDENTS						25,000	
	CONTRACT TRAFFIC SIGNAL MAINTENANCE						115,000	
	BREA MALL RING ROAD						10,000	
							<del>250,000</del>	
4279	TRAVEL & MEETING EXPENSE	959	1,000	390	1,000	456	1,000	1,000
	MSA FOR WILL, JERRY						400	
	MSA REGIONAL MEETINGS						600	
							<del>1,000</del>	
4283	ST LGTS & TRAFFIC SVC	315,776	290,000	300,095	290,000	262,804	300,000	300,000
	ELECTRICITY FOR STREET LIGHTS AND SIGNALS						300,000	
							<del>300,000</del>	
4291	DATA PROCESSING	441	-	-	-	-	-	-
4299	SERVICES-OTHER	874	1,800	910	1,800	1,800	1,800	1,800
	UNIFORMS						1,800	
							<del>1,800</del>	
4311	FOOD & CLOTHING	28	-	-	-	270	17	-
4329	OFFICE SUPPLIES-OTHER	-	-	-	-	22	-	-
4331	PAINT & RELATED SUPPLIES	1,503	2,000	162	2,000	3,218	1,000	1,000
	PAINT FOR COVERING GRAFFITI						1,000	
							<del>1,000</del>	
4334	ROCK ASPHALT SAND ETC	3,307	5,000	8,139	5,000	3,325	5,000	5,000
	ROAD BASE, SAND, ASPHALT						5,000	
							<del>5,000</del>	
4337	ELECTRICAL SUPPLIES&PARTS	35,479	40,000	55,948	40,000	46,134	45,000	40,000



# PUBLIC WORKS | FY 2018-19 Recommended Budget Worksheets

## 110515121 STREET MAINTENANCE

ACCOUNT	TITLE	FY 2015-16 ACTUALS	FY 2016-17 BUDGET	FY 2016-17 ACTUALS	FY 2017-18 BUDGET	FY 2017-18 ACTUALS	FY 2017-18 YE ESTIMATE	FY 2018-19 BUDGET
	ST LIGHT POLE REPAIR PARTS INCLUDING POLES, INCLUDES						40,000	
	UNEXPECTED KNOCKDOWNS (REV OFFSET 110-3723)						0	
							<del>40,000</del>	
4339	CONSTR/MAINT SUPPLIES-OTH	2,043	3,000	2,928	3,000	1,051	3,000	3,000
	LUMBER, HARDWARE ITEMS						3,000	
							<del>3,000</del>	
4343	SAFETY EQUIPMENT	1,555	1,500	14,146	1,500	11,775	6,000	1,500
	TRAFFIC CONTROL SIGNS, CONES, DELINEATORS						1,000	
	SAFETY JACKETS AND RAINGEAR						500	
							<del>1,500</del>	
4345	SIGNS-SAFETY & STREET	13,260	10,000	17,274	-	202	500	-
4349	MINOR TOOLS & EQUIP-OTHER	1,788	2,000	3,067	2,000	1,658	2,000	2,000
	POWER AND HAND TOOLS						2,000	
							<del>2,000</del>	
4432	UNCOLLECTIBLE ACCOUNTS	-	-	66,888	-	3,650	3,650	-
	OPERATING COSTS SUB-TOTAL	990,248	871,300	972,963	831,300	886,578	831,967	820,300
5819	VEHICLES - OTHER	87,709	91,547	91,547	72,524	54,396	72,524	82,314
5822	TECHNOLOGY CHARGES	8,892	9,318	9,318	29,568	22,176	27,084	30,247
5823	BUILDING OCCUPANCY CHRG	16,278	16,430	16,430	15,536	11,655	15,536	15,611
5826	RETIREE BENEFIT CHARGES	9,071	8,976	8,976	8,614	6,462	8,614	8,916
5827	GENERAL LIABILITY CHG	35,610	38,348	38,348	39,541	29,655	39,541	33,886
	OVERHEAD COSTS SUB-TOTAL	157,560	164,619	164,619	165,783	124,344	163,299	170,974
	110515121 TOTAL	1,607,573	1,517,145	1,604,695	1,430,362	1,381,346	1,427,084	1,500,902

# PUBLIC WORKS | FY 2018-19 Recommended Budget Worksheets

## 110515142 PARKWAY TREES

ACCOUNT	TITLE	FY 2015-16 ACTUALS	FY 2016-17 BUDGET	FY 2016-17 ACTUALS	FY 2017-18 BUDGET	FY 2017-18 ACTUALS	FY 2017-18 YE ESTIMATE	FY 2018-19 BUDGET
4111	FULL TIME	12,524	14,032	14,311	14,620	12,354	14,620	15,641
4112	PART-TIME & SEASONAL	-	7,473	-	7,737	-	-	-
4113	OVERTIME	138	750	406	750	119	750	750
4116	DISABILITY PAY	870	-	-	-	-	-	-
4123	SPECIAL PAY	-	600	-	900	-	800	600
41230045	VACATION PAYOFF	-	-	129	-	-	-	-
41230048	VACATION BUYDOWN	-	-	690	-	639	-	-
41230137	HOLIDAY BANKS PAID	-	-	7	-	-	-	-
41230192	WORK SHOE REIMBURSEMENT	45	-	45	-	45	-	-
41230196	FITNESS/WELLNESS PROGRAM	-	-	-	-	26	-	-
4131	RETIREMENT PERS	2,138	2,506	2,491	2,615	2,497	2,615	3,193
4131A	PERS COST SHARING	-	-	-	-	-12	-	-
4134	WORKERS' COMPENSATION	493	748	748	778	585	778	526
4141	MEDICARE	191	318	221	329	211	329	217
4151	FLEXIBLE BENEFITS	3,015	3,047	2,570	3,140	1,806	3,140	2,075
EMPLOYEE COSTS SUB-TOTAL		19,415	29,474	21,618	30,869	18,269	23,032	23,002
4212	TELEPHONE & FAXES	-	480	-	480	-	-	-
4249	PROFESSIONAL SVC-OTHER	155,651	229,640	158,060	247,298	228,562	247,298	241,952
TREE TRIMMING (3 YR CYCLE)(FY18/19 \$181,685) REDUCED							161,685	
ADDITIONAL TREES							9,990	
CONTRACT FOR BORER INFESTATION							70,277	
							<u>241,952</u>	
4311	FOOD & CLOTHING	-	200	-	200	-	200	200
4343	SAFETY EQUIPMENT	-	2,000	-	1,000	-	-	-

# PUBLIC WORKS | FY 2018-19 Recommended Budget Worksheets

## 110515142 PARKWAY TREES

ACCOUNT	TITLE	FY 2015-16 ACTUALS	FY 2016-17 BUDGET	FY 2016-17 ACTUALS	FY 2017-18 BUDGET	FY 2017-18 ACTUALS	FY 2017-18 YE ESTIMATE	FY 2018-19 BUDGET
4372	CHEMICALS	2,276	10,000	-	11,500	-	-	-
4374	TREES	20,207	-	124	-	107	-	-
	OPERATING COSTS SUB-TOTAL	178,134	242,320	158,185	260,478	228,668	247,498	242,152
5822	TECHNOLOGY CHARGES	1,392	1,458	1,458	1,916	1,440	1,755	990
5826	RETIREE BENEFIT CHARGES	432	448	448	444	333	444	476
5827	GENERAL LIABILITY CHG	520	583	583	607	459	607	643
	OVERHEAD COSTS SUB-TOTAL	2,344	2,489	2,489	2,967	2,232	2,806	2,109
	110515142 TOTAL	199,893	274,283	182,292	294,314	249,169	273,336	267,263

## STREET IMPROVEMENTS - CITYWIDE SLURRY SEAL PROGRAM

Estimated Expenses 2017-18	Estimated Carryover 2017-18
\$170,000	\$305,250

Will Wenz	(Type Name)
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## City of Brea

June 19, 2018

Mr. Joe Alcock, M2 Local Programs Section Manager  
Orange County Transportation Authority  
P.O. Box 14184  
Orange, CA 92863-1584

**Subject: City of Brea Strategies that accommodate transit and non-motorized transportation**

Dear Mr Alcock:

The following excerpts from the City of Brea's General Plan (GP) satisfy the item related to Renewed Measure M (M2) Eligibility for FY 2018-19: "to consider, as part of the Eligible Jurisdiction's General Plan, land use strategies that accommodate transit and non-motorized transportation." The GP contains the Circulation Element (CE) located in *Chapter 2: Community Development*, and is included as an attachment to this letter (in CD format). The CE covers the following transit and non-motorized transportation items in detail:

- Public Transit
- Regional Transportation Facilities
- Bicycle and Pedestrian Facilities

Additionally, the CE contains listed goals, objectives and policies to assist in meeting strategies that will accommodate transit and non-motorized items in the near future. The following summarize the goals, objectives and policies from the City's CE:

### Local Circulation System

**Goal CD-11: Provide a safe and efficient circulation system that meets the needs of the community.**

**Policy CD-11.3: Plan neighborhood streets, pedestrian walks, and bicycle paths as a system of fully connected routes throughout the City.**

City Council

Glenn Parker  
Mayor

Christine Marick  
Mayor Pro Tem

Cecilia Hupp  
Council Member

Marty Simonoff  
Council Member

Steven Vargas  
Council Member

Policy CD-11.11: Examine alternative methods such as traffic calming, landscaping, provision of bike/transit lanes to slow traffic, improve street capacity, and increase safety.

## **Public Transit**

### **Goal CD-12: Promote and support an efficient public transportation system**

Policy CD-12.1: Support transit providers such as the Orange County Transportation Authority in granting additional service routes within the City as needed.

Policy CD-12.3: Establish the Birch Street corridor between Downtown Brea and the Civic and Cultural Center/Brea Mall as a pedestrian and bicycle-friendly travel way.

Policy CD-13.4: Require new developments to provide for the use of alternative modes of transit via internal trails or travel ways – public or private – for pedestrians and vehicles other than cars. New developments shall include such features as well-designed sidewalks and parkways, bike lanes and paths, and dedicated bus turn-outs.

### **Excerpt from “Public Transportation System”:**

*Promoting the use of alternative transportation modes such as transit, bicycling, and walking produces a number of community benefits, including reduced traffic, reduced need for costly roadway improvement projects, improved air quality, and a healthier population.....*

*Public bus service is provided by OCTA...transit routes link Brea to other communities such as La Habra, Fullerton, Orange, Santa Ana, Costa Mesa, Tustin, Anaheim, Garden Grove, Irvine, and Newport Beach....*

*Paratransit services are provided by ACCESS, OCTA's shared-ride service for people who are unable to use the regular, fixed-route bus service because of functional limitations caused by a disability. The City operates the Brea Shuttle Express, a curb-to-curb transportation shuttle...*

*OCTA also oversees commuter rail planning and operations. Brea supports efforts of OCTA to extend light rail or other commuter rail services to North Orange County, provided such program maintains the quality of life in the City.*

### **Regional Transportation Facilities**

Transportation in Brea is directly related to an overall transportation network for the four-county area. Roadway facilities in Brea accommodate regional traffic resulting from congestion on State Route 57 and limited access between San Bernardino and Riverside counties to Orange and Los Angeles counties. Planning for the needs of the community necessarily includes recognition of the related transportation needs and planning efforts of the surrounding communities, County, and region. With that recognition is the need for the City to actively monitor transportation planning in the surrounding area and strongly encourage regional transportation improvements.

#### **Goal CD-10: Maintain an effective regional transportation network.**

Policies that support this goal are detailed in the General Plan (Chapter 2-60). They include the following: working with Caltrans to improve access to and from State Route 57; supporting efforts to establish a regional network of rail travel connections; cooperating with surrounding jurisdictions to ensure the efficient operation of the arterial network system; working with Caltrans, OCTA, and surrounding jurisdictions to provide adequate capacity on regional routes; ensuring that the County Master Plan of Arterial Highways is consistent with the City's Master Plan of Roadways; examining design solution alternatives that can improve the safety and efficiency of Carbon Canyon Road, which serves high volumes of regional traffic; and working with the Four Corners Group to explore regional solutions to the four-county area.

### **Bicycle and Pedestrian Facilities**

#### **Goal CD-13: Provide for an extensive, integrated, and safe bicycle, hiking, and pedestrian network throughout the community, and make Brea a pedestrian-friendly community.**

Policy CD-13.1: Develop and maintain a comprehensive and integrated system of bikeways that promotes bicycling riding for commuting and recreation.

Policy CD-13.2: Provide for safe and convenient pedestrian connections to and from Downtown, other commercial districts, neighborhoods, and major activity centers within the City.

#### **Excerpt from "Pedestrian Circulation System":**

*Walkability, access, and connections are necessary components of a circulation system that easily and specifically accommodates pedestrians. Walkability includes wide sidewalks, safe street crossings, features that encourage cautious driving, and a pleasant and safe walking environment. Walkways, mid-block crossings, pathways, and pedestrian short-cuts allow people to get from one destination point to another with ease and quickly. Dedicated pedestrian paths can provide access between residential and*

*retail areas, especially if streets are not feasible. Pedestrian connections should be provided primarily to and from intense commercial activity centers such as Downtown Brea and transit stops. Handicapped access strategies should be incorporated into all street and pathway plans.*

*Residential development tracts designed inward or isolated from adjoining neighborhoods create obstacles to pedestrian movement due to walls, limited access ways, and long walking distances. Residential tracts should have pathways to commercial centers, parks, schools, and transit stops. Activities of daily life must be within walking distance so that people will opt to walk rather than use the automobile for short trips.*


**Excerpt from "Accommodating Bicyclists":**

*In Brea and throughout Orange County, where rain falls less than 30 days a year and temperatures are generally moderate, the climate is perfect for bicycling. People can easily cycle to work or school, provided safe routes are available. Allowing bicycles on buses or providing secure bicycle parking facilities can further encourage bicycling for longer trips. Cycling is also a major recreational activity, both on mountain tracks and along the roads. The numerous backbone and single-track trails for the advanced and beginning mountain bikers in Chino Hills Park are purely for fun and exercise. For the road cyclist, Rose Drive leads cyclists to a paved pathway in Yorba Linda that guides them to the Santa Ana River Bike Trail, a great paved bike path that follows the Santa Ana River to the Pacific Ocean.*

*Bikeways, like roadways, come in several forms. Brea has adopted three bikeway standards that parallel those presented in OCTA's Bikeways Strategic Plan. Descriptions of these classifications are presented in Table CD-5 and illustrated in Figure CD-9 [see General Plan CD submitted with original M2 Eligibility package].*

Should you have any further questions or concerns regarding the City of Brea's Circulation Element and/or the City's strategies that accommodate transit and non-motorized transportation, please contact me at (714) 990-7657 to discuss.

Sincerely,



Steve Kooyman, P.E.  
City Engineer



City of Brea

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 06/19/2018

**SUBJECT:** Approval of the Fiscal Year 2018-19 Property Tax Rate to Fund the City Paramedic Program

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**RECOMMENDATION**

1) Approve resolution authorizing the tax levy; and 2) Authorize staff to determine the Paramedic Program costs based upon a reasonable cost allocation methodology.

**BACKGROUND/DISCUSSION**

At the March 7, 1978, general municipal election, the qualified electors of the City, by and through the City Council, approved the levy of an annual property tax rate to fund the City's Paramedic Program. This annual property tax was not to exceed \$0.20 per \$100 of assessed value (25% of market value) per year. Beginning in 1981, the County of Orange implemented a policy change concerning Assessed Value. The tax roll is now reported at "Full Taxable Value" rather than Assessed Value. This change resulted in a revised paramedic tax levy of \$0.045 per \$100 of Full Taxable Value. It did not, however, change the actual amount of taxes paid by the property owner.

State law prohibits the City Council from increasing the paramedic levy above the voter-authorized level. The rate of \$0.045 is the maximum that can be levied, regardless of program costs, without a voter-approved increase. The passage of Proposition 218 by the voters in November 1996 had no impact on the City's ability to levy the annual Paramedic Tax, as the tax was voter-approved in 1978. Prior to the beginning of each fiscal year, the City Council adopts a resolution approving the rate of tax upon taxable property within the City of Brea. The adoption of the proposed resolution enables the Orange County Auditor-Controller to apply the rate of taxation to the City of Brea's property tax rolls, and ultimately enables the City to maintain the Paramedic Program.

Since its inception in 1979, the Brea Fire Services Department Paramedic Program has grown considerably from the days when the paramedics responded to calls in an old red van. Currently, the paramedic program utilizes a modern paramedic engine company configuration. The original program that began in Fiscal Year 1978-79 had a budget of \$200,000 and was fully funded by revenues generated from the paramedic tax. While the actual tax rate has remained constant over the past 38 years, additional revenue has been generated from increases in the property values. Meanwhile, direct expenditures have increased as the program has been greatly enhanced, as outlined below, and as the City's population and service demands have increased.

**About the Paramedic Program**

A “Paramedic Engine Company” is considered the most efficient method of Emergency Medical Service (EMS) delivery, and is currently the most common staffing configuration in operation locally and regionally. This configuration provides for Advanced Life Support capability within its fire fighting and emergency response resources without compromising either service. The City’s paramedic units, Brea Engine Company #1, Truck Company #2 and Engine Company #3, are complete units that respond to both fires and medical emergencies. In addition, resources necessary to provide functional support, such as extrication of patients and fire protection during traffic emergencies, are available at the scene with the paramedic unit.

The program started in Fiscal Year 1978-79 with seven certified paramedics. The Brea Fire Services Department currently carries a complement of 21 certified firefighter/paramedics and one Emergency Medical Services Manager. This allocation level meets the staffing requirement of the Orange County EMS Agency while providing for uninterrupted deployment of paramedics during leave, training and emergency conditions. Just as the nature of emergencies has changed, so has the required paramedic skill level. Paramedics are being delegated greater responsibility in the field as emergency room medicine is continually being evaluated and streamlined. Paramedic staff all receive continuous in-service training on a myriad of topics, including: trauma medicine; air and blood-borne pathogens; environmental emergencies; pediatric medicine, including sudden infant death syndrome; swift water rescue and mass casualty management.

Field techniques have improved greatly since the program began with treatment advances in the areas of Adult and Pediatric Intubation (airway management requiring insertion of appliances into the trachea), cervical-spine treatments and neurological protection, improved treatment for burn victims and the AED (cardiac defibrillation) program, which is in service on all responding Brea units. The below chart illustrates the paramedic call history from calendar year 2013 through 2017. The 2017 call history is also provided as Attachment A and details the medical call history by situation that is within City's limits.

**See next page.**

## Paramedic Response History

Calendar Year	2013	2014	2015	2016	2017
Total Emergency Medical Calls (1)	3,391	3,608	4,052	4,218	4,265
Total Calls for Service from Fire Dept. (Including false alarm responses)(1)	4,308	4,777	5,364	5,413	5,373
Percent of Total	78.71%	75.52%	75.54%	77.92%	79.38%
(1) Data updated to include all call data reported from the Metro Cities Fire Authority Metro Net Communications Report					

### **COMMISSION/COMMITTEE RECOMMENDATION**

The Finance Committee reviewed this staff report at its regular meeting held on June 12, 2018 and recommended the resolution be forwarded to City Council. Public comments were made at the meeting and a written copy of those comments provided to the Finance Committee for the record. Staff has made the City Council aware of the comments.

### **FISCAL IMPACT/SUMMARY**

Starting with the FY 2018-19 Budget, the paramedic tax revenue will be accounted for in the new Paramedic Services Fund (Fund 174) separate from the City's General Fund. The new fund was established to account for revenues generated from the paramedic tax and other revenues, as well as costs associated with the Brea Paramedic Program. This includes personnel costs for 21 full-time paramedic positions, one EMS Manager position and related costs to operate the program. More information can be found in the attached Fact Sheet and is provided as Attachment B.

The proposed paramedic tax rate is \$0.045 per \$100 of Full Taxable Valuation. Based on an estimated Full Taxable Valuation (secured and unsecured value) of \$9.952 billion, the estimated tax levy is \$4.478 million. The total annual levy also includes a levy on supplemental, public utility and other property values that occur annually which is projected to bring the total levy to \$4.899 million.

The former Brea Redevelopment Agency (RDA) which was established in 1971, impacts the flow of paramedic tax revenues to the City. Property owners within the RDA project area pay the same property rate as if they were outside the RDA project area (non-RDA area properties). Paramedic tax for properties outside the RDA project area are remitted to the County and flow directly back to the City. However, under state law, property tax revenue (including the Paramedic Tax) remitted by property owners within the Redevelopment Project Areas to the county was allocated annually first to the Redevelopment Agency.

In 2012, Redevelopment Agencies were dissolved and Successor Agencies were established to pay off the remaining obligations for the former Redevelopment Agencies. As in all California cities, Brea's property taxes (including Paramedic Tax) remitted from properties in the project areas, are now allocated first to the Redevelopment Property Tax Trust Fund (RPTTF) and that portion needed to pay off the obligations for that fiscal year is forwarded to the Successor Agency. The remaining portion of the Paramedic Tax revenues allocated to the RPTTF are

passed back to the City.

As the Successor Agency pays down the obligations of the former Redevelopment Agency, the Paramedic Tax revenues that were previously directed to the RDA and now the Successor Agency are slowly, but surely, coming back to the City for paramedic service sooner than they otherwise would have been. For FY 2018-19, it is estimated that 55% of paramedic tax revenues (\$1.210 million) allocated to the RPTTF will be passed back to the City.

The following is a summary of the estimated levy; the amount to be allocated to the Successor Agency and the amount to be passed back to the City:

Property Description	Estimated Levy	Amount to Successor Agency	Amount to City	% to the City
Non-Redevelopment Area Properties	\$2.699	-	\$2.699	100%
Redevelopment Area Properties*	\$2.200	\$0.990	\$1.210	55%
Totals	\$4.899	\$0.990	\$3.909	

\* - it is noted that the paramedic tax paid to the County of Orange by redevelopment area property owners is deposited into the RPTTF and then allocated to the Successor Agency and City as described earlier.

It is estimated the paramedic tax rate of \$0.045 per \$100 of Full Taxable Value will generate \$3,909,000 in paramedic tax revenues to the City of Brea in Fiscal Year 2018-19. The revenue collected will cover approximately 69.2% of the \$5,652,556 of estimated program costs. The difference is to be funded from the City's General Fund in the amount of \$1,388,416 and other revenue sources in the amount of \$355,140. Other revenue sources include pass-thru revenue received for Advanced Life Support (ALS) Ambulance transport services as well as revenue received from the City of Fullerton for Fire Command Staff Sharing of the EMS Manager position. The City of Fullerton reimburses the City of Brea for 59% of the position.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Management Analyst

Concurrence: Cindy Russell, Administrative Services Director and  
Wolfgang Knabe, Fire Chief

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**Attachments**

Attachment A - 2017 Call Data

Attachment B - Paramedic Fact Sheet

Resolution

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**MEMORANDUM**  
**METRO CITIES FIRE AUTHORITY**  
**METRO NET COMMUNICATIONS**

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**DATE:** JANUARY 5, 2018  
**TO:** CHIEF KNABE, BREA FIRE DEPARTMENT  
**FROM:** MEGAN DEARING, MANAGEMENT ASSISTANT  
**SUBJECT:** YEAR-2017 RECORDED INCIDENTS

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<b>Incidents In Jurisdiction</b>	<b>2017</b>
Fire	108
Medical*	3363
Hazardous Materials	34
Other Emergencies	363
Service	452
<b>TOTAL:</b>	<b>4,320</b>

**Average Response Time: 3 min 57 sec**

<b>Incidents Out Of Jurisdiction</b>	<b>2017</b>
Fire	82
Medical	902
Hazardous Materials	6
Other Emergencies	34
Service	29
<b>TOTAL:</b>	<b>1,053</b>

*\* Call situation detailed on page 2*

Situation	BREA
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ABDOMINAL PAIN/PROBLEMS	0
ANAPHYLAXIS/ALLERGIC REACTION	36
BLEEDING (NON-TRAUMATIC)	229
BOAT ACCIDENT	0
BREATHING DIFFICULTY	277
BURNS - THERMAL/ELECTRICAL/CHEMICAL	4
CARDIAC ARREST	46
CCT (CRITICAL CARE TRANSPORT)	0
CHEST DISCOMFORT/HEART PROBLEMS	252
CHOKING	19
CONVULSIONS/SEIZURES	134
CRU @APD	0
DIABETIC	87
DROWNING/NEAR DROWNING/ETC	3
ENVIRONMENTAL/TOXIC EXPOSURE	5
FALLS/ACCIDENTS	463
HEALTH PROFESSIONAL ADM	0
INFECTIOUS DISEASE	0
MCI - MASS CASUALTY INCIDENT	4
MED KNOWLEDGE (MEDICAL FACILITY ONLY)	55
MEDICAL CALL	13
MENTAL/EMOTIONAL/PSYCHOLOGICAL	63
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POST-OP/PAIN OR BLEEDING	24
PREGNANCY/CHILDBIRTH/GYN	11
SICK(UNKNOWN)/OTHER	426
STROKE (CVA)	116
SWAT - ALS STANDBY	0
TC HEAVY RESCUE	39
TC INTO BLDG	2
TRAUMA	153
UNCONSCIOUS/UNRESPONSIVE/SYNCOPE	458
UNKNOWN PROBLEM (PERSON DOWN)	0
-----	=====
<b>Total</b>	<b>3363</b>



## UNDERSTANDING PARAMEDIC TAX

*The following information is provided as a primer on how the Paramedic Tax in Brea was originally initiated by the voters, how it's allocated/managed, along with next steps to highlight tax receipts and expenditures.*

### BACKGROUND

- The Paramedic Tax was approved in 1978 by over 80% of the Brea voters to establish and fund a paramedic program, hiring specially trained personnel who can provide lifesaving care. Brea property owners pay a tax for the Mobile Intensive Care Paramedic Program.
- The Paramedic Tax rate today is the same as it was in 1981 which is \$0.045 per \$100 of valuation; so for example, a homeowner with a dwelling assessed at \$500,000 will result in an annual charge of \$225.
- The need for paramedics was identified as a community priority in 1978. Two separate budget challenges faced City leaders that made it difficult to fund this new public safety program desired by residents and businesses.

1. **The Brea Redevelopment Agency (RDA) was established in 1971.** Per redevelopment law, once a project area is established, any future property tax revenue from properties within a project area (above the determined baseline level/tax increment) is directed to the Redevelopment Agency area to fund economic development and public improvement projects in the community. This revenue that was directed to the Brea RDA is known as tax increment and it was automatically directed to the Redevelopment Agency beginning in 1971 and going forward. Property owners within the RDA project area pay the same property rate as if they were a non RDA project area.

The RDA has a \$23.5 million annual cap on tax increment self-imposed by City leaders. Property tax revenues, which include, Paramedic Tax received over the cap, went back to the taxing agencies.

Note: California Redevelopment Agencies were dissolved in February 1, 2012 and a Brea Successor Agency was established to pay off the obligations of the former Brea

Redevelopment Agency. The tax increment is being directed to the Successor Agency for that purpose.

2. **The second budget factor was Proposition 13**, which was on the ballot in 1978 at the time the need for a Paramedic Program was identified. City leaders understood that Prop. 13 was expected to pass (and it did on June 6, 1978, by nearly two-thirds of the vote). Prop. 13 reduced property tax rates on homes, businesses and farms by about 57% and the property tax value was rolled back and frozen at the 1976 assessed value level. Additionally, Proposition 13 capped, with limited exceptions, property tax rates at one percent of full cash value at the time of acquisition. This meant that Brea property tax revenues would be significantly reduced and not available to fund a new Paramedic Program.

### **FUNDING THE PARAMEDIC PROGRAM**

- With the Operational Budget already impacted by the RDA, and Proposition 13 on the ballot, City leaders knew they had to raise additional revenue to fund the Paramedic Program desired and supported by the community.
- Under state law, property tax revenue (including the Paramedic tax) remitted by property owners within the Redevelopment Project Areas was allocated annually first to the Redevelopment Agency. Each year, a large portion of that revenue is returned to the City.

### **THE BREDA REDEVELOPMENT AGENCY (RDA)**

- The Brea Redevelopment Agency funded many public improvements that were supported by the community, as was intended when redevelopment agencies were initially established in the 1950s.
- Redevelopment Agency Bonds were issued using future property taxes remitted in the Project Area to pay the bond debt. Issuing tax allocation bonds was the mechanism cities used for redevelopment purposes/public improvements as authorized by state law.
- In Brea, these improvements included many community facilities that serve tens of thousands of residents and business owners weekly, helping to make Brea the city it is today.
  - Brea Fire Stations 2 and 3
  - Brea Civic & Cultural Center
  - Brea Community Center
  - Brea Sports Park
  - Brea Mall
  - Completely Revitalized Downtown Brea, including three parking structures
  - Gateway Shopping Center
  - Financial Commons
  - Brea Market Place
  - Approximately 750 affordable homes and apartments
  - Country Hills Elementary School



- Brea Olinda High School
  - The Tracks at Brea Trail
  - Update of City Hall Park
  - Stone Valley Townhomes
  - Brea Museum
  - Bonterra Apartments
  - Archival building for Brea History at City Hall Park
  - Improvements to Senior Center and Pioneer Hall
  - Housing rehabilitation projects
- In 2012, Redevelopment Agencies were dissolved and Successor Agencies were established to pay off the remaining obligations. As in all California cities, Brea's property taxes (including the Paramedic Tax), remitted from properties in the project areas, are allocated to pay down the debt service for the redevelopment bonds issued. These bonds were issued to fund the public improvements mentioned previously.
  - As the City pays down the bond obligations within those project areas, the Paramedic Tax revenues that were previously directed to the RDA are now slowly, but surely, coming back to the City for paramedic service sooner than they otherwise would have been.
  - For FY 2016-17, it is estimated that 45% of the Paramedic Tax levied on properties within the RDA was passed back to the City.
  - Once the redevelopment bonds are completely paid (August 1, 2036), all of the Paramedic Tax now directed to the Brea Redevelopment Successor Agency, will come back to the City.

#### **BREA PARAMEDIC PROGRAM**

- According to the County of Orange, EMS Policy #210, paramedics that respond to 911 calls are required to be firefighters. Brea has 21 firefighter/paramedics of the 40 firefighters on staff (seven (7) per shift).
- Paramedic Tax revenue received by the City is used to fund the Paramedic Program.
- The Paramedic Program cost \$5,316,389 million in FY 2016-17.
- For FY 2016-17, the City received \$3,692,137 in Paramedic Tax revenue (which included \$346,331 of proceeds from the sale of former RDA assets allocated by the OC Auditor-Controller to the Paramedic Tax).
- This cost is based on:
  - 21 firefighter/paramedic positions – Salaries and Benefits
  - Operating and Special Program Services, Supplies and Equipment
  - Allocated Costs, such as Vehicle Operations, General Liability, etc.
  - This cost does not include any allocated costs for Fire Department overhead or City-wide overhead
- With the aging population, approximately, 80% of calls to the Fire Department are medical calls.

## **NEXT STEPS**

- Beginning in FY 2018-19, the City will establish a separate fund that highlights the Paramedic Tax revenue directed to the City and the associated expenses.
- Additionally, the information will be added to the Brea Transparency section of the City's website at *cityofbrea.net*.

## **RESOLUTION NO. 2018-042**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA FIXING THE RATE OF TAX UPON THE TAXABLE PROPERTY WITHIN THE CITY OF BREA FOR THE FISCAL YEAR 2018-19 NECESSARY TO MAINTAIN A MOBILE INTENSIVE CARE PROGRAM KNOWN AS PARAMEDICS WITHIN THE AREA OF THE CITY OF BREA AND CERTIFYING SAID RATE OF TAXATION TO THE ORANGE COUNTY AUDITOR-CONTROLLER**

#### **A. RECITALS:**

(i) During the General Municipal Election held March 7, 1978, the qualified electors of the City of Brea authorized the City, by and through the Council, to levy a property tax rate not exceed \$0.20 per \$100 of Assessed Valuation in addition to its maximum property tax rate established pursuant to Division 1, Part 4, Chapter 2 of the California Revenue and Taxation Code for the specific purpose of establishing and maintaining a mobile intensive care program known as Paramedics within the area of the City of Brea (said "Paramedic Program" hereafter).

(ii) In Fiscal Year 1981-82, the County of Orange implemented a policy concerning Assessed Value. The tax roll is now reported at "Full Taxable Value" rather than Assessed Value. This change resulted in \$0.045 per \$100 Full Taxable Value as the tax levy for the Paramedic Program in years 1981-82 through 2017-18.

(iii) Information and evidence presented to this Council indicated that it would be necessary to expend a sum of approximately \$5,652,556 during the Fiscal Year 2018-19 in order to maintain the Paramedic Program within the area of the City of Brea.

(iv) The revenue to be generated for Fiscal Year 2018-19 based on the tax levy of \$0.045 per \$100 of Full Taxable Value of the property within the City of Brea, exclusive of the valuation within the Brea Community Redevelopment Project areas has been

estimated to be \$3,909,000.

- (v) All legal prerequisites of the adoption of this resolution have occurred.

**B. RESOLUTION:**

**NOW, THEREFORE,** be it is found, determined and resolved by the City Council of the City of Brea as follows:

1. In all respects as set forth in the Recitals, Part A of this Resolution.
2. There is hereby fixed and levied that the total rate of taxation of \$0.045 per \$100 of Full Taxable Value of all taxable property within the City of Brea, said taxation to be utilized to maintain a mobile intensive program known as the Paramedic Program within the area of Brea for the Fiscal Year 2018-19 and this Council hereby certifies said rate of taxation for that specified purpose to the Auditor-Controller of the County of Orange.
3. The City Clerk shall certify to the adoption of this Resolution and file with the Orange County Auditor-Controller, a certified copy hereof, on or before August 1, 2018.

**APPROVED AND ADOPTED** on this

\_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the \_\_\_\_\_, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DATED: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

City of Brea

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 06/19/2018

**SUBJECT:** Comprehensive Annual Financial Report for the City of Brea for Fiscal Year Ended June 30, 2017

---

**RECOMMENDATION**

Receive and file the City's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2017, which includes the independent Auditor's unmodified opinion.

**BACKGROUND/DISCUSSION**

The City's independent auditor, Vavrinek, Trine, Day & Co., LLP (VTD), has completed its audit of the City's financial statements for Fiscal Year ended June 30, 2017. VTD has issued an unmodified opinion on the City's CAFR, which means the City's financial statements are free of material misstatements; are in accordance with Generally Accepted Accounting Principles; and fairly present both the financial position and the results of operations for the year ended June 30, 2017. Also included are the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and the Audit Communication Letter, both dated May 31, 2018. As requested by City Council, these letters are now a part of the CAFR and can be found beginning on page 163.

Statement on Auditing Standards (SAS) 114 Report (Audit Communication Letter, CAFR page 171)

Statement on Auditing Standards (SAS) 114 was issued by the American Institute of Certified Public Accountants (AICPA) to establish a two-way communication between the independent auditors and those charged with governance (i.e. City Council). SAS 114 requires that the City's auditor communicate, either orally or in writing, certain information to an audit committee or another designated party that performs oversight of the financial reporting and auditing process. The City's Finance Committee has been identified by the City Council to receive and review the report of the annual audit from the City's independent auditor and to review and make recommendations to the City Council to receive and file the report. The Audit Communication Letter did not identify any disagreements with management.

The Audit Communication Letter identified difficulties in completing the audit due to clarifications and additional information requested by the auditor and the auditor's time to review the information provided related to the accounting treatment for the City's acquisition of water rights and preferred stock (Class "A" shares) with California Domestic Water Company (CDWC). Additionally, material misstatements were detected as a result of audit procedures and corrected. These items included the recording of completed projects from construction in

progress to capital assets, the annual adjustment for the City's net pension liability and the market value adjustment on the Section 115 Irrevocable Pension Trust (PARS) investment account. Additionally, the staff consulted with the auditor regarding a change to the calculation of the City's equity investment in CDWC to reflect the consolidated entity (which included Cadway) which was implemented during the audit.

Certain items detected during the audit were identified in the City's Management Letter and have been addressed by management. The City's water rights purchased in FY 2013-14 were inadvertently excluded from the City's Capital Asset Listing. Also, beginning with the fiscal year ended June 30, 2017, the City's preferred stock (Class "A" Shares) in California Domestic Water Company, was reclassified from Other Investments to Capital Assets. Therefore, these intangible assets will also now be included in the City's Capital Assets Listing. Additionally, the City's Capital Asset Policies will be updated as applicable to include intangible assets.

The City's Information Technology (IT) division is currently updating the IT recovery plan including procedures related to the City financial system. The IT recovery plan is projected to be completed by June 30, 2019. Upon completion of the plan, the City plans to test the system restoration process to ensure proper functioning of the restoration procedures in case of a disaster.

#### Financial Highlights

The City's net position (assets and deferred outflows of resources less liabilities and deferred inflows) increased by \$15 million, from \$214 million to \$228 million as of June 30, 2017. The increase in the City's net position was \$11 million from the results of current operations and \$4 million due to the restatement for capital asset infrastructure. The City's capital assets represent \$271 million of the \$410 million total assets. The City's long-term (non-current) liabilities of \$179 million primarily include \$111.6 million in net pension liabilities and \$57.2 million of outstanding bonds and capital leases (which was used to fund capital improvements and finance the acquisition of capital assets).

As of June 30, 2017, the General Fund's ending fund balance includes a reserve for the City's unfunded pension liabilities of \$6.9 million. The Successor Agency to the Brea Redevelopment Agency financial transactions are reported as a Private Purpose Trust Fund within the Fiduciary Funds section of the CAFR. The Private Purpose Trust Fund is reporting long-term liabilities of \$165.7 million of bonded obligations to be paid from future Redevelopment Property Tax (formerly tax increment).

#### **COMMISSION/COMMITTEE RECOMMENDATION**

The Finance Committee reviewed the report at its regular meeting held on June 12, 2018 and recommended it be forwarded to the City Council for their review. Public comments were made at the meeting and a written copy of those comments provided to the Finance Committee for the record. Staff has made the City Council aware of the comments and the report has been scheduled for City Council Study Session on June 19, 2018 as requested.

**FISCAL IMPACT/SUMMARY**

The City's annual audit for the Fiscal Year ended June 30, 2017 (FY 2016-17) has been completed and the City's independent auditor has issued an unmodified opinion on the City's CAFR, which is the highest level of assurance an entity can receive from its independent auditors (a "clean audit"). New procedures have been or will be put in place to address items noted in the City's Management Letter. There is no fiscal impact on the City as a result of this audit.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Lee Squire, Financial Services Manager

Concurrence: Cindy Russell, Administrative Services Director

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**Attachments**

CAFR

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City of Brea, California  
Fiscal Year Ended June 30, 2017



**Comprehensive  
Annual Financial Report**



# CITY COUNCIL



**Cecilia Hupp**  
*Mayor*



**Glenn Parker**  
*Mayor Pro Tem*



**Marty Simonoff**  
*Council Member*



**Christine Marick**  
*Council Member*



**Steven Vargas**  
*Council Member*

## ELECTED OFFICIAL

**Richard J. Rios**  
*Treasurer*

## ADMINISTRATIVE PERSONNEL

**William Gallardo**  
*City Manager*

**Chris Emeterio**  
*Assistant City Manager/  
Community Services Director*

**Cindy Russell**  
*Administrative Services Director*

**John M. Conklin**  
*Chief of Police*

**David Crabtree**  
*Community Development Director*

**Lillian Harris-Neal**  
*City Clerk*

**Wolfgang Knabe**  
*Fire Chief*

**James Markman**  
*City Attorney*

**Tony Olmos**  
*Public Works Director*

## CELEBRATING A CENTURY...2017

Brea is one of the oldest communities within Orange County, incorporating on February 23, 1917 as the city of "oil, oranges and opportunity." Over its first century Brea transitioned from an oil boomtown and major citrus grower into a regional business hub and popular social destination. Today, the City is a crossroad of commerce and culture. With quality neighborhoods and strong schools, it remains a highly desirable place to reside. In just the current decade, over 2,000 new housing units are being added from three new master planned developments.

As Brea prepares to enter its second century, strong traditions link the generations who have lived here. From the very beginning, foundational values were civic engagement, education, business opportunity and service to others. Brea's City government maintains a sound fiscal base with high standards backed by professional delivery of comprehensive public services. Brea actively nurtures the volunteer spirit and generates support for worthy causes bringing people together in learning, discussion, community projects and celebration. These shared experiences connect Brea as a caring community.

Brea's Centennial year will be a very important time for re-dedication to the progress and promise of the founding families. The Centennial Celebration will deliver multiple unique opportunities for people to come together and discover pride in the past as they enjoy all that Brea offers today.

**CITY OF BREA, CALIFORNIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Prepared by:

Administrative Services Department

Cindy Russell  
Administrative Services Director

Lee Squire  
Financial Services Manager



**CITY OF BREA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**  
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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**  
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## **INTRODUCTORY SECTION**

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May 31, 2018

Honorable Mayor, Members of the City Council, and Citizens of the City of Brea:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Brea for the Fiscal Year ended June 30, 2017. This report has been prepared in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Brea. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Brea has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Brea's financial statements. Because the cost of internal controls should not outweigh their benefits, the City of Brea's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that financial statements will be free from material misstatement.

As management, we assert that, to the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City of Brea. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Vavrinek, Trine, Day & Co., LLP, a firm of licensed certified public accountants, has audited the City of Brea's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Brea for the Fiscal Year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Brea's financial statements for the Fiscal Year ended June 30, 2017, are fairly presented in all material respects in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The City of Brea is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's 2 CFR Part 200 Uniform Guidance, *Uniform Administrative Requirements, Cost Principles and Audit Requirements For Federal Awards*. The City continually seeks federal assistance whenever possible and for Fiscal Year ending June 30, 2017 received in excess of \$8.8 million in grant revenues. Information related to this single audit, including a schedule of expenditures of federal awards assistance, the independent auditors' reports on the internal controls and

compliance with applicable laws and regulations, and a schedule of findings and questioned costs is available in the City of Brea's separately issued Single Audit Report.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Brea's MD&A can be found immediately following the report of the independent auditors.

## **CITY OF BREA PROFILE**

The City of Brea, a diverse residential and business community is located at the most northern tip of Orange County at the juncture of three counties with access to major airports, popular regional attractions, beaches, deserts and mountains. Nestled among the hillsides, just 25 miles southeast of Los Angeles, Brea is home to more than 40,000 residents and hosts a daytime working population of more than 100,000.

The City is a major retail center featuring the county's fourth largest shopping center, the Brea Mall; the Brea Union Plaza; Brea's Downtown; and a host of other retail and service businesses. Brea is also a center for big businesses such as Albertsons Distribution Warehouse, Bank of America, Beckman-Coulter, Bristol Industries, Kirkhill-TA Company, Evangelical Christian Credit Union, Kaiser Permanente, Kindred Hospital, Nature's Best, Veterinary Pet Insurance Company and Nestle Waters North America. Several companies' corporate headquarters are located within Brea, including Beckman-Coulter, Suzuki Motor of America and Mercury Insurance.

Although Brea is a major retail and business hub, it maintains a balance with nature, preserving its hillside and canyon areas, which also contribute to Brea's quality of life. Brea is home to one of the nation's largest outdoor sculpture collections, with 176 pieces of sculpture created to date, an art gallery and a performing arts theatre. Brea has long been recognized for its vision and innovation. It possesses a focused economic development strategy, designed to ensure a well-balanced, economically viable community which includes a wide range of housing, beautiful parks and excellent schools.

Brea provides an excellent portfolio of responsive municipal services. The City operates as a "full service city," providing a full range of services including police and fire protection, water and sanitation services, construction and maintenance of streets and infrastructure, as well as recreational and cultural services. Besides serving its own residential and business customers, Brea has a tradition of entrepreneurial ventures providing services to numerous other public agencies such as information technology and printing services.

The City of Brea operates under the Council-Manager form of government, and is governed by a five member City Council elected at large, serving staggered four-year terms. Council elections are held in November of even-numbered years in conjunction with statewide general elections.

The annual budget serves as the foundation for the City of Brea's financial planning and control. The budget is adopted on an annual basis by the City Council in June of each year. The budget team, with the approval of the City Manager, develops budget guidelines in January. The various City departments then submit revenue estimates and expenditure appropriation requests for the one-year period that begins July 1. Budget meetings are held with each department, which leads to the development of the proposed budget. The City Manager then presents the proposed budget document to the City Council, which is discussed with the City Council in public workshops in mid-May. Formal public hearings are held in early June. The City Council adopts the annual budget on or before June 30 of each year. At the conclusion of the first six months, the budget team prepares a report on the progress of the first half of the budget cycle. The City Manager formally reviews the report with the City Council. The City Council adopts budget modifications as needed. The level of budgetary control is established at the department level within the General Fund and at the fund level for all other funds.

## LOCAL ECONOMIC FACTORS

Brea's physical setting encompasses about 7,955 acres or 12.43 square miles of land. Brea's land use is distributed as follows:

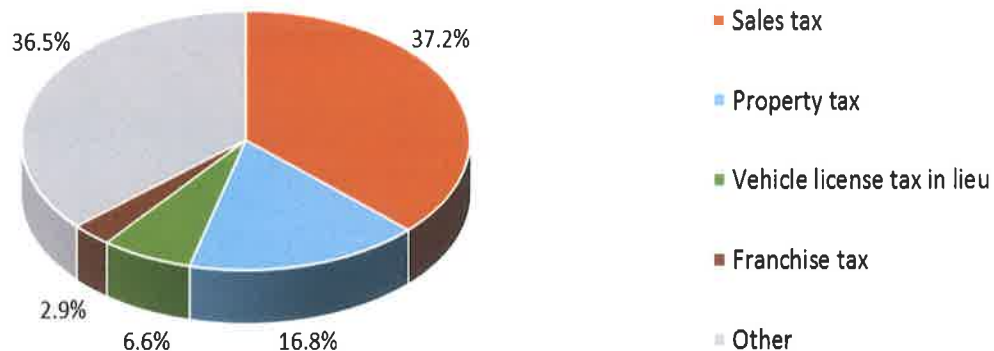
### Land Use Distribution

Land Use	Percent
Residential (single-family, multi-family, and mobile homes)	27%
Commercial and Office	5
Industrial	11
Parks and Open Space	14
Public Facilities (City facilities, schools, drainage channels, and fire stations)	4
Carbon Canyon Hillside Areas and Vacant Lands	21
Agriculture	1
Vacant	2
Other (streets)	15
<b>Total</b>	<b>100%</b>

Source: City of Brea General Plan (2003, and subsequent updates 2008, 2014)

The current land use mix produces General Fund revenues of approximately \$57 million. The top four revenue sources include sales tax, property taxes, vehicle license taxes, and franchise taxes. These revenue sources account for 63.5% of the total amount of General Fund revenues. The remaining revenues account for 36.5% of the total and are represented by a broad range of sources.

### General Fund Revenues by Revenue Source Fiscal Year Ended June 30, 2017

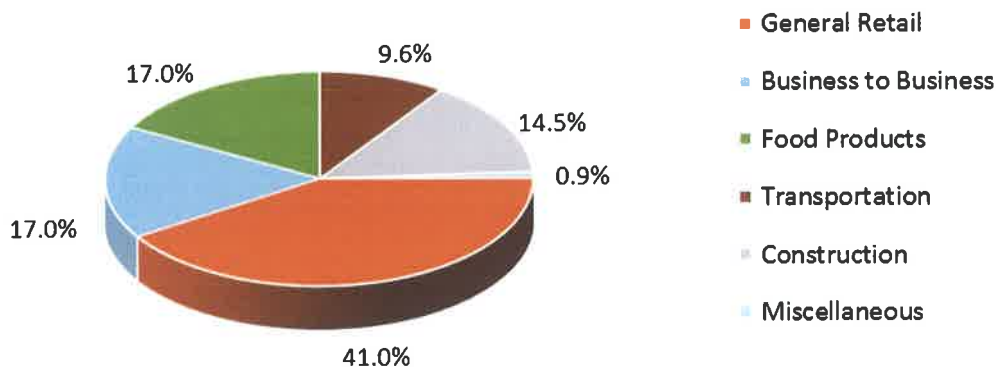


#### Sales Tax

Sales tax represents the single largest source of General Fund revenue at \$21.2 million. It is derived from six major economic categories as listed in the chart on the following page. The retail category, including

department stores, apparel stores and general merchandise, makes up 41% of the total sales tax generated. This sector includes the regional Brea Mall, which is the fourth largest mall in sales tax volume in Orange County. The second largest economic sector is now tied between the business-to-business category and the food products category, at 17%. During Fiscal Year 2016-17, the City's sales tax consultant MuniServices reported that the sales tax growth has flattened overall. Overall, Brea's sales tax on a per capita basis consistently outperforms other municipalities, a strong indicator that the City imports sales tax dollars from surrounding communities. The City of Brea's sales tax per capita is the second largest in Orange County.

### Sales Tax by Economic Categories Fiscal Year Ended June 30, 2017



### Property Taxes

Brea is a very diverse community as previously indicated in the land use chart. General Fund property taxes represent \$9.5 million or 16.7% of General Fund revenues. Assessed valuation of all property (including the former Brea Redevelopment Agency) in Brea is \$9.1 billion, an increase of 7% over the prior fiscal year. The valuation is split between residential at 58.7%, commercial/industrial at 32.8%, and the remaining 8.5% for other miscellaneous uses. Of the City's 16,261 dwelling units, 66% are single-family units, 28% are multi-family units and 6% are mobile homes. Housing costs in Brea continue to rank among the highest in North Orange County. Brea, like other cities in Orange County, is experiencing an increase in housing prices. The median price of a single-family home increased to \$670,000 from \$637,000 noted in the prior fiscal year.

### Vehicle License Fees (VLF)

When a vehicle is registered in California, a license fee is charged by the State of California. This fee includes a small administrative fee and a property tax in lieu fee. The in lieu fee is based on depreciated value of the vehicle and declines over the useful life of the vehicle. The in lieu fee, while collected by the State Department of Motor Vehicles, belongs to local government (cities and counties). It is allocated based on a per capita basis.

Beginning in January 2005, the Vehicle License Fee was permanently reduced to 0.65% from 2.0% of the vehicle's fair market value. Any loss to cities by this rate reduction will be made up, dollar for dollar, with an allocation from the County's Educational Revenue Augmentation Fund (ERAF) property tax account with two payments, due on or before January 31<sup>st</sup> and May 1<sup>st</sup> of each year. This allocation will grow with any corresponding growth in the City's secured property tax valuation.

## Franchise Taxes

The franchise revenue received by the City is based on adopted City ordinances and contractual agreements. Public utilities (electric and gas) account for 45.1% of the \$1.7 million in annual franchise tax revenue. The remaining 54.9% of this revenue includes franchise fees for oil pipelines, cable television, and other non-city utilities.

### **Franchise Taxes Fiscal Year Ended June 30, 2017**

	<b>Annual Revenue</b>	<b>Percent of Total</b>
Public Utilities	\$ 757,888	45.1%
All Others	922,405	54.9%
Totals	<u>\$ 1,680,293</u>	<u>100.0%</u>

## **ECONOMIC OUTLOOK**

Development within Brea remains strong with residential development continuing in planned communities like La Floresta and Central Park Village. There is also development on the horizon at the Brea Place site. The development is a mixed-used infill development to include residential apartments, commercial space and a new hotel. In addition, the Improv Comedy Club located in downtown Brea is currently under renovation with completion date anticipated in Spring of 2018 and will provide additional entertainment options to the community. The Brea Mall has also recently announced efforts to redevelop a vacant department store parcel with plans to include new uses. The City awaits their application.

Unemployment in Brea continues to remain low with Orange County ranked 5<sup>th</sup> in the state for the lowest unemployment rate hovering around 2.8 percent. Brea is aligned with the County with an unemployment rate of 2.8 percent. The low unemployment is anticipated to stay relatively unchanged through the next fiscal year.

General retail is anticipated to remain relatively flat over the next fiscal year. However, there are several retail sectors within Brea that are at an all-time high which includes Furniture and appliance stores, restaurants and food markets and construction retailers and suppliers; and the City's share of the online sales is anticipated to increase between 1 to 2 percent. Given positive outlook in these areas along with the coming development, Brea may experience some marginal revenue growth beginning in mid to late 2018.

Brea's strong financial foundation is not only the result of the City's efforts during Fiscal Year 2016-17, but the result of fiscally conservative organizational decisions made over the past decade. Some of the past measures included tough strategic decisions such as: City-wide reorganization, increasing employee retirement contributions and other reductions, while maintaining core City services.

Overall, the Fiscal Year 2017-18 budget is balanced due to a solid foundation of fiscally conservative practices combined with a continued increase in employee retirement contributions, projecting relatively flat expenditures and a generally improving economy. Total General Fund revenues for Fiscal Year 2017-18 are projected to increase approximately 3.1% over Fiscal Year 2016-17 mainly due to the increasing property taxes. While revenues are increasing, staff will continue to identify and closely monitor any potential threats to City revenues.

It is important to understand why the City of Brea (and all local government) is impacted by State Government's decisions and actions. Unlike the State Government, the City does not exert control over two of its primary sources of revenue for the General Fund - property taxes and sales taxes.

The following regional factors, along with the State and National economic condition, will continue to place uncertainty on Brea's revenues and expenditures:

- The continued statewide CalPERS increases in FY 2017-18 and beyond to address pension liability.
- The continued increase in online versus brick and mortar retail sales impacting sales tax revenues.
- The impending increase to the federal funds rate to 2% and 3% by the end of 2018 and 2019 respectively.
- Housing activity expected to decrease due to increasing interest rates.

It is expected that these factors may have a potentially negative impact on the City's revenues. Other costs such as energy, water, and equipment are being diligently managed in an effort to minimize the need for future service reductions. Going forward, during Fiscal Year 2017-18, City staff will continue to be diligent in monitoring economic factors and seek additional budget solutions to balance the budget.

Locally, geographic and socio-economic conditions in Orange County and the City of Brea remain desirable. Property values in the region are projected to increase, and the City's property tax base is expected to continue its favorable trend for the foreseeable future. Brea's net taxable assessed valuation for Fiscal Year 2016-17 increased by 7% from the prior year.

Brea's sales tax of \$21.2 million in Fiscal Year 2016-17 decreased almost 2% compared to the prior fiscal year, due to increasing online sales of which Brea only receives a portion of the County pool proceeds. Based on the continued increase in online sales and economic trends, sales tax is expected to decrease to approximately \$20 million for FY 2017-18; then increase by just under 1% annually thereafter.

Highlights for the State of California from the UCLA Anderson Forecast on December 6, 2017 include the following:

- The forecast indicates the new tax bill may dampen the housing market, which will reduce economic growth in the state.
- California's unemployment rate is expected to fall to 4.6% by the end of 2019.
- The employment and payroll growth are forecast for 2017, 2018 and 2019 to be 1.2%, 1.5% and 1.1% respectively. Real personal income growth in California is expected to be 1.6%, 3.1% and 3.6% in 2017, 2018 and 2019 respectively.

On the national front, GDP growth is projected to be 3% in the near term and slowing to potentially falling below 1.5% in 2019. Unemployment is forecast to drop below 4% with little change through 2019. However, defense spending is expected to increase by 2% and 2.7% in 2018 and 2019, respectively. It is predicted the chance of a recession in 2019 will increase significantly should the U.S. leave NAFTA.

## **LONG-TERM FINANCIAL PLANNING**

### Brea Engagement & Strategy Team (BEST)

Representatives from all City departments meet to discuss strategic planning issues. Over 40 City staff members work collaboratively on an ongoing basis to focus on identifying and evaluating changing City needs. This group is also instrumental in tackling economic impacts on the City's Budget. BEST continues to meet focusing on addressing changes to the budget and other organizational concerns that may be necessary to financially sustain the City over the course of the next several fiscal years and beyond.



### Capital Improvement Program (CIP) Budget

The goal of the seven-year CIP is to enhance the quality of life in the community, ensure a safe environment and to promote transportation improvement in the City. The CIP budget for Fiscal Year 2016-17, the first of the seven years, reflects the City Council's commitment to this goal by enhancing existing infrastructure and providing new infrastructure to aid in service delivery to the community. The remaining six years of the CIP are not a commitment of actual funds, but rather a long-range planning tool for subsequent investments in the City's infrastructure. The CIP is divided into six categories: streets, traffic safety, water, storm drain, sewer, and facility improvements.

### Community Center Reserves

Funds are set aside annually for the future replacement of the Community Center facility and equipment. Ongoing review of facility and equipment needs allows the City to manage and plan for expenditures in a more proactive manner. The balance in Community Center Reserves at June 30, 2017 was \$830,937.

### Capital Asset Reserves

Funds are set aside annually for the replacement of City-owned infrastructure, facilities and capital assets. In addition to a fixed annual contribution, an assessment is made at the end of each fiscal year to determine whether an additional contribution can be made based upon a review of General Fund excess revenues over expenditures. The balance in Capital Asset Reserves at June 30, 2017 was \$9,149,623.

### Pension Rate Stabilization Program

On November 17, 2015, the City of Brea established a pension rate stabilization program with Public Agency Retirement Services (PARS) to reduce the future unfunded pension liability for current and future retirement costs for both safety and non-safety employees. The City's initial contribution of \$6,000,000 was made during FY 15/16 and the balance as of June 30, 2017 including interest earned to date was \$6,854,304.

## **MAJOR INITIATIVES**

### Pension Reform

Starting in Fiscal Year 2011-12, the City of Brea began the first year of pension reform for both safety and non-safety employees by requiring employees to contribute toward their retirement and instituting PEPR, a second retirement tier for new employees. As of June 30, 2017, all employees are paying 100% of the employee share of retirement; all public safety employees and some miscellaneous employees are cost sharing the City's share of retirement costs.

The implementation of a multi-tiered retirement system is a long-term solution to mitigate the increases in pension costs; however, savings are not fully realized for many years in the future.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Brea for its Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2016. This was the 27<sup>th</sup> consecutive year that the City of Brea has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

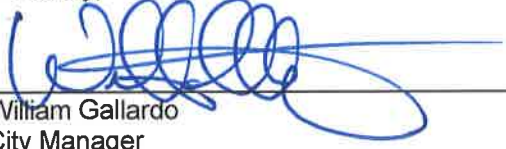
## ACKNOWLEDGMENTS

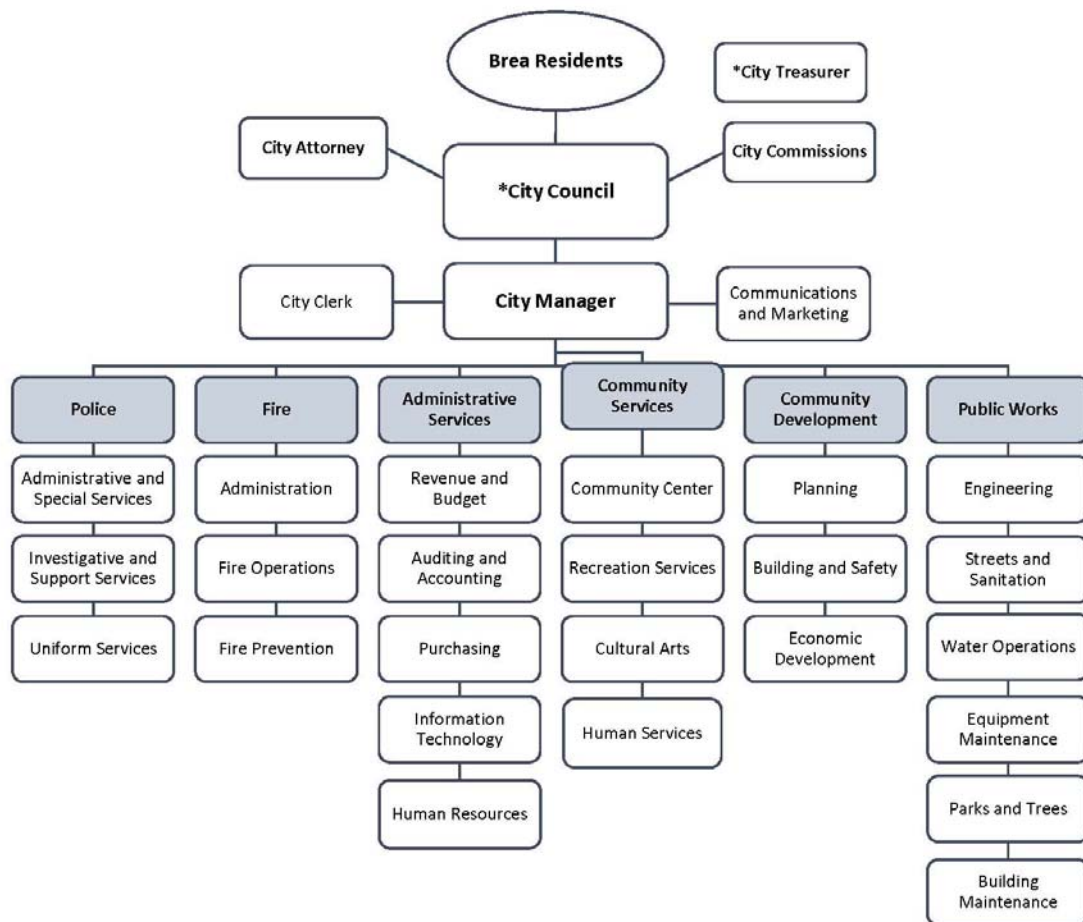
The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of Lee Squire, Financial Services Manager – Accounting, and the entire staff of the Administrative Services Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

We also would like to thank our independent auditing firm, Vavrinek, Trine, Day & Co., LLP for their expertise and advice in the preparation of this year's financial report.

In closing, without the leadership and support of the City Council of the City of Brea, preparation of this report would not have been possible.

Sincerely,

  
\_\_\_\_\_  
William Gallardo  
City Manager  
\_\_\_\_\_  
Cindy Russell  
Administrative Services Director





Government Finance Officers Association

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

Presented to

**City of Brea  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

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**VAVRINEK, TRINE, DAY & CO., LLP**  
*Certified Public Accountants*

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of the City Council  
City of Brea, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brea, California, (City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2017, 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 Notes 4 and 13 to the financial statements, the City restated net position of as July 1, 2016 for amounts related to the City's equity investment in California Domestic Water Company (CDWC) to include Cadway, Inc., the consolidated wholly owned subsidiary of CDWC. The City's other related party transactions with CDWC are described in Note 4.

As described in Note 13 to the financial statements, the City restated net position as of July 1, 2016 for amounts reflected in Construction in Progress, but were placed into service in 2013.

Also, as described in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*, as of July 1, 2016.

Our opinion is not modified with respect to these matters.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 5 through 17), schedule of changes in the net pension liability and related ratios for the Miscellaneous and Safety Plans (pages 93 through 94), and schedule of plan contributions for the Miscellaneous and Safety Plans (page 95), schedule of funding progress (page 96), schedules of revenues, expenditures and changes in fund balance – budget and actual for the General fund and each major special revenue fund and related note (pages 97 through 99), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor funds financial statements and budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor funds financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor funds financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Vaurinek, Trine, Day & Co., LLP*

Laguna Hills, California

May 31, 2018

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Brea's Comprehensive Annual Financial Report (CAFR) presents management's discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2017. This analysis should be read in conjunction with the Transmittal Letter at the front of this report and the accompanying Basic Financial Statements.

### FINANCIAL HIGHLIGHTS

**Long-Term Economic Resource (Government-wide) Focus** – Economic resources are differentiated from financial resources in that the economic measurement focus measures changes in net position as soon as the event occurs regardless of the timing of related cash flows. Therefore, this measurement focus includes both current spendable resources and fixed non-spendable assets, and long-term claims against these assets. The resulting net position utilizing this measurement focus provides one measure of the City's overall long-term financial condition.

- The assets and deferred inflows of the City exceeded its liabilities at the close of the most recent fiscal year resulting in a net position of \$228 million.
- The City's total net position increased overall by \$15 million, \$11 million due to current year operations and \$4 million due to capital asset restatement.
- The City's non-current liabilities of \$179 million primarily includes \$111.6 million in net pension liabilities and \$57.2 million of outstanding bonded debt and capital leases (which was used to finance the acquisition of capital assets and to fund capital improvements). Total capital assets, net of depreciation represent \$271 million of the \$410 million in total assets. A significant portion of the capital assets have been funded through bond financing from the former Brea Redevelopment Agency.

**Short-Term Financial Resource (Fund) Focus** – The financial resources focus measures inflows of current spendable assets. The resulting net difference between current financial assets and current financial liabilities otherwise known as fund balance (or net working capital in the private sector) is to measure the City's ability to finance activities in the near term.

- At the close of the current fiscal year, the City's Governmental Funds reported a combined ending fund balance of \$79 million, a decrease of \$5 million. Of the total combined fund balance of \$79 million for governmental funds, \$412,659 was non-spendable, \$52.9 million was restricted, \$11.3 million was assigned, and \$14.1 million was unassigned.
- The General Fund reported a decrease of \$2.9 million in fund balance resulting in total ending fund balance of \$34 million. The decrease was primarily due to the funding of the Downtown Parking Structure from the Community Benefit and Economic Development Fund. Of total ending fund balance, \$412,659 was non-spendable, \$8.2 million was restricted, \$11.3 million was assigned and \$14.1 million was unassigned. The unassigned balance is available for future appropriations.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the comprehensive annual financial report contains the following information: *Independent Auditors' Report*, *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and the *Supplementary Information* section, an optional section that presents combining and budgetary schedules for individual non-major funds. The *Basic Financial Statements* are comprised of three components: 1) *Government-wide Financial Statements*, 2) *Fund Financial Statements* and 3) *Notes to the Financial Statements*. The Management's Discussion and Analysis is intended to be an introduction to the Basic Financial Statements.

## BASIC FINANCIAL STATEMENTS

**Government-wide Financial Statements** – The Government-wide Financial Statements are intended to provide a “Big Picture” view of the City as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the City's assets (including non-spendable assets like streets and roads) and any deferred inflows, liabilities (including long-term liabilities that may be paid over twenty or more years) and any deferred outflows of resources. All of the current year revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Government-wide Financial Statements report the City's net position and how they have changed. Net position – the difference between the City's assets and liabilities – is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, one should also consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The City's Government-wide Financial Statements are divided into two categories:

**Governmental Activities** – This statement depicts the extent to which programs are self-supporting and the net amount provided by property taxes and other general revenues. Most of the City's basic services are included in this category, such as public safety, community development, community services, public works, and general administration. Taxes and charges for services finance most of these activities.

**Business-type Activities** – The City's business enterprises include urban runoff, water utility, sewer utility, sanitation, and information technology external support. The City charges fees to customers to recover the cost of providing these services.

**Fund Financial Statements** – Funds are accounting devices that the City uses to track and control resources intended for specific purposes. The Fund Financial Statements provide more detailed information about the City's most significant funds (major funds) but not the City as a whole. Some funds are required by State and Federal law or by bond covenants. Other funds are utilized simply to control and manage resources intended for particular purposes.

The City utilizes three broad categories of funds:

**Governmental Funds** – Governmental Funds are used to account for essentially the same functions reported as Government Activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements utilize the financial resources measurement focus and thus concentrate on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Consequently, the Governmental Fund Financial Statements provide a detailed short-term view that helps a reader determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs.

**Proprietary Funds** – Services for which the City charges customers a fee are generally reported in Proprietary Funds (Enterprise Funds and Internal Service Funds). Like the Government-wide Financial Statements, these funds provide both long and short-term financial information utilizing the economic resources measurement focus. The City's Enterprise Funds (urban runoff, water, utility, sewer utility, sanitation, and information technology external support) are individual funds represented in the combined presentation of Business-type Activities in the Government-wide Financial Statements. The individual fund presentation provides more detailed information about each business segment, its operating statements, and statements of cash flow. The City also uses Internal Service Funds that are utilized to report and allocate the cost of certain centrally managed and operated activities (risk management, equipment replacement, and building occupancy). Because the Internal Service Funds primarily serve the government, they are reported with Governmental Activities rather than the Business-type Activities in the Government-wide Financial Statements.

**Fiduciary Funds** – The City utilizes Fiduciary Funds to account for assets held by the City in a trustee capacity, or as an agent for other governmental entities, private organizations, or individuals. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's Government-wide Financial Statements because the City cannot use these assets to finance its operations.

**Notes to the Financial Statements** – The financial statements also include the Notes to the Financial Statements that provide important narrative details about the information contained in the financial statements. Information contained in the Notes to the Financial Statements is critical to a reader's full understanding of the Government-wide and Fund Financial Statements.

**Supplementary Information** – In addition to the required elements of the Basic Financial Statements, we have also included a Supplementary Information section, which includes budgetary and combining schedules that provide additional details about the City's non-major Governmental Funds, Enterprise Funds, Internal Service Funds, and Fiduciary Funds.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net Position** – Net position may serve over time as a useful indicator of a government's financial position. The City's combined net position for the year ended June 30, 2017, as shown in Table 1, was \$229 million.

**Table 1**  
**Net Position**  
**Fiscal Year Ended June 30, 2017**  
**(in thousands)**

	Governmental Activities		Business-Type Activities		Total Activities	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 96,892	\$ 102,695	\$ 16,310	\$ 33,535	\$ 113,202	136,230
Capital assets	177,570	173,086	93,268	85,681	270,838	258,767
Noncurrent assets	8,956	173,086	17,170	85,681	26,126	258,767
<b>Total assets</b>	<b>283,418</b>	<b>275,781</b>	<b>126,748</b>	<b>119,216</b>	<b>410,166</b>	<b>394,997</b>
Deferred charge on refunding	-	-	655	819	655	819
Deferred pension related items	19,606	16,256	1,901	1,566	21,507	17,822
<b>Total Deferred Outflows of Resources</b>	<b>19,606</b>	<b>16,256</b>	<b>2,556</b>	<b>2,385</b>	<b>22,162</b>	<b>18,641</b>
Noncurrent liabilities	116,851	104,990	62,181	63,205	179,032	168,195
Other liabilities	16,128	8,209	3,819	3,735	19,947	11,944
<b>Total liabilities</b>	<b>132,979</b>	<b>113,199</b>	<b>66,000</b>	<b>66,940</b>	<b>198,979</b>	<b>180,139</b>
Deferred pension related items	3,784	16,933	1,178	2,683	4,962	19,616
<b>Total Deferred Inflows of Resources</b>	<b>3,784</b>	<b>16,933</b>	<b>1,178</b>	<b>2,683</b>	<b>4,962</b>	<b>19,616</b>
Net Investment in Capital Assets	170,548	165,493	42,092	33,174	212,640	198,667
Restricted	52,867	54,410	5,641	6,166	58,508	60,576
Unrestricted	(57,154)	(57,998)	14,393	12,638	(42,761)	(45,360)
<b>Total net position</b>	<b>\$ 166,261</b>	<b>\$ 161,905</b>	<b>\$ 62,126</b>	<b>\$ 51,978</b>	<b>\$ 228,387</b>	<b>\$ 213,883</b>

**Net Investment of Capital Assets** – The largest component of the \$410 million in total assets is the City's investment in capital assets (e.g., land, buildings, infrastructure, and equipment), representing \$271 million or 66% of total assets. A significant portion of the capital assets have been funded through bond financing from the former Brea Redevelopment Agency.

**Noncurrent Liabilities** -- Of the \$179 million in long-term (non-current) liabilities, \$57.5 million represents outstanding bonded debt and capital leases and \$111.6 million represents net pension liability. The proceeds from debt were used to finance the acquisition of capital assets and to fund capital improvements.

**Restricted Net Position** –The \$58.5 million in restricted net position was on overall decrease of \$2.1 million from the prior fiscal year.

**Unrestricted Net Position** – The (\$42.8) million in unrestricted net position was an overall decrease of \$2.8 million from the prior fiscal year.

Overall the City's net position increased \$15 million during the current fiscal year.



**Table 2**  
**Change in Net Position**  
**Fiscal Year Ended June 30, 2017**  
**(in thousands)**

	Governmental Activities		Business-Type Activities		Total Activities	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for services	\$ 9,484	\$ 8,905	\$ 28,377	\$ 24,498	\$ 37,861	\$ 33,403
Operating grants and contributions	2,633	3,399	525	11	3,158	3,410
Capital grants and contributions	5,669	2,337	-	-	5,669	2,337
General Revenues:						
Taxes:						
Property taxes	17,888	16,656	-	-	17,888	16,656
Sales taxes	21,200	21,612	-	-	21,200	21,612
Transient occupancy taxes	1,716	1,606	-	-	1,716	1,606
Franchise taxes	1,680	1,590	-	-	1,680	1,590
Business license taxes	1,079	1,102	-	-	1,079	1,102
Other taxes	392	797	-	-	392	797
Motor vehicle in lieu	75	73	-	-	75	73
Use of money and property	1,111	1,602	(23)	304	1,088	1,906
Rental Income	1,032	952	-	-	1,032	952
Other	8,694	2,940	138	328	8,832	3,268
Gain (loss) on sale of capital asset	(2)	83	112	73	110	156
Total Revenues	72,651	63,654	29,129	25,214	101,780	88,868
Expenses:						
General government	7,758	7,298	-	-	7,758	7,298
Public safety	33,938	31,372	-	-	33,938	31,372
Community development	3,403	3,011	-	-	3,403	3,011
Community services	7,599	7,268	-	-	7,599	7,268
Public works	16,307	13,544	-	-	16,307	13,544
Interest on long-term debt	415	435	-	-	415	435
Urban runoff	-	-	377	415	377	415
Water utility	-	-	14,883	14,085	14,883	14,085
Sewer utility	-	-	1,630	1,591	1,630	1,591
Sanitation	-	-	3,045	2,938	3,045	2,938
Information Technology External Support	-	-	1,724	1,312	1,724	1,312
Total Expenses	69,420	62,928	21,659	20,341	91,079	83,269
Change in net position before transfers	3,231	726	7,470	4,873	10,701	5,599
Transfers	1,125	1,591	(1,125)	(1,591)	-	-
Change in net position	4,356	2,317	6,345	3,282	10,701	5,599
Net position at beginning of year	161,905	151,833	51,978	48,174	213,883	200,007
Restatement of Net position	-	7,755	3,803	522	3,803	8,277
Net position at end of year	\$ 166,261	\$ 161,905	\$ 62,126	\$ 51,978	\$ 228,387	\$ 213,883

**Governmental Activities** – The cost of all Governmental Activities in the current fiscal year was \$69.4 million. As shown on the statement of activities, \$9.5 million of the cost was paid by those who directly benefited from the programs; \$8.3 million was financed by contributions and grants received from other governmental organizations, developers, and property owners for both capital and operating activities; and \$54.9 million was subsidized through general City revenues. Therefore, as a result of operations, the City's change in net position before transfers increased by \$3.2 million.

Property tax revenues for Fiscal Year 2016-17 increased by \$1,232,000 when compared to Fiscal Year 2015-16. The increase in property tax revenues is primarily due to the increase in sale value of residential and commercial properties as well as new residential construction in the Blackstone and La Floresta housing developments. Sales tax revenues for Fiscal Year 2016-17 were \$421,000 lower when compared to Fiscal Year 2015-16.

Total expenses for Fiscal Year 2016-17 were \$69.4 million, an increase of \$6.5 million when compared to Fiscal Year 2015-16. This was primarily due to a combination of increases in public safety and public works expenses.

Brea is a full service city providing residents, businesses and visitors with the following functional services:

General Government is comprised of two departments (City Council/City Manager and Administrative Services) providing general governance, executive management, legal services, communication and marketing, human resources, records management, information technology, accounting, budget, treasury, utility billing, purchasing and reprographics.

Public Safety is comprised of two departments (Police Services and Fire Services) providing general law enforcement, public safety dispatch, fire suppression, fire prevention, paramedic services and emergency preparedness.

Community Development is comprised of two divisions (Planning & Building Services and Economic Development Services) providing planning, zoning and building services, redevelopment services, economic development and housing services.

Community Services is overseen by one department and includes recreation, arts and human services, and the community center.

Public Works is overseen by one department and includes engineering and construction of public facilities, parks, streets and related infrastructure, traffic engineering as well as the maintenance of all public facilities, parks, streets and related infrastructure.

Business-type activities is comprised of two departments (Public Works and Administrative Services) providing five activities to residential and business customers (urban runoff, water utility, sewer utility, sanitation services and information technology external support to public agencies).

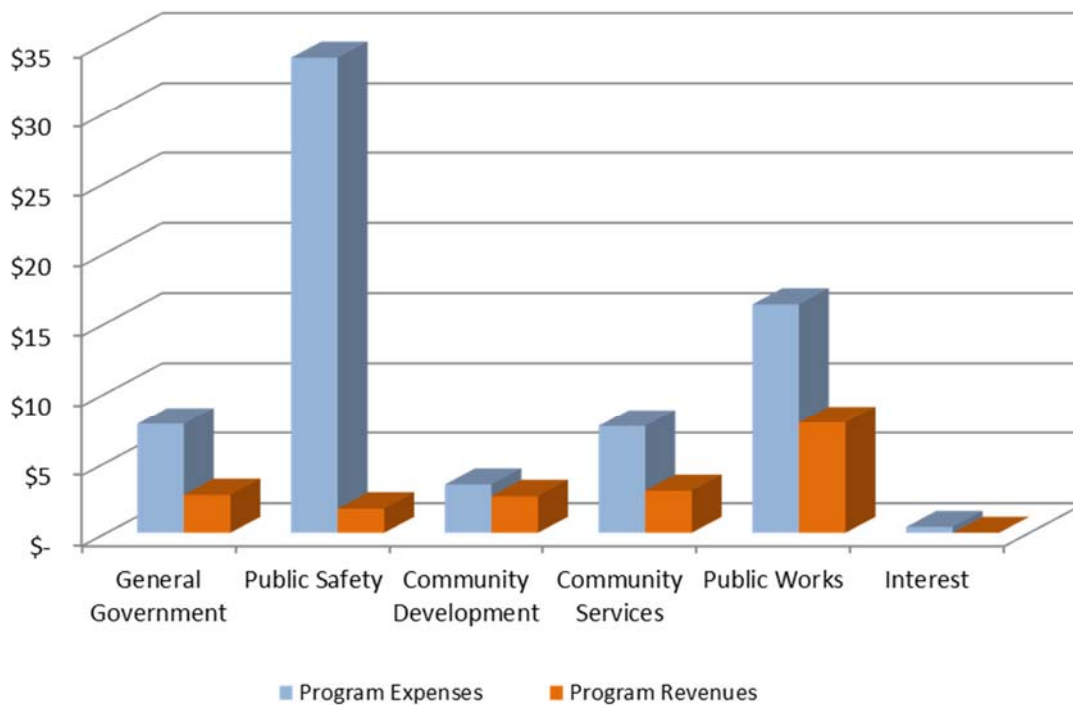
Each programs' net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the extent to which the City's general taxes support each of the City's programs.

**Table 3**  
**Governmental Activities**  
**Fiscal Year Ended June 30, 2017**  
**(in thousands)**

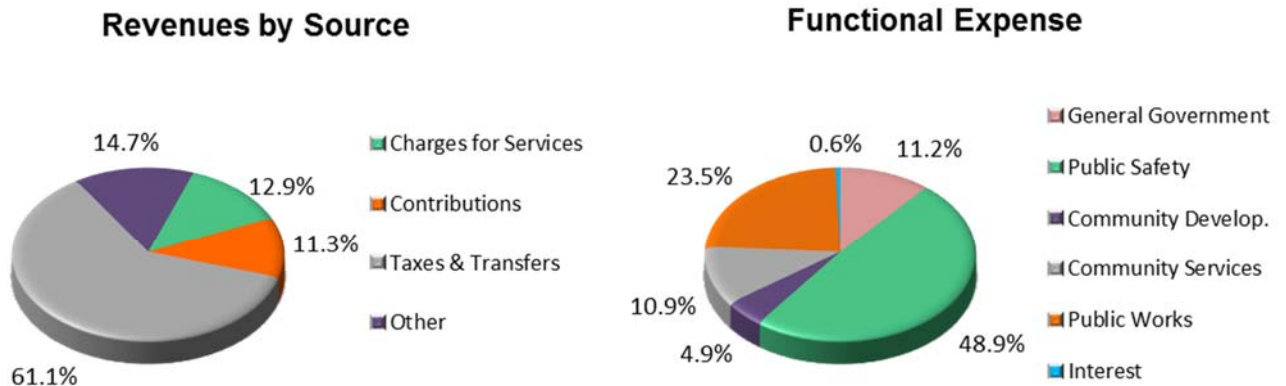
	Program Expenses		Program Revenues	
	2017	2016	2017	2016
General government	\$ 7,758	\$ 7,298	\$ 2,669	\$ 2,824
Public safety	33,938	31,372	1,712	2,048
Community development	3,403	3,011	2,592	1,866
Community services	7,599	7,268	2,958	3,330
Public works	16,307	13,544	7,855	4,573
Interest on long-term debt	415	435	-	-
<b>Totals</b>	<b>\$ 69,420</b>	<b>\$ 62,928</b>	<b>\$ 17,786</b>	<b>\$ 14,641</b>

Of the \$17.8 million in program revenues that financed the Governmental Activities, 44% was utilized for Public Works, 17% was utilized for Community Services, and 15% was utilized for each General Government and Community Development, while the remaining 9% supplemented Public Safety.

**Table 4**  
**Program Expenses and Revenues - Governmental Activities**  
**Fiscal Year Ended June 30, 2017**  
**(in millions)**



**Table 5**  
**Governmental Activities**  
**Fiscal Year Ended June 30, 2017**



Major Governmental Activities in the current fiscal year included the following:

*Revenues*

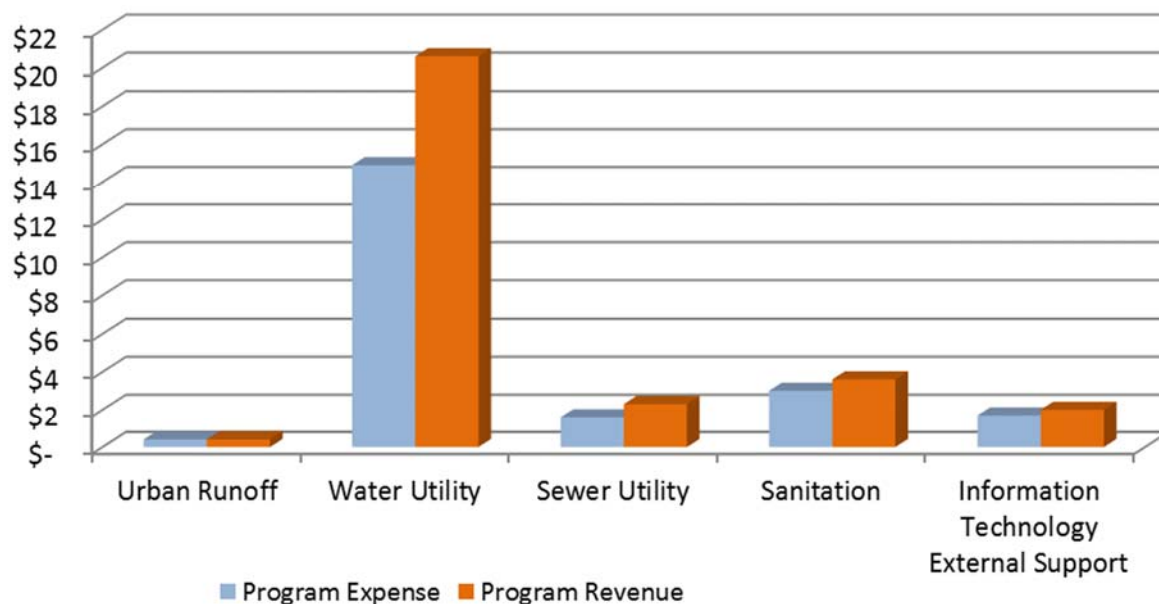
- The City's combined amount of program revenues, general revenues, taxes and transfers were \$73.8 million. This amount includes operating and capital contributions and grants of \$8.3 million and \$45.1 million in taxes and transfers.
- Of the \$73.8 million in total governmental revenues and transfers, 24.1% represents program revenues and 61.1% represents taxes & transfers. Other revenues make up the remaining 14.8%.

*Expenses*

- In the current year, expenses for all Governmental Activities were \$69.4 million. See Table 5 above for an analysis of the expenses by function/program.

**Business-type Activities** – Business-type Activities increased the City’s net position by \$10.1 million which was comprised of various changes in the net position of the urban runoff, water utility, sewer utility, sanitation and information technology external support activities, as well as a restatement to opening net position of \$3.8 million. Business-type Activities are financed primarily by fees charged to external parties for goods and services.

**Table 6**  
**Program Expense & Revenue – Business-type Activities**  
**Fiscal Year Ended June 30, 2017**  
**(in millions)**



Business-type Activities in the current fiscal year included the following:

The water utility activity had an increase in net position of \$9.2 million. The increase in net position was primarily due to the increase in charges for services of \$5.4 million, as well as \$3.8 million restatement due to reclassification of a capital improvement project and the effect of now using the equity method of investment application using consolidated activity of California Domestic Water Company, including the activity of Cadway, a wholly-owned subsidiary of California Domestic Water Company. Of the \$12 million in water related expenses, 44.8% was from the purchase of water, 12.7% was from maintenance and other operating expenses, 18% was from depreciation, and 24.5% covered personnel costs. Water rates were adjusted effective January 2017, to fund on-going operations, recapture the bond coverage ratio and provide funding for planned capital improvements to the water utility system.

The sewer utility activity had an increase in net position of \$581,309. The increase in net position was primarily due to Capital Improvement Projects not completed with the fiscal year and carried forward to Fiscal Year 2017-18. Of the \$1.6 million in sewer related expenses, 14.3% was from maintenance and other operating expenses, 26.4% from depreciation and 59.3% from personnel costs.

The urban runoff activity had an increase in net position of \$27,272. This increase was primarily due to user rates being adjusted as well as revenues over expenses. Operating expenses, which include maintenance and operation costs of \$148,130, personnel costs of \$227,772, depreciation of \$938, interest expense of \$434 and transfer out of \$7,540, totaled \$384,814 while operating and non-operating revenues totaled \$412,086.

The sanitation utility activity had an increase in net position of \$105,079. The increase in net position was due to operating revenues of \$3.6 million, expenses of \$3 million and the transfer out of \$465,000 of franchise fees. Operating expenses, included maintenance and operation costs of \$2.4 million and personnel costs of \$606,083.

The information technology external support activity had an increase in net position of \$185,584. Operating revenues of \$1.9 million exceeded operating expenses of \$1.7 million.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to highlight available financial resources and to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** – Utilizing the financial resources measurement focus, the City's Governmental Funds provide information on near-term inflows and outflows, and balances of spendable resources. This information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$79 million, a decrease of \$5 million. Non-spendable fund balance of \$412,659 is for advances to other funds. Restricted fund balance totals \$52.9 million, legally restricted by external parties. Assigned fund balance totals \$11.3 million which is primarily for community center replacement. Unassigned fund balance totals \$14.1 million.

The General Fund ended the fiscal year with a \$34 million fund balance, a net decrease of \$2.9 million. Non-spendable fund balance of \$412,659 is for advances to other funds. Restricted fund balance of \$8.2 million includes \$6.8 million toward the payment of the City's pension obligations and remaining is for items such as debt service funds with trustees as well as for lighting and landscape districts. Assigned fund balance of \$11.3 million is primarily for capital asset replacement. Unassigned fund balance of \$14.1 million is available for future appropriations.

The Housing Successor Fund ended the fiscal year with a fund balance of \$20.7 million all of which is restricted for affordable housing activities and for notes and loans receivable.

The City's Capital Projects Fund ended the fiscal year with a fund balance of \$9 million, a decrease of \$5 million. Restricted fund balance of \$9 million is primarily for impact fees.

**Proprietary Funds** – The City's Proprietary Funds (Enterprise and Internal Service Funds) presented in the Fund Financial Statements section basically provide the same type of information in the Government-wide Financial Statements, but include individual segment information.

The Water Utility Fund ended the fiscal year with a net position of \$50 million, an increase of \$9.2 million from prior year. The increase in net position was primarily due to the increase in charges of \$5.4 million for services, as well as \$3.8 million in restatements due to reclassification of a capital improvement project and the effect of now using the equity method of investment application using consolidated activity of California Domestic Water Company, including the activity of Cadway, a wholly-owned subsidiary of California Domestic Water Company. Of the \$50 million in net position \$28.1 million is net investment in capital assets, \$5.6 million is restricted for debt service and \$16.3 million is unrestricted.

The Sewer Utility Fund ended the fiscal year with \$15.1 million in net position, an increase of \$581,309. The increase in net position was primarily due to Capital Improvement Projects not completed with the fiscal year and carried forward to Fiscal Year 2017-18. Of the \$15.1 million in net position \$1.1 million is unrestricted and the balance is net investment in capital assets.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The final budgeted resources and transfers in for the General Fund at fiscal year-end were \$2.5 million more than the original budget and total actual resources and transfers in were \$484,880 more than the final budget.

The final appropriations and transfers out for the General Fund at fiscal year-end were \$7.1 million more than the original budget and total actual expenditures and transfers out were \$5.3 million less than the final budget. Several factors contributed to the final variance and are briefly summarized as follows:

### Changes to Original Budget

Resources (Inflows):

- The \$2.5 million variance was primarily due to increased miscellaneous revenue which is attributed to the City's portion of sale proceeds of the Successor Agency's liquidation of assets.

Changes to Appropriation (Outflows):

- The variance between original budget and final budget of \$7.1 million was primarily due to a \$4.1 million increase in transfers out, \$3.0 million increase in operational costs primarily consisting of capital outlay and public safety.

### Variances with Final Budget

Resources (Inflows):

- The variance between budgeted and actual resources was \$971,620. This was primarily due to transfers in.

Charges to Appropriation (Outflows):

- The variance between budgeted and actual charges of \$6.8 million was due to \$4.0 million decrease in transfers out, \$2.8 million decrease in operational charges across all departments including capital outlay. Operational charges for General Government decreased by \$549,578, Public Safety decreased by \$482,695, Community Services decreased by \$546,023 and remaining variance was spread over Community Development, and Public Works departments.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City's investment in capital assets for governmental and business-type activities as of June 30, 2017, amounts to \$271 million (net of accumulated depreciation). This investment in a broad range of capital assets includes land, structures and improvements, furniture, machinery and equipment, park facilities, roads, sidewalks, water system, storm drains, sound walls, and bridges. The total net increase (including additions and deletions) of \$12 million represents a 4.7% increase from last year.

**Table 7**  
**Capital Assets (net of depreciation)**  
**Fiscal Year Ended June 30, 2017**  
**(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 47,152	\$ 44,743	\$ 2,074	\$ 2,075	\$ 49,226	\$ 46,818
Water rights	-	-	32,375	23,931	32,375	23,931
Structures and improvements	40,310	41,757	-	-	40,310	41,757
Equipment	8,579	8,726	73	98	8,652	8,824
Infrastructure	69,085	71,852	58,746	56,598	127,831	128,450
Construction-in-progress	12,444	6,008	-	2,979	12,444	8,987
Totals	<u>\$ 177,570</u>	<u>\$ 173,086</u>	<u>\$ 93,268</u>	<u>\$ 85,681</u>	<u>\$ 270,838</u>	<u>\$ 258,767</u>

The net increase to construction-in-progress totaled \$3.5 million, as noted above. This was primarily due to the addition of various capital improvement projects, not yet completed. However, the following significant capital assets and infrastructure projects were completed in Fiscal Year 2016-17:

- Berry Street Booster Station
- Glenbrook Tract Waterline Improvements
- Traffic Control Technology improvements

Additional information on the City's capital assets can be found in Note (7) of the Notes to the Financial Statements.



## Long-Term Debt

At the end of the current fiscal year, the City had total long-term debt outstanding for bonds and leases of \$57.7 million for all governmental and business-type activities.

**Table 8**  
**Bonds and Capital Leases**  
**Fiscal Year Ended June 30, 2017**  
**(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Lease revenue bonds	\$ 2,760	\$ 2,760	\$ -	\$ -	\$ 2,760	\$ 2,760
Water revenue bonds	-	-	50,150	51,575	50,150	51,575
Capital leases	4,262	4,833	-	-	4,262	4,833
Totals	<u>\$ 7,022</u>	<u>\$ 7,593</u>	<u>\$ 50,150</u>	<u>\$ 51,575</u>	<u>\$ 57,172</u>	<u>\$ 59,168</u>

Additional information on the City's long-term debt can be found in Note (8) of the Notes to the Financial Statements.

## FACTORS EFFECTING NEXT YEAR'S BUDGET

The Fiscal Year 2017-18 General Fund budgeted expenditures increased to \$55.4 million. This represents a 1.4% increase in budgeted expenditures when compared to prior fiscal year. While acknowledging that the cost of materials, supplies and contract services do increase, overall department operating expenditures were held relatively flat or reduced in several areas.

A brief summary of the factors considered when preparing the Fiscal Year 2017-18 budget are as follows:

- Sales tax represents the single largest source of General Fund revenue, budgeted at \$21.1 million for Fiscal Year 2017-18. Based on economic data trends and projections, sales tax is projected to remain relatively flat for Fiscal Year 2017-18. Brea's sales tax on a per capita basis consistently outperforms other municipalities, a strong indicator that the City imports sales tax dollars from surrounding communities.
- General Fund property taxes are projected to increase by approximately 6.1% and represent \$9.7 million of General Fund revenues.
- Overall, Fiscal Year 2017-18 General Fund revenues are projected to increase approximately 1.4% in comparison to revenues in Fiscal Year 2016-17.

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City's Administrative Services Department, 1 Civic Center Circle, Brea, California 92821, at (714) 990-7676.

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## **BASIC FINANCIAL STATEMENTS**

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**CITY OF BREA, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Current Assets:			
Cash and investments	\$ 62,675,000	\$ 10,899,089	\$ 73,574,089
Prepaid expense	38,956	2,500,836	2,539,792
Receivables:			
Taxes	172,238	-	172,238
Accounts	877,556	4,606,544	5,484,100
Accrued Interest	1,783,516	-	1,783,516
Notes and loans	18,808,469	-	18,808,469
Internal balances	1,718,993	(1,718,993)	-
Due from other governments	10,701,356	22,784	10,724,140
Due from Successor Agency	115,637	-	115,637
<b>Total Current Assets</b>	<b>96,891,721</b>	<b>16,310,260</b>	<b>113,201,981</b>
Noncurrent assets:			
Restricted assets:			
Cash and investments	6,947,905	-	6,947,905
Cash with fiscal agent	2,008,092	5,641,012	7,649,104
Capital assets not being depreciated	59,596,087	34,449,960	94,046,047
Capital assets, net of depreciation	117,974,257	58,818,122	176,792,379
Equity in California Domestic Water Company	-	11,528,829	11,528,829
<b>Total Noncurrent Assets</b>	<b>186,526,341</b>	<b>110,437,923</b>	<b>296,964,264</b>
<b>Total Assets</b>	<b>283,418,062</b>	<b>126,748,183</b>	<b>410,166,245</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	-	655,216	655,216
Deferred amounts related to pensions	19,606,493	1,900,782	21,507,275
<b>Total Deferred Outflows of Resources</b>	<b>19,606,493</b>	<b>2,555,998</b>	<b>22,162,491</b>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	5,834,330	754,142	6,588,472
Accrued liabilities	1,616,798	195,727	1,812,525
Accrued interest	94,441	1,380,954	1,475,395
Unearned revenue	1,340,046	-	1,340,046
Deposits payable	343,303	249,430	592,733
Due to other governments	2,408,815	-	2,408,815
Due to Successor Agency	170,568	-	170,568
Long-term liabilities, due within one year	4,319,922	1,238,796	5,558,718
<b>Total Current Liabilities</b>	<b>16,128,223</b>	<b>3,819,049</b>	<b>19,947,272</b>
Noncurrent liabilities:			
Long-term liabilities, due in more than one year	9,815,564	50,857,868	60,673,432
Net OPEB obligation	6,742,813	-	6,742,813
Net pension liability	100,292,830	11,323,304	111,616,134
<b>Total Noncurrent Liabilities</b>	<b>116,851,207</b>	<b>62,181,172</b>	<b>179,032,379</b>
<b>Total Liabilities</b>	<b>132,979,430</b>	<b>66,000,221</b>	<b>198,979,651</b>
<b>Deferred Inflows of Resources:</b>			
Deferred amounts related to pensions	3,783,956	1,178,328	4,962,284
<b>Net Position:</b>			
Net investment in capital assets	170,548,467	42,091,695	212,640,162
Restricted for:			
Affordable housing	23,122,161	-	23,122,161
Public safety	909,075	-	909,075
Public works	4,629,380	-	4,629,380
Capital projects	17,055,790	-	17,055,790
Pension	6,854,304	-	6,854,304
Debt service	296,368	5,641,012	5,937,380
Unrestricted	(57,154,376)	14,392,925	(42,761,451)
<b>Total Net Position</b>	<b>\$ 166,261,169</b>	<b>\$ 62,125,632</b>	<b>\$ 228,386,801</b>

See accompanying notes to basic financial statements.

**CITY OF BREA, CALIFORNIA**

**STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Governmental activities:				
General government	\$ 7,758,276	\$ 1,605,816	\$ 1,062,680	\$ -
Public safety	33,938,469	1,297,025	415,154	-
Community development	3,403,082	2,151,955	174,690	265,749
Community services	7,598,666	2,818,718	138,728	-
Public works	16,306,542	1,610,889	841,466	5,402,736
Interest on long-term debt	414,974	-	-	-
<b>Total governmental activities</b>	<b>69,420,009</b>	<b>9,484,403</b>	<b>2,632,718</b>	<b>5,668,485</b>
Business-type activities:				
Urban runoff	376,623	412,086	-	-
Water utility	14,882,443	20,098,490	491,011	-
Sewer utility	1,630,319	2,322,756	-	-
Sanitation	3,045,308	3,584,153	34,154	-
Information technology external support	1,724,116	1,959,634	-	-
<b>Total business-type activities</b>	<b>21,658,809</b>	<b>28,377,119</b>	<b>525,165</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 91,078,818</b>	<b>\$ 37,861,522</b>	<b>\$ 3,157,883</b>	<b>\$ 5,668,485</b>

General revenues:

Taxes:

Property taxes - general purposes

Property taxes - paramedic program

Transient occupancy tax

Sales taxes

Franchise tax

Business licenses taxes

Other taxes

Motor vehicle in lieu - unrestricted

Use of money and property

Rental Income

Other

Gain (loss) on disposal of capital assets

Total General Revenues

Transfers

Change in net position

Net Position at Beginning of Year

Restatement of Net Position

**Net Position at End of Year**

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (5,089,780)	\$ -	\$ (5,089,780)
(32,226,290)	-	(32,226,290)
(810,688)	-	(810,688)
(4,641,220)	-	(4,641,220)
(8,451,451)	-	(8,451,451)
(414,974)	-	(414,974)
(51,634,403)	-	(51,634,403)
-	35,463	35,463
-	5,707,058	5,707,058
-	692,437	692,437
-	572,999	572,999
-	235,518	235,518
-	7,243,475	7,243,475
(51,634,403)	7,243,475	(44,390,928)
14,195,847	-	14,195,847
3,692,137	-	3,692,137
1,716,180	-	1,716,180
21,200,598	-	21,200,598
1,680,293	-	1,680,293
1,078,509	-	1,078,509
392,075	-	392,075
75,398	-	75,398
1,110,886	(23,077)	1,087,809
1,031,756	-	1,031,756
8,693,445	138,132	8,831,577
(1,731)	112,137	110,406
54,865,393	227,192	55,092,585
1,125,415	(1,125,415)	-
4,356,405	6,345,252	10,701,657
161,904,764	51,977,823	213,882,587
-	3,802,557	3,802,557
<u>\$ 166,261,169</u>	<u>\$ 62,125,632</u>	<u>\$ 228,386,801</u>

See accompanying notes to basic financial statements.

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## **GOVERNMENTAL FUNDS**

### **MAJOR GOVERNMENTAL FUNDS**

#### **GENERAL FUND**

The General fund is used to account for fiscal resources which are dedicated to governmental operations of the City, and not required to be accounted for in another fund.

#### **HOUSING SUCCESSOR FUND**

The Housing Successor Fund is used to account for revenues received and expenditures made for affordable housing. The primary sources of revenue are from loan repayments generated from the use of the former Brea Redevelopment Agency's Low and Moderate Income Housing Funds.

#### **CAPITAL PROJECTS FUNDS – CAPITAL IMPROVEMENTS**

The Capital Improvements Fund is used to account for the costs of constructing street improvements, parks and other public improvements not normally included within the other Capital Projects Funds. Financing is provided by Federal and State Grant Revenues and interfund transfers from the Special Revenue Funds and General Fund.

### **NON-MAJOR GOVERNMENTAL FUNDS**

Non-major governmental funds are those governmental funds which do not meet the criteria of a major fund. For reporting purposes in this section, they are combined together as Non-major Governmental Funds.

**CITY OF BREA, CALIFORNIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

		Special Revenue Fund	Capital Projects Fund
	General	Housing Successor	Capital Improvements
<b>Assets:</b>			
Cash and investments	\$ 25,418,375	\$ 2,956,060	\$ 13,792,112
Prepaid costs	38,956	-	-
Receivables:			
Taxes	152,337	-	-
Accounts	849,107	12,375	7,045
Interest	298,871	1,484,645	-
Notes and loans	-	16,961,728	-
Due from other funds	439,894	-	-
Due from other governments	4,777,485	-	5,732,128
Due from Successor Agency	26,595	-	89,042
Advances to other funds	373,703	-	-
Restricted assets:			
Cash and investments	6,827,659	-	120,246
Cash and investments with fiscal agents	296,368	1,711,724	-
<b>Total assets</b>	<b>\$ 39,499,350</b>	<b>\$ 23,126,532</b>	<b>\$ 19,740,573</b>
<b>Liabilities, deferred inflows of resources, and fund balances:</b>			
Liabilities:			
Account payable	\$ 1,002,999	\$ 7,195	\$ 4,498,816
Accrued liabilities	1,523,992	5,356	20,055
Unearned revenues	1,160,080	-	179,966
Deposits payable	342,386	917	-
Due to other governments	774,765	-	-
Advances from other funds	-	-	443,788
Due to Successor Agency	2,253	-	-
<b>Total liabilities</b>	<b>4,806,475</b>	<b>13,468</b>	<b>5,142,625</b>
Deferred Inflows of Resources:			
Unavailable revenues	684,789	2,450,200	5,592,439
Fund balances (deficit):			
Nonspendable	412,659	-	-
Restricted	8,201,746	20,662,864	9,005,509
Assigned	11,316,072	-	-
Unassigned	14,077,609	-	-
<b>Total fund balances</b>	<b>34,008,086</b>	<b>20,662,864</b>	<b>9,005,509</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 39,499,350</b>	<b>\$ 23,126,532</b>	<b>\$ 19,740,573</b>

See accompanying notes to basic financial statements.

Non-major Governmental Funds	Total Governmental Funds
\$ 14,202,200	\$ 56,368,747
-	38,956
19,901	172,238
1,217	869,744
-	1,783,516
1,846,741	18,808,469
-	439,894
191,743	10,701,356
-	115,637
443,788	817,491
-	6,947,905
-	2,008,092
<u>\$ 16,705,590</u>	<u>\$ 99,072,045</u>

\$ 61,323	\$ 5,570,333
11,635	1,561,038
-	1,340,046
-	343,303
1,634,050	2,408,815
18,203	461,991
-	2,253
<u>1,725,211</u>	<u>11,687,779</u>

<u>2,692</u>	<u>8,730,120</u>
--------------	------------------

-	412,659
14,996,959	52,867,078
-	11,316,072
(19,272)	14,058,337
<u>14,977,687</u>	<u>\$ 78,654,146</u>

<u>\$ 16,705,590</u>	<u>\$ 99,072,045</u>
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See accompanying notes to basic financial statements.

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**CITY OF BREA, CALIFORNIA**

**RECONCILIATION OF THE GOVERNMENTAL  
FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2017**

Fund balances of governmental funds	\$	78,654,146
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of depreciation, have not been included as financial resources in governmental fund activity. Those capital assets consist of:

Capital assets, depreciable and nondepreciable	\$ 291,217,295		
Accumulated depreciation	(119,190,098)		172,027,197

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds. Those long term liabilities consist of:

Lease revenue bonds	(2,760,000)		
Capital leases payable	(4,261,876)		
Compensated absences	(2,523,701)		
Other post employment benefits (OPEB) obligation	(6,742,813)		(16,288,390)

Accrued interest payable for the current portion of interest due on bonds does not require the use of current financial resources and therefore has not been reported in the governmental funds.		(91,843)
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Amounts reported for net pension liability are not due in the current period and therefore are not reported in the governmental funds. Related components that will affect the net pension liability in future measurement years are reported as deferred outflows and deferred inflows of resources and are not reported in the governmental funds.

Net pension liability	(97,349,980)		
Deferred outflows of resources related to pensions	19,033,985		
Deferred inflows of resources related to pensions	(3,541,132)		(81,857,127)

Revenues reported as unavailable revenues in the governmental funds do not provide current financial resources but are recognized in the in the statement of activities.		8,730,120
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Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows and inflows of resources, and liabilities of the internal service funds are included in governmental activities in the statement of net position.

		5,087,066

**Net Position of Governmental Activities**

	\$	166,261,169

See accompanying notes to basic financial statements.

**CITY OF BREA, CALIFORNIA**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

		Special Revenue Fund	Capital Projects Fund
	General	Housing Successor	Capital Improvements
<b>Revenues:</b>			
Taxes	\$ 38,308,747	\$ -	\$ -
Licenses and permits	870,940	-	-
Intergovernmental	7,808,780	-	533,669
Charges for services	3,789,430	-	1,521,150
Investment income, net	768,370	322,507	8,186
Fines and forfeitures	554,708	-	-
Developer contributions	-	-	535
Rental income	1,441,527	-	-
Other revenues	3,440,937	1,867,260	14,303
<b>Total revenues</b>	<b>56,983,439</b>	<b>2,189,767</b>	<b>2,077,843</b>
<b>Expenditures:</b>			
Current:			
General government	5,032,816	-	561,790
Public safety	34,011,330	-	-
Community development	3,009,011	277,504	-
Community services	7,395,363	-	-
Public works	5,537,040	-	-
Capital outlay	403,524	-	14,404,865
Debt service:			
Principal	410,411	-	-
Interest and fiscal charges	397,243	-	-
<b>Total expenditures</b>	<b>56,196,738</b>	<b>277,504</b>	<b>14,966,655</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>786,701</b>	<b>1,912,263</b>	<b>(12,888,812)</b>
<b>Other financing sources (uses):</b>			
Transfers in	2,207,848	-	7,874,546
Transfers out	(5,887,391)	-	-
<b>Total other financing sources (uses)</b>	<b>(3,679,543)</b>	<b>-</b>	<b>7,874,546</b>
<b>Net change in fund balances</b>	<b>(2,892,842)</b>	<b>1,912,263</b>	<b>(5,014,266)</b>
<b>Fund balances, beginning of year</b>	<b>36,900,928</b>	<b>18,750,601</b>	<b>14,019,775</b>
<b>Fund balances, end of year</b>	<b>\$ 34,008,086</b>	<b>\$ 20,662,864</b>	<b>\$ 9,005,509</b>

See accompanying notes to basic financial statements.

Non-major Governmental Funds	Total Governmental Funds
\$ 1,907,227	\$ 40,215,974
-	870,940
1,163,819	9,506,268
878,367	6,188,947
1,751	1,100,814
42,768	597,476
-	535
-	1,441,527
140,316	5,462,816
<u>4,134,248</u>	<u>65,385,297</u>
50,612	5,645,218
366,238	34,377,568
184,080	3,470,595
-	7,395,363
240,964	5,778,004
-	14,808,389
-	410,411
-	397,243
<u>841,894</u>	<u>72,282,791</u>
<u>3,292,354</u>	<u>(6,897,494)</u>
-	10,082,394
<u>(2,646,478)</u>	<u>(8,533,869)</u>
<u>(2,646,478)</u>	<u>1,548,525</u>
645,876	(5,348,969)
<u>14,331,811</u>	<u>84,003,115</u>
<u>\$ 14,977,687</u>	<u>\$ 78,654,146</u>

See accompanying notes to basic financial statements.

**CITY OF BREA, CALIFORNIA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total governmental funds \$ (5,348,969)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expenses. Additionally, certain capital contributions are only reported as revenues on the government wide statement of activities.

Capital outlay	\$ 9,468,649	
Depreciation	(7,017,463)	
Capital contributions	<u>2,408,747</u>	4,859,933

The issuance of long-term debt (e.g., bonds, leases) provides current resources to governmental funds, while the repayment of long-term debt principal is an expenditure in the governmental funds; The issuance of debt increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net position.

Also, governmental funds report the effect of premiums, discounts when debt is first issued, whereas these amounts are amortized in the statement of activities.

Capital leases principal payments	242,096
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Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds. These expenses consists of the following:

Changes in interest payable for long-term liabilities	2,593
Changes in compensated absences	(75,834)
Changes in OPEB obligations	(1,090,211)
Changes in net pension liabilities and related deferred outflows and inflows of resources	1,154,288

Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds.	4,863,659
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Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.

	<u>(251,150)</u>
Change in net position of governmental activities	<u><u>\$ 4,356,405</u></u>

See accompanying notes to basic financial statements.



## **PROPRIETARY FUNDS**

### **MAJOR ENTERPRISE FUNDS**

#### **WATER UTILITY FUND**

The Water Utility Fund is a Major Fund used to account for the operations of the City's water utility, which are operated in manner similar to a private enterprise. The costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

#### **SEWER UTILITY FUND**

The Sewer Utility Fund is a Major Fund used to account for the operations of the City's sewer distribution lines, which are operated in a manner similar to a private enterprise. The costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

### **NON-MAJOR ENTERPRISE FUNDS**

Non-major proprietary funds are those proprietary funds which do not meet the criteria of a major fund. For reporting purposes in this section, they are combined together as Non-major Enterprise Funds.

### **GOVERNMENTAL ACTIVITIES**

#### **INTERNAL SERVICES FUNDS**

The Internal Service Funds are used to allocate the cost of providing goods and services by one department to other department on a cost reimbursement basis.

# CITY OF BREA, CALIFORNIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2017

	Enterprise Funds				Governmental Activities Internal Service Funds
	Water Utility	Sewer Utility	Non-major Enterprise Funds	Total	
<b>Assets:</b>					
Current assets:					
Cash and investments	\$ 6,879,710	\$ 2,815,352	\$ 1,204,027	\$ 10,899,089	\$ 6,306,253
Prepaid Expenses	2,500,836	-	-	2,500,836	-
Receivables:					
Accounts receivable	3,191,260	412,201	1,003,083	4,606,544	7,812
Due from other governments	-	-	22,784	22,784	-
<b>Total current assets</b>	<b>12,571,806</b>	<b>3,227,553</b>	<b>2,229,894</b>	<b>18,029,253</b>	<b>6,314,065</b>
Noncurrent assets:					
Restricted - Cash and investments with fiscal agent	5,641,012	-	-	5,641,012	-
Capital assets - net of accumulated depreciation	79,236,745	14,029,072	2,265	93,268,082	5,543,147
Equity in California Domestic Water Company	11,528,829	-	-	11,528,829	-
Advances to other funds	-	-	-	-	866,119
<b>Total noncurrent assets</b>	<b>96,406,586</b>	<b>14,029,072</b>	<b>2,265</b>	<b>110,437,923</b>	<b>6,409,266</b>
<b>Total assets</b>	<b>108,978,392</b>	<b>17,256,625</b>	<b>2,232,159</b>	<b>128,467,176</b>	<b>12,723,331</b>
<b>Deferred outflows of resources:</b>					
Deferred charge on refunding	655,216	-	-	655,216	-
Deferred pension related items	796,134	310,641	794,007	1,900,782	572,508
<b>Total deferred outflows of resources</b>	<b>1,451,350</b>	<b>310,641</b>	<b>794,007</b>	<b>2,555,998</b>	<b>572,508</b>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	532,613	5,382	216,147	754,142	263,997
Accrued liabilities	82,694	30,718	82,315	195,727	55,760
Accrued interest	1,380,954	-	-	1,380,954	2,598
Deposits payable	249,430	-	-	249,430	-
Due to other funds	-	-	439,894	439,894	-
Compensated absences, due within one year	78,086	28,899	91,811	198,796	69,539
Claims and judgments, due within one year	-	-	-	-	1,753,904
Bonds, notes, and capital leases, due within one year	1,040,000	-	-	1,040,000	168,315
<b>Total current liabilities</b>	<b>3,363,777</b>	<b>64,999</b>	<b>830,167</b>	<b>4,258,943</b>	<b>2,314,113</b>
Non-current liabilities:					
Advances from other funds	1,221,619	-	-	1,221,619	-
Compensated absences, due in more than one year	26,029	9,633	30,604	66,265	23,180
Claims and judgments, due in more than one year	-	-	-	-	2,743,287
Net pension liability	4,539,352	2,123,684	4,660,268	11,323,304	2,942,850
Bonds, notes, and capital leases, due in more than one year	50,791,603	-	-	50,791,603	-
<b>Total noncurrent liabilities</b>	<b>56,578,603</b>	<b>2,133,317</b>	<b>4,690,872</b>	<b>63,402,791</b>	<b>5,709,317</b>
<b>Total liabilities</b>	<b>59,942,380</b>	<b>2,198,316</b>	<b>5,521,038</b>	<b>67,661,734</b>	<b>8,023,429</b>
<b>Deferred inflows of resources</b>					
Deferred pension related items	450,893	281,362	446,073	1,178,328	242,824
<b>Net position (deficit):</b>					
Net investment in capital assets	28,060,358	14,029,072	2,265	42,091,695	5,543,147
Restricted for debt service	5,641,012	-	-	5,641,012	-
Unrestricted	16,335,099	1,058,516	(2,943,210)	14,450,405	(513,561)
<b>Total net position (deficit)</b>	<b>\$ 50,036,469</b>	<b>\$ 15,087,588</b>	<b>\$ (2,940,945)</b>	<b>\$ 62,183,112</b>	<b>\$ 5,029,586</b>

### Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds	62,183,112
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	(65,717)
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	8,237
<b>Net Position per Statement of Net Position</b>	<b>\$ 62,125,632</b>

See accompanying notes to basic financial statements.

# CITY OF BREA, CALIFORNIA

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2017

	Enterprise Funds				Governmental Activities
	Water Utility	Sewer Utility	Non-major Enterprise Funds	Total	Internal Service Funds
<b>Operating revenues:</b>					
Charges for services	\$ 18,788,632	\$ 2,209,586	\$ 5,063,181	\$ 26,061,399	\$ 7,673,619
Connection fees	903,674	55,516	-	959,190	-
Other revenues	406,184	57,654	892,692	1,356,530	576,208
<b>Total operating revenues</b>	<b>20,098,490</b>	<b>2,322,756</b>	<b>5,955,873</b>	<b>28,377,119</b>	<b>8,249,827</b>
<b>Operating expenses:</b>					
Personnel services	2,942,564	967,487	2,304,226	6,214,277	1,497,751
Maintenance and operation	1,528,589	232,686	2,842,989	4,604,264	3,817,328
Cost of purchased water	5,394,508	-	-	5,394,508	-
Claims and judgements	-	-	-	-	1,935,696
Depreciation expense	2,163,100	431,188	938	2,595,226	791,827
<b>Total operating expenses</b>	<b>12,028,761</b>	<b>1,631,361</b>	<b>5,148,153</b>	<b>18,808,275</b>	<b>8,042,602</b>
<b>Operating income</b>	<b>8,069,729</b>	<b>691,395</b>	<b>807,720</b>	<b>9,568,844</b>	<b>207,225</b>
<b>Nonoperating revenues (expenses):</b>					
Federal interest subsidy on debt	491,011	-	-	491,011	-
Intergovernmental revenues	-	-	34,154	34,154	-
Interest expense	(2,872,884)	(7,565)	(1,399)	(2,881,848)	(20,324)
Change in equity of California Domestic Water Company	138,132	-	-	138,132	-
Gain (loss) on disposal of capital assets	109,758	2,379	-	112,137	(6,704)
<b>Total nonoperating revenues (expenses)</b>	<b>(2,133,983)</b>	<b>(5,186)</b>	<b>32,755</b>	<b>(2,106,414)</b>	<b>(27,028)</b>
<b>Income before transfers</b>	<b>5,935,746</b>	<b>686,209</b>	<b>840,475</b>	<b>7,462,430</b>	<b>180,197</b>
<b>Transfers:</b>					
Transfers in	-	-	-	-	88,882
Transfers out	(497,975)	(104,900)	(522,540)	(1,125,415)	(511,992)
<b>Total transfers</b>	<b>(497,975)</b>	<b>(104,900)</b>	<b>(522,540)</b>	<b>(1,125,415)</b>	<b>(423,110)</b>
<b>Change in net position</b>	<b>5,437,771</b>	<b>581,309</b>	<b>317,935</b>	<b>6,337,015</b>	<b>(242,913)</b>
<b>Net position (deficit):</b>					
<b>Net position at beginning of year</b>	<b>40,796,141</b>	<b>14,506,279</b>	<b>(3,258,880)</b>	<b>52,043,540</b>	<b>5,272,499</b>
Restatement of net position	3,802,557	-	-	3,802,557	-
<b>Net position (deficit) at beginning of year, as restated</b>	<b>44,598,698</b>	<b>14,506,279</b>	<b>(3,258,880)</b>	<b>55,846,097</b>	<b>5,272,499</b>
<b>Net position (deficit) at end of year</b>	<b>\$ 50,036,469</b>	<b>\$ 15,087,588</b>	<b>\$ (2,940,945)</b>	<b>\$ 62,183,112</b>	<b>\$ 5,029,586</b>
<b>Reconciliation of Changes in Net Position to the Statement of Activities:</b>					
Changes in Net Position, per the Statement of Revenues, Expense and Changes in Fund Net Position - Proprietary Funds				\$ 6,337,015	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds				8,237	
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>				<b>\$ 6,345,252</b>	

See accompanying notes to basic financial statements.

**CITY OF BREA, CALIFORNIA**

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Enterprise Funds				Governmental Activities
	Water Utility	Sewer Utility	Non-major Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities:</b>					
Cash received from customers and users	\$ 19,899,739	\$ 2,259,924	\$ 5,961,358	\$ 28,121,021	\$ 8,457,595
Cash payments to suppliers for goods and services	(13,469,991)	(266,583)	(5,137,705)	(18,874,279)	(5,546,229)
Cash payments to employees for services	(46,018)	(997,095)	(144,834)	(1,187,947)	(1,962,265)
<b>Net cash provided by operating activities</b>	<b>6,383,730</b>	<b>996,246</b>	<b>678,819</b>	<b>8,058,795</b>	<b>949,101</b>
<b>Cash flows from noncapital financing activities:</b>					
Cash transfer out	(497,975)	(104,900)	(522,540)	(1,125,415)	(511,992)
Cash transfer in	-	-	-	-	88,882
Advances received (repaid) from (to) other funds	(810,554)	-	-	(810,554)	574,677
Intergovernmental revenues	-	-	34,154	34,154	-
Federal interest subsidy on debt	491,011	-	-	491,011	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(817,518)</b>	<b>(104,900)</b>	<b>(488,386)</b>	<b>(1,410,804)</b>	<b>151,567</b>
<b>Cash Flows from capital and related financing activities:</b>					
Acquisition and construction of capital assets	(2,163,953)	-	-	(2,163,953)	(475,823)
Proceeds from sale of capital assets	109,758	2,379	-	112,137	53,059
Principal and interest paid on long-term debt	(4,244,160)	-	-	(4,244,160)	(182,483)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(6,298,355)</b>	<b>2,379</b>	<b>-</b>	<b>(6,295,976)</b>	<b>(605,247)</b>
<b>Cash flows from investing activities:</b>					
Interest received	14,113	(7,565)	(1,399)	5,149	(1,106)
<b>Net Increase (decrease) in cash and cash equivalents</b>	<b>(718,030)</b>	<b>886,160</b>	<b>189,034</b>	<b>357,164</b>	<b>494,315</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>13,238,752</b>	<b>1,929,192</b>	<b>1,014,993</b>	<b>16,182,937</b>	<b>5,811,938</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 12,520,722</b>	<b>\$ 2,815,352</b>	<b>\$ 1,204,027</b>	<b>\$ 16,540,101</b>	<b>\$ 6,306,253</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>					
Operating income	\$ 8,069,729	\$ 691,395	\$ 807,720	\$ 9,568,844	\$ 207,225
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	2,163,100	431,188	938	2,595,226	791,827
(Increase) decrease in accounts receivable	(198,751)	(62,832)	(331,622)	(593,205)	5,896
(Increase) in prepaid expense	(2,500,836)	-	-	(2,500,836)	-
Decrease due from other governments	-	-	337,107	337,107	-
Increase (decrease) in accounts payable	(1,110,079)	(33,897)	1,972	(1,142,004)	(297,389)
Increase (decrease) in accrued liabilities	318	(369)	7,538	7,487	711
Increase in deposit payables	6,585	-	-	6,585	-
Increase in claims and judgements	-	-	-	-	276,271
(Decrease) in due to other funds	-	-	(90,273)	(90,273)	-
Increase in compensated absences	26,426	(1,312)	21,658	46,772	15,514
(Decrease) in net pension liability	(72,762)	(27,927)	(76,219)	(176,908)	(50,954)
<b>Total adjustments</b>	<b>(1,685,999)</b>	<b>304,851</b>	<b>(128,901)</b>	<b>(1,510,049)</b>	<b>741,876</b>
<b>Net cash provided by operating activities</b>	<b>\$ 6,383,730</b>	<b>\$ 996,246</b>	<b>\$ 678,819</b>	<b>\$ 8,058,795</b>	<b>\$ 949,101</b>
<b>Non-cash investing, capital, and financing activities:</b>					
Amortization of bond discount and premium	\$ (56,776)	\$ -	\$ -	\$ (56,776)	\$ -
Amortization of loss on refunding	163,804	-	-	163,804	-
Change in equity of California Domestic Water Company	138,132	-	-	138,132	-

See accompanying notes to basic financial statements.

## **FIDUCIARY FUNDS**

### **AGENCY FUNDS**

Agency Funds, a type of Fiduciary Funds, are used to account for assets held by the City as an agent for other governmental entities, private organizations, or individuals.

### **PRIVATE-PURPOSE TRUST FUND**

Private-Purpose Trust Funds, a type of Fiduciary Funds, is used to account for assets held by the City as Successor Agency of the former Brea Redevelopment Agency.

**CITY OF BREA, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

	<b>Agency Funds</b>	<b>Private- Purpose Trust Fund Successor Agency of the Former RDA</b>
<b>Assets:</b>		
Cash and investments	\$ 4,919,487	\$ 1,806,091
Receivables:		
Taxes	9,007	-
Accounts	17,659	-
Accrued interest	-	116,932
Deferred loans	-	2,039,314
Due from other governments	19,065	426,000
Due from the City of Brea	-	2,253
Land held for resale	-	612,856
Prepaid insurance	-	172,800
Restricted assets:		
Cash and investments with fiscal agents	1,466,381	28,580,065
Capital assets:		
Capital assets, net of accumulated depreciation	468,006	-
<b>Total assets</b>	<b>\$ 6,899,605</b>	<b>33,756,311</b>
<b>Deferred outflows of resources:</b>		
Deferred charges on refunding	\$ -	1,687,138
<b>Liabilities:</b>		
Accounts payable	278,191	43,336
Accrued liabilities	538,955	-
Accrued interest	-	2,530,603
Due to the City of Brea	9,936	115,637
Due to external parties/other agencies	6,072,523	-
Long-term liabilities:		
Due in one year	-	9,773,391
Due in more than one year	-	155,904,055
<b>Total liabilities</b>	<b>\$ 6,899,605</b>	<b>168,367,022</b>
<b>Net Position (deficit):</b>		
Held in trust for other purposes		<b>\$ (132,923,573)</b>

See accompanying notes to basic financial statements.

**CITY OF BREA, CALIFORNIA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Private-Purpose Trust Fund Successor Agency of the Former RDA</b>
<b>Additions:</b>	
Taxes	\$ 18,131,944
Interest and changes in fair value of investments	153,280
Rental income	440,804
Sale of assets	8,199,676
Miscellaneous	87,563
<b>Total additions</b>	<b>27,013,267</b>
<b>Deductions:</b>	
Administrative expenses	407,186
Contractual services	26,891
Interest expense and cost of issuance	7,874,889
Payment to the County of Orange	8,366,581
Payments to the City of Brea	4,121,754
Pass through agreement payments	1,575,641
Project expenses	157,762
<b>Total deductions</b>	<b>22,530,704</b>
<b>Changes in net position</b>	<b>4,482,563</b>
<b>Net position (deficit):</b>	
Trust deficit, beginning of the year	(137,406,136)
Trust deficit, end of the year	\$ (132,923,573)

See accompanying notes to basic financial statements.

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## **CITY OF BREA, CALIFORNIA**

### **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2017**

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Brea, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City of Brea are described below.

##### **a. Description of the Reporting Entity**

The City of Brea was incorporated on February 23, 1917, under the general laws of the State of California. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, cultural recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Brea and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

Based upon the above criteria, the component units of the City are the Brea Public Financing Authority, the Brea Community Benefit Financing Authority and the Midbury Assessment Authority.

Since City Council serves as the governing board for these component units, all of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations, so data from these units is combined therein. A brief description of each component unit follows:

##### **Brea Public Financing Authority**

The Brea Public Financing Authority was created by a joint exercise of powers agreement between the City of Brea and the former Redevelopment Agency of the City of Brea on November 17, 1987. In April 1988, the Brea-Olinda Unified School District became an associate member of the Authority. The purpose of the Brea Public Financing Authority is to provide, through the issuance of debt, financing necessary for various capital improvements. The Brea Public Financing Authority is administered by the Board who are the members of the City Council and the Mayor. The Brea Public Financing Authority's primary source of income is installment sale, loan and lease payments received from the City and the Successor Agency to the former Brea Redevelopment Agency, which will be used to meet the debt service requirements on debt issues. The Brea Public Financing Authority does not have taxing power. Separate financial statements are not prepared for the Brea Public Financing Authority.

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**a. Description of the Reporting Entity (Continued)**

**Brea Community Benefit Financing Authority**

The Brea Community Benefit Financing Authority was created by a joint exercise of powers agreement between the City of Brea and the Industrial Development Authority of the City of Brea on July 22, 2014. The purpose of the Brea Community Benefit Financing Authority is to provide, through the issuance of debt, financing for various capital improvements. The Brea Community Benefit Financing Authority is administered by the Board who are the members of the City Council and the Mayor. The Brea Community Benefit Financing Authority's primary source of income is installment sale, loan, and lease payments from the City, which will be used to meet the debt service requirements on debt issues. Separate financial statements are not prepared for the Brea Community Benefit Financing Authority.

**Midbury Assessment Authority**

The Midbury Assessment Authority was created by a joint exercise of powers agreement between the City of Brea, Los Angeles County, and Orange County on May 18, 1999. The purpose of the authority is to provide a means for each party to the agreement to contribute money to street improvement projects, to form an assessment district and to levy an assessment to finance the balance of the projects. The Authority is administered by the Board who are the members of the City Council and the Mayor. The Authority's primary source of income is from new assessments that result in additional taxes. Separate financial statements are not prepared for the Midbury Assessment Authority.

**b. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary activities of the City are not included in these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## CITY OF BREA, CALIFORNIA

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2017

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of sales tax revenue, which are considered available if collected within 90 days of year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City's fiduciary funds consist of agency funds and a private purpose trust fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Private purpose trust funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The City reports the following major governmental funds:

- The **General Fund** is the City's primary operating fund. It accounts for all general revenues of the City not specifically levied or collected for other City funds, and for expenditures related to the rendering of general services by the City. The General Fund is used to account for all resources not required to be accounted for in another fund.
- The **Housing Successor Special Revenue Fund** accounts for the housing assets as a result of the dissolution of the former Brea Redevelopment Agency. Resources generated from these assets are to be used for low to moderate income housing purposes. The primary sources of revenue are from rental & lease of property owned by the former Brea Redevelopment Agency and loan repayments generated from the use of the former Brea Redevelopment Agency's Low and Moderate Income Housing Funds.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**c. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

- The **Capital Improvements Capital Projects Fund** accounts for the costs of constructing street improvements, parks and other public improvements not normally included within the other Capital Projects Funds. Financing is provided by federal, state and county grant revenues and interfund transfers from the General Fund, and Special Revenue Funds.

The City reports the following major proprietary funds:

- The **Water Utility Enterprise Fund** accounts for the City's water utility operations, which are financed and operated in a manner similar to a private enterprise. The cost (expenses, including depreciation) of providing these services to the general public on a continuing basis is financed or recovered primarily through user charges.
- The **Sewer Utility Enterprise Fund** accounts for the operations of the City's sewer distribution lines, which are operated in a manner similar to a private enterprise. The costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

Additionally, the City reports the following fund types:

- **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes.
- **Debt Service Funds** are used to account for the accumulation of resources for and payment of interest and principal on long-term debt.
- **Capital Projects Funds** are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).
- **Internal Service Funds** account for financial transactions related to repairs, replacement, and maintenance of City-owned buildings and vehicles and to account for the City's self-insurance programs. These services are provided to other departments or agencies of the City on a cost reimbursement basis.
- **Agency Funds** account for assets held by the City in a custodial capacity as a trustee or as an agent. These assets include deposits from assessment district's property owners. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.
- **Private-Purpose Trust Fund** accounts for the assets and liabilities of the former redevelopment agency and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

## CITY OF BREA, CALIFORNIA

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2017

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### c. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Residual net position balances in internal service funds are allocated back to the governmental and enterprise funds that they originally charged.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the Enterprise Funds and of the Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprises Funds and Internal Service Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

##### d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

###### Cash and Investments

Cash includes demand deposits, certificates of deposits and savings account balances. The California Government Code and the City of Brea's investment policy permit the City of Brea to invest in various instruments and pools. Investments are reported in the accompanying balance sheet at fair value, except for investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

The City reports its investments at fair value in the balance sheet according to GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Interest earnings, realized gains and losses and, changes in the fair value of investments are recognized as revenue from the use of money and property in the operating statement. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The City pools cash and investments of all funds except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

## CITY OF BREA, CALIFORNIA

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2017

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

The City applies GASB Statement No. 72, *Fair Value Measurements and Application* for determining fair value measurements, applying fair value to investments, and disclosures related to the fair value hierarchy. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the proprietary funds' share in the cash and investment pool of the City of Brea. Cash equivalents have an original maturity date of three months or less from the date of purchase. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash.

##### **Restricted Cash and Investments**

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Additionally, the City has established the PARS Post-Employment Benefits Trust as a tax-exempt trust within the meaning of Section 115 of the IRS Code to accumulate resources to “stabilize” the amount of its General fund resources that it will need to meet future contributions requirements to CalPERS. The balances and activities of the Trust are irrevocably dedicated to funding future obligations to CalPERS. The assets will benefit the City through reduced future cash flow demands on the City’s General fund resources, and continue to be assets of the City. These amounts are reflected as restricted cash and investments in the General fund.

##### **Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

The amounts recorded as a receivable due from other governments include sales taxes, property taxes and grant revenues collected or provided by federal, state, county and city governments and unremitted to the City as of June 30, 2017. The County of Orange assesses bills and collects property taxes for the City.

All trade and tax receivables are shown net of an allowance for uncollectibles.

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)**

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The Water Utility fund also reports a prepaid expense for water purchased in advance, to be used in future periods. Refer to note 4.

**Inventories**

Inventories of materials and supplies are carried at cost. The City records inventory using a first-in-first-out (FIFO) basis and the consumption method.

**Land Held for Resale**

The former Brea Redevelopment Agency acquired land as part of its primary purpose to develop blighted properties. The Successor Agency to the former Brea Redevelopment Agency records these parcels as land held for resale in its financial statements. The property is being carried at cost or, if lower, the estimated net realizable value upon entering into an agreement to sell the property. Values recorded on the balance sheet are net of allowances for decline in value.

**Capital Assets**

Capital assets, which include property, plant, equipment, intangible assets and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than \$5,000 and \$100,000 respectively and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)**

Property, plant and equipment of the primary government and its component units are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	40 - 50
Computers	4 - 5
Equipment	4 - 10
Improvements	10 - 50
Infrastructure	40 - 50
Software	5 - 10
Vehicles	4 - 10

The City classifies certain water rights as intangible assets with an indefinite useful life as there are no legal, contractual or other factors that limit the benefits associated with the water rights.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items that qualify for reporting in this category. One is deferred charges on refunding reported in the government-wide statement of net position and the proprietary funds statement of net position. Deferred charges on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is deferred pension related items reported in the government-wide statement of net position and the proprietary funds statement of net position. The City reports deferred outflows of resources for pension contributions made after the actuarial measurement date. This amount is deferred and will be expensed in the following fiscal year. Other deferred outflows of resources are reported for the net difference between projected and actual earning on pension plan investments. This amount will be amortized over a five-year period on a straight-line basis.

In addition to liabilities, the balance sheet or statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports two items as deferred inflows of resources. First, unavailable revenues arise only under a modified accrual basis of accounting, and accordingly, is reported only in the governmental funds balance sheet. These amounts reflect resources that have been earned but not received within the period of availability. Therefore, this does not provide an available financial resource in the current period, and the recognition is deferred until these criteria have been met, as unavailable revenues. The other item is deferred pension related items reported in the government-wide statement of net position and the proprietary funds statement of net position. These amounts are the result of differences between expected and actual experience and changes in assumptions. These will be recognized as pension expense over the expected average remaining service lifetime.



**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)**

**Compensated Absences**

It is the City's policy for employees to accumulate earned but unused vacation and sick benefits. Permanent City employees earn from 10 to 20 vacation days a year, depending upon their length of employment, and 12 sick days a year. Employees may carry forward unused sick leave indefinitely. Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary for all unused vacation leave. Any unused sick leave is forfeited upon termination of employment. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Long-Term Obligations**

In the government-wide financial statements, proprietary fund types in the fund financial statements, and in the fiduciary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, proprietary fund type statement of net position, or the statement of fiduciary net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**Claims and Judgments**

The City records a liability for litigation, judgments and claims when it is probable that an asset has been impaired or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the Internal Service Funds that account for the City's self-insurance activities.

**Net Pension Liability**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)**

**Fund Balances**

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable Fund Balance – This amount indicates the portion of funds balances which cannot be spent because they are either not in spendable form such as prepaid items, inventories, land held for resale or loans/notes receivable, or legally or contractually required to be maintained intact, such as the principal portion of an endowment. Only the General Fund may report nonspendable fund balance for long-term interfund receivables and land held for resale.

Restricted Fund Balance – This amount indicates the portion of fund balances which has been restricted a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation. Long-term interfund receivables and land held for resale in governmental funds other than the General Fund are included within restricted fund balance.

Committed Fund Balance – This amount indicates the portion of fund balances which can only be used for specific purposes pursuant to a formal resolution of the City Council.

Assigned Fund Balance – This amount indicates the portion of fund balances which is constrained by the City's intent to be used for specific purpose, but is neither restricted nor committed. The Administrative Services Director is authorized to determine and define the amount of assigned fund balances, which was established by City Council through resolution.

Unassigned Fund Balance – This includes the excess residual amounts in the General Fund and the residual deficit of all other governmental funds which have not been restricted, committed, or assigned to specific purposes.

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to the adoption of a resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the adoption of another resolution. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

**Fund balance flow assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)**

**Net Position**

In the governmental-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments. As of June 30, 2017, \$36,101,252 of net position is restricted by enabling legislation.

Unrestricted Net Position – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position.”

**Net position flow assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**e. Property Tax**

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of Orange collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January the preceding fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

**f. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## CITY OF BREA, CALIFORNIA

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2017

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### g. Effect of New Accounting Standards

During the fiscal year ended June 30, 2017, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

**GASB Statement No. 82** – In March 2016, GASB issued Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of the Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, the Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City implemented this pronouncement effective July 1, 2016.

##### h. Pronouncements Issued But Not Yet Adopted

The GASB has issued pronouncements that have an effective date subsequent to June 30, 2017, which may impact future financial presentations:

**GASB Statement No. 75** – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement is effective for fiscal years beginning after June 15, 2017, or the 2017-2018 fiscal year. The City has not determined the effect of the Statement.

**GASB Statement No. 81** – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of the Statement is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, the Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. The Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The Statement is effective for the reporting periods beginning after December 15, 2016, or the 2017-18 fiscal year. The City has not determined the effect of the Statement.

## CITY OF BREA, CALIFORNIA

### NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2017

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### h. Pronouncements Issued But Not Yet Adopted (Continued)

**GASB Statement No. 83** – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's ARO, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, or the 2018-19 fiscal year. The City has not determined the effect of the Statement.

**GASB Statement No. 84** – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, or the 2019-20 fiscal year. The City has not determined the effect of this Statement.

**GASB Statement No. 85** – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The Statement is effective for the reporting periods beginning after June 15, 2017, or 2017-2018 fiscal year. The City has not determined the effect of the Statement.

**GASB Statement No. 86** – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The Statement is effective for the reporting periods beginning after June 15, 2017, or 2017-2018 fiscal year. The City has not determined the effect of the Statement.

**GASB Statement No. 87** – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the reporting periods beginning after December 15, 2019, or 2020-2021 fiscal year. The City has not determined the effect of the Statement.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**i. Pronouncements Issued But Not Yet Adopted (Continued)**

**GASB Statement No. 88** – In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. It requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The Statement is effective for the reporting periods beginning after June 15, 2018, or 2018-2019 fiscal year. The City has not determined the effect of the Statement.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Deficit Fund Balances or Net Position**

The following individual nonmajor funds have a deficit at June 30, 2017:

Community Development Block Grant Special Revenue Fund	\$ (7,110)
Midbury Capital Projects Fund	(12,162)
Sanitation Enterprise Fund	(2,312,975)
Information Technology External Support Enterprise Fund	(914,951)

For the Community Development Block Grant special revenue fund and the Midbury capital projects fund, the City expects to eliminate these deficits with anticipated future revenues from grants, special assessments and fee for services. For the Sanitation and Information Technology External Support enterprise funds, the deficits are the result of pension reporting of the net pension liability, and will be eliminated through future charges.

At June 30, 2017, the Successor Agency of the Former RDA Private-purpose Trust Fund had a deficit net position amount of \$132,923,573. The deficit balance will be eliminated with future property tax revenue.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 3 – CASH AND INVESTMENTS**

As of June 30, 2017, cash and investments are classified in the accompanying financial statements as follows:

	Statement of Net Position	Statement of Fiduciary Net Position	Total
Cash and investments	\$ 73,574,089	\$ 6,725,578	\$ 80,299,667
Restricted assets:			
Cash and investments	6,947,905	-	6,947,905
Cash and investments with fiscal agents	7,649,104	30,046,446	37,695,550
Total cash and investments	<u>\$ 88,171,098</u>	<u>\$ 36,772,024</u>	<u>\$ 124,943,122</u>

Cash and investments as of June 30, 2017, consist of the following:

Cash on hand	\$ 7,989
Deposits with financial institutions	2,813,928
Investments	77,477,750
Restricted cash and investments	6,947,905
Cash and investments with fiscal agents	37,695,550
Total cash and investments	<u>\$ 124,943,122</u>

The City of Brea maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

**a. Cash Deposits**

The carrying amount of the City's cash deposits was \$2,813,928 at June 30, 2017. Bank balances were \$3,390,980 at that date. The \$577,052 difference represents outstanding checks and other reconciling items. As of June 30, 2017, the City's deposits with financial institutions were covered by FDIC up to \$250,000, and the remaining amounts of \$3,140,980 were collateralized as described below.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure a City's deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

**b. Investments**

Investments Authorized by the California Government Code and the City's Investment Policy

Funds of the City, other than bond proceeds and cash deposits held in restricted accounts, may be invested in any instrument allowable under current legislation of the State of California (Government Code Section 53600 et seq.) so long as the investment is appropriate and consistent with the City's investment policy. The following investments are authorized:

Authorized Investment Type	Maximum Maturity	Maximum Percentage or Amount of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations (Bills, Notes and Bonds)	5 years	No limit	No limit
U.S. Government Sponsored Enterprise Securities*	5 years	No limit	No limit
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Repurchase Agreements	1 year	No limit	No limit
Certificates of Deposit	5 years	30%	No limit
Negotiable Certificates of Deposit	5 years	30%	No limit
Passbook Savings Accounts/Interest Bearing Investment Accounts	n/a	No limit	No limit
Medium Term Corporate Notes	5 years	30%	No limit
Bank Money Market Accounts	5 years	20%	10%
California Local Agency Investment Fund	n/a	\$65,000,000	No limit
County of Orange Investment Fund (County Pool)	n/a	No limit	No limit
Asset Backed Securities	5 years	10%	No limit
Supranationals	5 years	15%	5%

\*maximum of 5% in callable bonds issued by such agencies

Provisions of Government Code Section 53601 are to be adhered to at all times. Additionally, the City will use the guidelines established by the joint committee of the California Municipal Treasurers Association and the California Society of Municipal Finance Officers as the basis for investing in government investment pools.

For purposes of complying with legal investment limitations, the percentage referenced above refers to the maturity value of the portfolio at the time of purchase.

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy.



**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

**b. Investments (Continued)**

Investments in State Investment Pool

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. Each City may invest up to \$65,000,000 without limitation. The fair value of the position in the investment pool is the same as the value of the pool shares. The balance available for withdrawal on demand are based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Restricted Cash & Investments

The City has established a Section 115 Trust to accumulate resources for future contributions to CalPERS. As of June 30, 2017, the City reported \$6,947,905 in restricted cash and investments. As of June 30, 2017, the City had \$6,827,659 of restricted cash and investments reported in the general fund in a Section 115 Trust restricted for future pension contributions and \$120,246 in a construction escrow account reported in the Capital Improvements fund. In January 2016, the City adopted an investment policy for the Section 115, which authorized the following investments:

- Debt obligations of the U.S. Government, its agencies, and Government Sponsored Enterprises
- Mortgage-Backed Securities
- Asset Backed Securities
- Collateralized Mortgage Obligations
- Commercial Mortgage-Backed Securities
- Corporate debt securities issued by U.S. or foreign entities including, but not limited to, limited partnerships, equipment trust certificates and enhanced equipment trust certificates
- Eligible instruments issued pursuant to SEC Rule 144(a)
- Municipal Bonds

The portfolio will maintain a minimum weighted average quality of A- at all times. Individual securities shall have a minimum quality rating of Baa3 by Moody's or BBB- by Standard & Poor's (S&P).

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

**c. Risk Disclosures**

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Minimum legal rating	Not Rated	AAA	AA+	AA-	AA
U.S. Treasury Obligations	N/A	\$ -	\$ -	\$ 15,177,667	\$ -	\$ -
U.S. Government Sponsored Enterprise Securities	N/A	-	-	19,112,309	-	-
Corporate Bonds	A	-	903,443	1,687,801	3,805,236	1,099,828
Money Market Mutual Funds	AAA	-	143,092	-	-	-
Asset Backed Securities	AA	-	5,025,499	-	-	-
Commercial Paper	A-1/A	-	2,173,288	-	-	-
California Local Agency Investment Fund	N/A	13,524,396	-	-	-	-
Supranational	AA	-	3,796,745	-	-	-
Municipal Bonds	N/A	-	-	1,010,127	-	-
Restricted Cash and Investments - Section 115 Trust						
Corporate Bonds	N/A	-	-	366,297	717,437	-
Money Market Mutual Funds	N/A	4,536,524	-	-	-	-
Restricted Cash and Investments with Fiscal Agents						
Money Market Mutual Funds	N/A	-	29,999,988	-	-	-
U.S. Treasury Obligations	N/A	-	-	5,197,713	-	-
U.S. Government Sponsored Enterprise Securities	N/A	-	-	2,497,849	-	-
<b>Total</b>		<u>\$ 18,060,920</u>	<u>\$ 42,042,055</u>	<u>\$ 45,049,763</u>	<u>\$ 4,522,673</u>	<u>\$ 1,099,828</u>

Investment Type	Minimum legal rating	A+	A	BBB+	BBB	Total
U.S. Treasury Obligations	N/A	\$ -	\$ -	\$ -	\$ -	\$ 15,177,667
U.S. Government Sponsored Enterprise Securities	N/A	-	-	-	-	19,112,309
Corporate Bonds	A	3,877,986	6,140,333	-	-	17,514,627
Money Market Mutual Funds	AAA	-	-	-	-	143,092
Asset Backed Securities	AA	-	-	-	-	5,025,499
Commercial Paper	A-1/A	-	-	-	-	2,173,288
California Local Agency Investment Fund	N/A	-	-	-	-	13,524,396
Supranational	AA	-	-	-	-	3,796,745
Municipal Bonds	N/A	-	-	-	-	1,010,127
Restricted Cash and Investments - Section 115 Trust						-
Corporate Bonds	N/A	276,162	723,642	222,158	105,685	2,411,381
Money Market Mutual Funds	N/A	-	-	-	-	4,536,524
Restricted Cash and Investments with Fiscal Agents						-
Money Market Mutual Funds	N/A	-	-	-	-	29,999,988
U.S. Treasury Obligations	N/A	-	-	-	-	5,197,713
U.S. Government Sponsored Enterprise Securities	N/A	-	-	-	-	2,497,849
<b>Total</b>		<u>\$ 4,154,148</u>	<u>\$ 6,863,975</u>	<u>\$ 222,158</u>	<u>\$ 105,685</u>	<u>\$ 122,121,205</u>

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City uses a third party investment manager to manage their investments, and has authority from City Council to execute purchases and sales of investments according to the parameters in their investment policy without the approval of management. Investments are held by another third party custodian designated by the City.

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

**c. Risk Disclosures (Continued)**

Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer. Investments in any one issuer that represents 5% or more of the total City's investments are as follows:

<b>Issuer</b>	<b>Investment Type</b>	<b>Amount</b>
FHLMC	U.S Government Sponsored Enterprise	\$ 7,287,712
FNMA	U.S Government Sponsored Enterprise	10,060,147

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that at least 25% of the City's portfolio will mature in one year or less. The only exception to these maturity limits will be the investment for the bond proceeds for the Reserve Fund.

As of June 30, 2017, the City had the following investments and original maturities:

Investment Type	Investment Maturities (in Years)				Total
	12 months or less	13 to 24 Months	25 to 60 Months	More than 60 Months	
U.S. Treasury Obligations	\$ -	\$ 2,776,490	\$ 12,401,177	\$ -	\$ 15,177,667
U.S. Government Sponsored Enterprise Securities	1,133,759	1,630,337	16,348,213	-	19,112,309
Corporate Bonds	4,895,893	5,082,823	7,535,911	-	17,514,627
Money Market Mutual Funds	143,092	-	-	-	143,092
Asset Backed Securities	122,543	2,245,037	2,657,919	-	5,025,499
Commercial Paper	2,173,288	-	-	-	2,173,288
California Local Agency Investment Fund	13,524,396	-	-	-	13,524,396
Supranational	-	1,451,861	2,344,884	-	3,796,745
Municipal Bonds	-	1,010,127	-	-	1,010,127
Restricted Cash and Investments - Section 115 Trust					
Corporate Bonds	-	426,778	1,021,622	962,981	2,411,381
Money Market Mutual Funds	4,536,524	-	-	-	4,536,524
Restricted Cash and Investments with Fiscal Agents					
Money Market Mutual Funds	29,999,988	-	-	-	29,999,988
U.S. Treasury Obligations	-	599,202	4,598,511	-	5,197,713
U.S. Government Sponsored Enterprise Securities	-	262,025	2,235,824	-	2,497,849
	<u>\$ 56,529,483</u>	<u>\$ 15,484,680</u>	<u>\$ 49,144,061</u>	<u>\$ 962,981</u>	<u>\$ 122,121,205</u>

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

Fair Value Measurement and Application

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2017:

Investment Type	Totals	Investments not Measured at Fair Value	Level		
			1	2	3
U.S. Treasury Obligations	\$ 15,177,667	\$ -	\$ -	\$ 15,177,667	\$ -
U.S. Government Sponsored Enterprise					
Securities	19,112,309	-	-	19,112,309	-
Corporate Bonds	17,514,627	-	-	17,514,627	-
Money Market Mutual Funds	143,092	143,092	-	-	-
Asset Backed Securities	5,025,499	-	-	5,025,499	-
Commercial Paper	2,173,288	-	-	2,173,288	-
California Local Agency Investment Fund	13,524,396	13,524,396	-	-	-
Supranational	3,796,745	-	-	3,796,745	-
Municipal Bonds	1,010,127	-	-	1,010,127	-
Restricted Cash and Investments - Section 115 Trust					
Corporate Bonds	2,411,381	-	-	2,411,381	-
Money Market Mutual Funds	4,536,524	4,536,644	-	-	-
Restricted Cash and Investments with Fiscal Agents					
Money Market Mutual Funds	29,999,988	29,999,988	-	-	-
U.S. Treasury Obligations	5,197,713	-	-	5,197,713	-
U.S. Government Sponsored Enterprise Securities	2,497,849	-	-	2,497,849	-
	<u>\$ 122,121,205</u>	<u>\$ 48,204,120</u>	<u>\$ -</u>	<u>\$ 73,917,205</u>	<u>\$ -</u>

Deposits and withdrawals related to the investments in LAIF and money market funds are made on the basis of \$1 and not fair value. Accordingly, under the fair value hierarchy these investments are uncategorized.

**NOTE 4 – CALIFORNIA DOMESTIC WATER COMPANY (CDWC)**

The City purchases 87% of its water for the Water Enterprise fund operations through the California Domestic Water Company (CDWC). CDWC is a private mutual water company, organized as a not-for-profit under Section Code 501(c)(12), which provides water primarily to wholesale customers in east Whittier, La Habra and Brea. CDWC has a wholly owned subsidiary, Cadway Inc. (Cadway), which owns and leases certain water rights to CDWC. Both CDWC and Cadway participate in the Pellissier Co-Tenancy. Cadway is treated as a C Corporation for federal and state tax purposes.

Separately prepared consolidated financial statements of CDWC include both CDWC and Cadway, Inc., and may be obtained from the City.

The City holds 1,502.72 of water rights in the Main San Gabriel Basin which are capitalized at cost, and reported as “water rights” within capital assets. Each year, these water rights are temporarily leased to CDWC in order for CDWC to deliver water to the City based on its ownership. For the year ended June 30, 2017, based on the limits set by the Main San Gabriel Basin Water Master, the City was able to purchase .758977 acre feet of water per acre foot of water rights owned, or 1,140.53 acre feet at a cost of \$197,685.

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 4 – CALIFORNIA DOMESTIC WATER COMPANY (CDWC) (CONTINUED)**

The City also holds 687.85 shares of preferred stock which are reported at cost as “water rights” within capital assets. During December 2011, Brea was issued 664.14 shares of preferred stock for \$8,141,812 to secure Brea’s claim to the 664.14 acre feet of water rights from CDWC. During May 2013, Brea was issued another 23.75 shares of preferred stock for \$302,592 to secure Brea’s claim to another 23.75 acre feet of water rights from CDWC. This resulted in a total of 687.89 shares of preferred stock for a total of \$8,444,404 used to secure an equal amount of water delivered pursuant to water rights. There is an immaterial difference of 0.04 shares between the City’s records and CDWC records.

As a preferred stock shareholder in CDWC, the City is entitled to a certain number of acre feet of water based on the number of preferred stock shares owned. This water is purchased at the same cost as water purchased using water rights owned by the City. For the current fiscal year, the City was entitled to purchase .758977 acre feet of water per acre foot of water rights owned, or 522.06 acre feet at the common stock entitlement rate for a total cost of \$90,490.

As of June 30, 2017, the City holds 2,106.5 shares of Common Stock in the CDWC. The City values its common stock holdings using the equity method of investment as the City holds approximately 26.31% of the total shares outstanding. The City reported \$138,132 as the change in equity for the year ended June 30, 2017. As a common stock shareholder in CDWC, the City is entitled to purchase a certain amount of water based on the number of common stock shares owned. For the year ended June 30, 2017, the City was entitled to purchase 1.55 acre feet of water per common stock share owned or 3,265.08 acre feet of at the common stock entitlement rate, for a total cost of \$1,254,690.

As described in Note 13, the City restated opening balances for the equity investment to reflect the consolidated entity, including Cadway, Inc., a wholly-owned subsidiary of CDWC.

As of the date of the report, management has asserted they are revising and memorializing certain provisions related to the water rights acquired through preferred stock within an Agreement, in order to clearly and accurately reflect the rights and privileges of these transactions. The Agreement was initially presented to City Council on May 15, 2018, but the item was postponed to a future meeting. The effect of changes, if any, as a result this Agreement, will be reflected in future reporting periods, when known.

During the year ended June 30, 2017, the City paid \$3,759,475 to California Domestic Water Company for purchases of water during the year.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 5 – NOTES, LOANS, AND DEFERRED LOANS RECEIVABLE**

Notes and loans receivable consist of rehabilitation loans made from Community Development Block Grant (“CDBG”) and HOME grant funds to low income individuals that need assistance in rehabilitating their homes or mobile homes to meet current code standards. Amounts are due from the proceeds only upon the sale or transfer of the property. Loans made to mobile home owners are forgiven if the owner lives in the property 5 years or more. Repayments received by the City from homeowners are remitted to the County. Thus, the City has offset the notes and loans receivable balance with a liability due to other governments on the accompanying balance sheet. Notes and loans receivable from each of these funds are comprised of the following at June 30, 2017:

CDBG	\$ 1,598,500
HOME Grant Funds	35,241
Total notes and loans receivable	<u>\$ 1,633,741</u>

The City (through the former redevelopment agency) has made long term loans to various developers and organizations to stimulate low and moderate income housing projects and to low and moderate income individuals to rehabilitate their homes to meet current code standards or to assist them in purchasing a home. Some assistance given gave the City rights to receive “silent seconds” on property when sold to a low and moderate income individual. These “silent seconds” gave the City the right to a portion of the proceeds from the sale of the property. Collection terms of these loans vary and range from 5 years to 55 years. The majority of loans made to developers will be repaid from residual receipts and from monies earned on the property once they are built. Home buyer assistance loans begin repayment after 5 years and will be repaid over a 30-year period. For the remainder of loans and notes receivable, the Agency has classified fund balance as “restricted” indicating that these resources are not current available resources.

The outstanding balance of these notes and loans are reported in the Housing Successor Fund and are comprised of the following at June 30, 2017:

Home Buyer Assistance Loans	\$ 5,098,627
Rehabilitation Loans	162,929
Developer / Organization Loans:	
Acacia Apartments	1,473,345
Birch Hills Affordable Apartments	4,750,000
Bonterra Apartments	1,160,827
Imperial Apartments	2,853,000
La Habra Housing	637,000
South Walnut Bungalows	826,000
Total notes, loans and deferred loans receivable	<u>\$ 16,961,728</u>

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2017, is as follows:

**Due To/From Other Funds**

	<b>Due From Other Funds</b>
<b>Due to Other Funds</b>	<b>General Fund</b>
Non-major Enterprise Funds	\$ 439,894

The balances due between funds at June 30, 2017 were a result of routine transactions not cleared prior to the end of the fiscal year.

**Advances To/From Other Funds**

	<b>Advances from Other Funds</b>			
	<b>Capital Improvements Fund</b>	<b>Non-major Governmental Funds</b>	<b>Water Utility Fund</b>	<b>Total</b>
General Fund	\$ -	\$ 18,203	\$ 355,500	\$ 373,703
Non-major Governmental Funds	443,788	-	-	443,788
Internal Service Funds	-	-	866,119	866,119
Total	\$ 443,788	\$ 18,203	\$ 1,221,619	\$ 1,683,610

- a. The General Fund and the Internal Service Funds advanced \$1,221,619 to the Water Utility Fund in order to purchase water rights in 2012. Amounts will be repaid through January 2019, with interest accrued at 0.38%.
- b. The General Fund advanced Non-major Governmental Funds \$18,203 to fund street improvements. Amount will be repaid through June 30, 2020 with interest accrued at 0.36%.
- c. Non-major Governmental Funds advanced the Capital Improvements Fund \$443,788 to fund the SuperBlock I Parking Structure. These amounts will be repaid from future receipts of the Successor Agency 2011 bonds during FY 2018-2019.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)**

**Transfers In/Out from Other Funds**

<b>Transfers Out</b>	<b>Transfers In</b>			<b>Total</b>
	<b>General Fund</b>	<b>Capital Improvements Fund</b>	<b>Internal Service Funds</b>	
Governmental Activities:				
General Fund		\$ 5,887,391	\$ -	\$ 5,887,391
Non-major Governmental Funds	1,181,048	1,426,868	38,562	2,646,478
Internal Service Funds	511,800	192	-	511,992
Business-type Activities:				
Water Utility	-	447,655	50,320	497,975
Sewer Utility	-	104,900	-	104,900
Non-major Enterprise Funds	515,000	7,540	-	522,540
Total	<u>\$ 2,207,848</u>	<u>\$ 7,874,546</u>	<u>\$ 88,882</u>	<u>\$ 10,171,276</u>

- a. The General Fund transferred \$5,887,391 to the Capital Improvements Fund for various capital improvement program projects.
- b. Non-major Governmental Funds transferred \$1,181,048 to the General Fund for street maintenance purposes, funded through restricted revenue sources (Gas Tax, etc.).
- c. Non-major Governmental Funds transferred \$1,426,868 to the Capital Improvements Fund for various capital improvement program projects.
- d. Non-major Governmental Funds transferred \$38,562 to the Internal Services Funds for the purchase of two alternative fuel vehicles (from the Air Quality Improvement fund).
- e. The Internal Service Funds transferred \$511,800 to the General Fund for general purposes.
- f. The Water Utility Fund transferred \$447,655 to reimburse the Capital Improvements Fund for capital improvement program project costs that are not subject to being capitalized.
- g. The Water Utility Fund transferred \$50,320 to reimburse the Internal Services Funds for purchase of a vehicle.
- h. The Sewer Utility Fund transferred \$104,900 to reimburse the Capital Improvements Fund for capital improvement program project costs that are not subject to being capitalized.
- i. Non-major Enterprise Funds transferred \$515,000 to the General Fund, which the majority of this transfer was from the Sanitation Fund, for franchise fees collected from the City's contract refuse hauling company.
- j. Non-major Enterprise Funds transferred \$7,540 to the Capital Improvements Fund for capital improvement project costs that are not subject to being capitalized.



**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 – CAPITAL ASSETS**

Summary of changes in capital assets for the governmental activities for the year ended June 30, 2017, is as follows:

	Beginning Balance	Transfers	Additions	Disposals	Ending Balance
Governmental activities:					
Capital assets, not depreciated:					
Land	\$ 44,742,843	\$ -	\$ 2,408,747	\$ -	\$ 47,151,590
Construction in progress	6,008,328	(318,761)	6,754,930	-	12,444,497
Total Capital Assets, Not Depreciated	50,751,171	(318,761)	9,163,677	-	59,596,087
Capital assets, being depreciated:					
Structures and improvements	88,754,110	-	257,904	-	89,012,014
Equipment	20,834,822	-	1,276,439	(515,159)	21,596,102
Infrastructure	131,347,859	318,761	1,676,035	-	133,342,655
Total Capital Assets Being Depreciated	240,936,791	318,761	3,210,378	(515,159)	243,950,771
Less accumulated depreciation for:					
Structures and improvements	(46,997,192)	-	(1,704,531)	-	(48,701,723)
Equipment	(12,108,605)	-	(1,343,355)	434,560	(13,017,400)
Infrastructure	(59,495,987)	-	(4,761,404)	-	(64,257,391)
Total Accumulated Depreciation	(118,601,784)	-	(7,809,290)	434,560	(125,976,514)
Total Capital Assets Being Depreciated, Net	122,335,007	318,761	(4,598,912)	(80,599)	117,974,257
Governmental Activities Capital Assets, Net	\$ 173,086,178	\$ -	\$ 4,564,765	\$ (80,599)	\$ 177,570,344

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 – CAPITAL ASSETS (CONTINUED)**

	Beginning Balance, as restated	Transfers	Additions	Disposals	Ending Balance
Business-Type Activities:					
Capital assets, not depreciated:					
Land	\$ 2,074,536	\$ -	\$ -	\$ -	\$ 2,074,536
Water rights - fee title	23,931,020	-	-	-	23,931,020
Water rights - preferred stock	8,444,404	-	-	-	8,444,404
Construction in progress	141,295	(2,298,244)	2,156,949	-	-
Total Capital Assets, not depreciated	<u>34,591,255</u>	<u>(2,298,244)</u>	<u>2,156,949</u>	<u>-</u>	<u>34,449,960</u>
Capital assets, being depreciated:					
Equipment	344,551	-	7,002	(10,024)	341,529
Infrastructure	109,831,348	2,298,244	-	-	112,129,592
Total Capital Assets Being Depreciated	<u>110,175,899</u>	<u>2,298,244</u>	<u>7,002</u>	<u>(10,024)</u>	<u>112,471,121</u>
Less accumulated depreciation for:					
Equipment	(246,815)	-	(27,798)	10,024	(264,589)
Infrastructure	<u>(50,820,984)</u>	<u>-</u>	<u>(2,567,426)</u>	<u>-</u>	<u>(53,388,410)</u>
Total Accumulated Depreciation	<u>(51,067,799)</u>	<u>-</u>	<u>(2,595,224)</u>	<u>10,024</u>	<u>(53,652,999)</u>
Total Capital Assets Being Depreciated, Net	<u>59,108,100</u>	<u>2,298,244</u>	<u>(2,588,222)</u>	<u>-</u>	<u>58,818,122</u>
Business-Type Activities Capital Assets, Net	<u>\$ 93,699,355</u>	<u>\$ -</u>	<u>\$ (431,273)</u>	<u>\$ -</u>	<u>\$ 93,268,082</u>

The City has a total \$32,375,424 in water rights. As described in Note 4, \$8,444,404 of the water rights are held as preferred stock in California Domestic Water Company. The remaining \$23,931,020 of water rights are held in the name of the City. Combined, the rights held by the City allow the City to purchase 1,662.59 acre feet of water annually at a set rate of \$173.33 per acre foot. Refer to Note 4 for further details of transactions with California Domestic Water Company.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 – CAPITAL ASSETS (CONTINUED)**

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

Governmental Activities:

City:

General government	\$ 1,113,972
Public safety	422,538
Community development	6,643
Community services	375,305
Public works	<u>5,099,005</u>
Total City	<u>7,017,463</u>

Internal service:

Vehicle maintenance	\$ 672,357
Building occupancy	<u>119,470</u>
Total internal service	<u>791,827</u>
Total Governmental Activities	<u><u>\$ 7,809,290</u></u>

Business-Type Activities:

Water utility	\$ 2,163,100
Sewer utility	431,188
Urban runoff	<u>938</u>
Total Business-Type Activities	<u><u>\$ 2,595,226</u></u>

**NOTE 8 – LONG-TERM LIABILITIES**

**a. Governmental Activities Long-Term Liabilities**

A summary of changes in governmental activities long-term debt for the year ended June 30, 2017, is noted below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease Revenue Bonds:					
2010 lease revenue bonds	\$ 2,760,000	\$ -	\$ -	\$ 2,760,000	\$ -
Capital leases	4,833,071	-	(571,195)	4,261,876	603,704
Compensated absences	2,525,071	3,001,998	(2,910,650)	2,616,419	1,962,314
Claims and judgments (note 11)	<u>4,220,920</u>	<u>1,910,407</u>	<u>(1,634,136)</u>	<u>4,497,191</u>	<u>1,753,904</u>
	<u><u>\$ 14,339,062</u></u>	<u><u>\$ 4,912,405</u></u>	<u><u>\$ (5,115,981)</u></u>	<u><u>\$ 14,135,486</u></u>	<u><u>\$ 4,319,922</u></u>

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

**a. Governmental Activities Long-Term Liabilities (Continued)**

**Lease Revenue Bonds**

2010 Lease Revenue Bonds

The \$2,835,000 principal amount of the 2010 Lease Revenue Bonds was issued by the Brea Public Financing Authority (Authority) in April 2010. The proceeds were used to finance a portion of the costs of the installation of photovoltaic energy systems and energy efficient improvements on City property. The Authority elected to treat the bonds as “Build America Bonds” under Section 54AA(g)(2) of the Tax Code which made the Authority eligible for cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the bonds. These are referred to as “refundable credits” in the bond indenture and are pledged for the payment of the bonds.

Bonds maturing on April 1, 2030, in the amount of \$1,260,000 are term bonds and bear interest at 6.734%. Installments are \$380,000, \$420,000 and \$460,000 and are due in 2028, 2029 and 2030. Bonds maturing on April 1, 2036, in the amount of \$1,500,000, are term bonds and bear interest at 6.884%. Installments range from \$165,000 to \$510,000 every year from 2031 to 2036.

Bonds are payable from the lease payments to be made by the City of Brea for the leasing of certain real property pursuant to the lease agreement dated April 1, 2010. The required reserve for the 2010 lease revenue bonds is \$261,807. As of June 30, 2017, the reserve amount was \$265,707.

The outstanding balance at June 30, 2017, was \$2,760,000.

The debt service schedule of the 2010 Lease Revenue Bonds are as follows:

Year Ending June 30:	Principal	Interest	Total
2018	\$ -	\$ 188,108	\$ 188,108
2019	-	188,108	188,108
2020	-	188,108	188,108
2021	-	188,108	188,108
2022	-	188,108	188,108
2023-2027	-	940,540	940,540
2028-2032	1,935,000	656,276	2,591,276
2033-2036	825,000	148,351	973,351
Total	\$ 2,760,000	\$ 2,685,707	\$ 5,445,707

**Capital Leases**

In February 2006, the City entered into a lease agreement with LaSalle National Leasing Corporation to acquire new energy management equipment. Per the lease agreement, the semi-annual payments of \$87,091 are due in February and August of each year with the final payment due in February 2018. The outstanding balance at June 30, 2017, was \$168,314.

In April 2010, the City entered into equipment lease purchase agreement with Banc of America Leasing & Capital, LLC to finance the Brea Civic and Cultural Center Project, and the Brea Community Center Project. Per the lease agreement, remaining semi-annual payments ranging from \$11,467 to \$85,272 are due in April and October of each year with the final payment due in April 2027. The outstanding balance at June 30, 2017, was \$2,640,000.

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

**a. Governmental Activities Long-Term Liabilities (Continued)**

In August 2015, the City entered into an equipment lease purchase agreement with Banc of America Public Capital Corp in the amount of \$1,952,104 for the acquisition of public safety radio communication equipment in connection with the upgrade of the Orange County 800 Megahertz Countywide Coordinated Communication System. Per the lease agreement, remaining semiannual payments ranging from \$140,195 to \$150,611 are due in June and December of each year with the final payment due in June 2022. The outstanding balance at June 30, 2017, was \$1,453,562.

The assets acquired through capital lease is as follows:

Equipment	\$ 8,932,096
Less: Accumulated Depreciation	(2,381,435)
Total	<u>\$ 6,550,661</u>

Combined future capital lease payments are as follows:

Year Ending June 30:	
2018	\$ 805,013
2019	645,818
2020	654,191
2021	666,271
2022	676,736
2023-2027	<u>1,960,107</u>
Total minimum lease payments	5,408,135
Less: amount representing interest	(1,146,259)
Present value of minimum lease payment	<u>\$ 4,261,876</u>

**Compensated Absences**

The City's policies relating to compensated absences are described in Note 1. The Governmental Activities' liability, at June 30, 2017, will be paid in future years from the General Fund, Vehicle Maintenance Fund, and Building Occupancy Fund in amounts of \$2,523,700, \$36,568 and \$56,151 respectively. Total compensated absences at June 30, 2017, were \$2,616,419.

# CITY OF BREA, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2017

### NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)

#### b. Business-Type Activities Long-Term Liabilities

A summary of changes in business-type activities long-term debt for the year ended June 30, 2017 is noted below:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Water Revenue Bonds:					
2009 Water Revenue Bonds	\$ 22,850,000	\$ -	\$ (570,000)	\$ 22,280,000	\$ 590,000
2010 Water Revenue Bonds	10,425,000	-	(540,000)	9,885,000	125,000
2014 Water Revenue Bonds	18,300,000	-	(315,000)	17,985,000	325,000
Compensated absences	218,289	248,650	(201,878)	265,061	198,796
Totals	<u>\$ 51,793,289</u>	<u>\$ 248,650</u>	<u>\$ (1,626,878)</u>	<u>\$ 50,415,061</u>	<u>\$ 1,238,796</u>
			Unamortized bond discount	(281,080)	
			Unamortized bond premium	1,962,683	
				<u>\$ 52,096,664</u>	

#### Water Revenue Bonds

##### 2009 Water Revenue Bonds

In May 2009, the Brea Public Financing Authority issued \$25,800,000 of 2009 Water Revenue Bonds structured into two series. The \$12,855,000 2009 Water Revenue Refunding Bond Series A and the \$12,945,000 2009 Water Revenue Bonds, Series B. The proceeds from Series A bonds was used to current refund all of the remaining outstanding 1998 Water Revenue Bonds and proceeds from the Series B Bonds financed the acquisition of additional water rights and various capital projects relating to the Water System. Proceeds were also used to fund a debt service reserve fund and pay cost of issuance expenses.

Series A bonds consist of \$12,855,000 serial bonds and term bonds. Bonds maturing in the years 2010 through 2027 are serial bonds payable in remaining annual installments of \$590,000 to \$930,000 and bear interest at 2.0% to 4.75%. Bonds maturing July 1, 2029, in the amount of \$1,375,000 are term bonds and bear interest at 4.75%. Series B bonds consist of \$12,945,000 term bonds. Bonds mature from 2029 through 2039 in annual installments of \$525,000 to \$1,495,000 and bear interest at 6.75%.

The required reserve for the 2009 Water Revenue Bonds is \$1,560,937. As of June 30, 2017, the reserve was \$1,904,469 being held in the Water Fund of the City of Brea. The outstanding balance at June 30, 2017, was \$22,280,000.

##### 2010 Water Revenue Bonds

In April 2010, the Brea Public Financing Authority issued \$12,295,000 of water revenue bonds into two series. Both Series A and B were issued to finance a portion of the costs of the installation of photovoltaic energy systems and energy efficient improvements at the City. Proceeds were also used to fund a debt service reserve fund and pay issuance costs and capitalized interest on the bonds through the end of the construction phase.

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

**b. Business-Type Activities Long-Term Liabilities (Continued)**

2010 Water Revenue Bonds (Continued)

Series A bonds consisted of \$2,410,000 of tax exempt serial bond maturing on July 1 of each year beginning in 2012 through 2016, and has been paid in full. Series B bonds consisted of \$9,885,000 of federally taxable “Build America Bonds”, \$2,195,000 of these bonds are serial bonds maturity on July 1 of each year beginning in 2017 through 2025. Annual principal installments range from \$125,000 to \$935,000. Interest payments are due July 1 and January 1 of each year and range from 4.37% to 5.99%. The remaining \$7,690,000 are term bonds due maturing on July 1, 2030 and July 1, 2036 in the amounts of \$2,685,000 and \$5,005,000. The Series B bonds are also subject to mandatory sinking fund requirements. These “Build America Bonds” under Section 54AA(g)(1) of the Tax Code make the Authority eligible for cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the bonds. These are referred to as “refundable credits” in the bond indenture and are pledged for the payment of the bonds.

The required reserve for the 2010 Water Revenue Bonds, Series B is \$758,076. As of June 30, 2017, the reserve amount was \$1,347,765. The outstanding balance at June 30, 2017 was \$9,885,000.

2014 Water Revenue Bonds

In August 2014, the Brea Community Benefit Financing Authority issued \$18,555,000 of 2014 Water Revenue Bonds. The proceeds will be used to repay interfund loans made by the City of Brea to its Water Utility Fund from other available funds for the purchase of water rights completed in May 2014 for the benefit of the City’s water system. Proceeds were also used to pay cost of issuance expenses.

The bonds consisted of \$9,440,000 serial bonds maturing in the years 2015 to 2034, payable July 1 in annual installments of \$255,000 to \$700,000 and bear interest at 3.50% to 5.00%. Bonds maturing July 1, 2039, in the amount of \$4,005,000 are term bonds and bear interest at 5.00%. Bonds maturing July 1, 2044, in the amount of \$5,110,000 are term bonds and bear interest at 5.00%. The outstanding balance at June 30, 2017, was \$17,985,000.

Water Revenue Bonds Debt Coverage Requirement

The City has covenanted that gross revenues (including interest revenue and excluding connection fees) less operation and maintenance costs as defined in the bond document shall be at least 1.25 times the sum of all debt service on all parity obligations. Gross revenues for the year ended June 30, 2017, were \$19,194,816. Operation and maintenance costs for the year ended June 30, 2017, were \$9,865,661, excluding depreciation. This resulted in a debt coverage ratio of 2.47 for the year ended June 30, 2017.

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

**b. Business-Type Activities Long-Term Liabilities (Continued)**

**Pledged Revenues**

Future net revenues of the Water Utility Fund for each year's debt service payment are pledged until the extinguishment of the debt in 2044 and are not available for other uses. Remaining principal and interest payments on this debt as of June 30, 2017 was \$91,965,853.

The debt service schedules of these Water Revenue Bonds are as follows:

Year Ending June 30:	Principal	Interest	Total
2018	\$ 1,040,000	\$ 2,741,609	\$ 3,781,609
2019	1,100,000	2,698,827	3,798,827
2020	1,165,000	2,652,304	3,817,304
2021	1,235,000	2,600,695	3,835,695
2022	1,310,000	2,543,596	3,853,596
2023-2027	7,850,000	11,696,980	19,546,980
2028-2032	10,670,000	9,248,957	19,918,957
2033-2037	13,845,000	5,565,653	19,410,653
2038-2042	8,720,000	1,820,857	10,540,857
2043-2045	3,215,000	246,375	3,461,375
Total	<u>\$ 50,150,000</u>	<u>\$ 41,815,853</u>	<u>\$ 91,965,853</u>

**Compensated Absences**

The City's policies relating to compensated absences are described in Note 1. This liability at June 30, 2017, will be paid in future years by the enterprise funds. Total compensated absences at June 30, 2017, were \$265,061.

**c. Debt Without Government Commitment**

**Assessment District Bonds**

The special assessment bonds are secured by valid assessment liens upon certain lands within the special assessment district and are not direct liabilities of the City and, accordingly, are not included in the accompanying general purpose financial statements. The City has no obligation beyond the balances in the designated agency funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of any available funds of the City. Neither the full faith and credit nor taxing power of the City is pledged to the payment of the bonds. The City acts solely as an agent for those paying assessments and for the bondholders.



## **CITY OF BREA, CALIFORNIA**

### **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2017**

#### **NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

##### **c. Debt Without Government Commitment (Continued)**

In June 2005, the Brea Public Financing Authority issued \$15,405,000 Brea Public Financing Authority 2005 Series A Local Agency Revenue Bonds for and on behalf of the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) and the Brea Olinda Unified School District (BOUSD) Community Facilities District No. 95-1 (Olinda Heights). \$6,665,000 of the City of Brea Community Facilities District Bonds were for a current refunding of the Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 1998 Special Tax Bonds. The bonds were issued pursuant to the Mello-Roos Community Facilities Act of 1982, and are payable from the proceeds of annual special tax to be levied on property. The bonds mature from 2006 to 2028, with remaining annual installments ranging from \$275,000 to \$430,000 per year. The interest rates on the bonds range from 3.750% to 4.375%. The outstanding balance at June 30, 2017, was \$4,150,000. The remaining \$6,310,000 of bonds outstanding relate to the BOUSD Community Facilities District No. 95-1 (Olinda Heights), and are not part of the City. Refer to the separately prepared financial statements of the BOUSD for further information.

In December 2009, the City of Brea on behalf of the City of Brea Community Facilities District No. 2008-2 issued \$8,145,000 in bonds known as the Brea Plaza Area Public Improvements 2009 Special Tax Bonds to finance acquisition and construction of certain public capital improvements in Brea Plaza. Proceeds were used to pay administrative expenses of the Community Facilities District, bond issuance costs, and capitalized interest on the bonds through the end of the construction. These bonds are not obligations of the City and will be paid solely from special tax revenues levied on certain property within the Community Facilities District. The bonds mature from 2012 to 2039, with remaining annual installments including sinking fund requirements ranging from \$90,000 to \$765,000 per year. The remaining interest rates on the bonds range from 5.75% to 7.375%. The outstanding balance at June 30, 2017, was \$7,830,000.

In February 2014, the City issued on behalf of the Community Facilities District No. 1996-1 (Downtown Brea Public Improvements) \$1,630,000 aggregate principal of 2014 Special Tax Refunding Bonds to currently refund in full the Community Facilities District No. 1996-1 (Downtown Brea Public Improvements) 1997 Special Tax Bonds. The bonds were issued pursuant to the Mello-Roos Community Facilities Act of 1982 and are payable from the proceeds of an annual special tax levied on property within the District. The bonds mature from 2014 to 2021, with remaining annual installments ranging from \$205,000 to \$225,000 per year. The annual interest rate on the bonds is 2.580%. The outstanding balance at June 30, 2017, was \$1,075,000.

#### **NOTE 9 – DEFINED BENEFIT PENSION PLAN**

##### **a. Plan Description**

The City of Brea contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS' annual financial report may be obtained from its executive office: 400 P Street, Sacramento, California 95814.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**b. Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

	Miscellaneous Plan		
	Tier 1*	Tier 2	PEPRA (Tier 3)
Hire date	Prior to September 17, 1999	September 17, 1999 to December 31, 2012 and Non-PEPRA hired on or after January 1, 2013	January 1, 2013 and after
Benefit formula	2.0% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 years	minimum 50 years	minimum 52 years
Monthly benefits, as a % of eligible compensation	1.426% - 2.418% 50 yrs - 63 years, respectively	1.426% - 2.418% 50 yrs - 63 years, respectively	1.000% - 2.500% 52 yrs - 67+ yrs, respectively
Required employee contribution rates	7.000%	7.000%	5.750%
Required employer contribution rates	17.052%	17.052%	5.711%

\* Closed to new entrants

	Safety Plan			
	Tier 1*	Tier 2*	Tier 3	PEPRA (Tier 4)
Hire date	Prior to June 30, 1984	On June 30, 1984 and prior to September 17, 2011	September 17, 2011 to December 31, 2012 and Non-PEPRA hired on or after January 1, 2013	January 1, 2013 and after
Benefit formula	3.0% @ 50	3.0% @ 50	2.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 years	minimum 50 years	minimum 50 years	minimum 50 years
Monthly benefits, as a % of eligible compensation	3.000% 50 yrs	3.000% 50 yrs	2.000% - 2.700% 50 yrs - 55 yrs, respectively	2.000% - 2.700% 50 yrs - 57+ yrs, respectively
Required employee contribution rates	9.000%	9.000%	9.000%	10.250%
Required employer contribution rates	46.798%	46.798%	46.798%	10.453%

\* Closed to new entrants

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**c. Employees Covered**

At June 30, 2015, the following employees were covered by the benefit terms of the Plans:

Description	Number of members	
	Miscellaneous Plan	Safety Plan
Inactive employees or beneficiaries currently receiving benefits	261	203
Inactive employees entitled to but not yet receiving benefits	266	72
Active employees	196	100
Total	723	375

**d. Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The employer contributions during the year ended June 30, 2017 were \$2,279,397 and \$5,863,082 for the Miscellaneous Plan and the Safety Plan, respectively.

**e. Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The total pension liability in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Salary increases	3.3% to 14.2% by Entry, Age and Service	3.3 to 14.2 percent by Entry, Age and Service
Investment Rate of Return	7.65%	7.65%
Mortality Table**	Derived using CalPERS' Membership Data for all Funds	Derived using CalPERS' Membership Data for all Funds

\*\*The mortality table used was developed based on 2014 CalPERS's Experience Study. The table includes 20 years of mortality improvements using Society of Actuaries Scale AA.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**e. Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected 7.65 percent rate of return on pension plan investments, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for each Plan.

These geometric rates of return net of administrative expenses are summarized in the following table:

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10 (1)</b>	<b>Real Return Years 11+ (2)</b>
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00	0.99	2.43
Inflation Sensitive	6.00	0.45	3.36
Private Equity	10.00	6.83	6.95
Real Estate	10.00	4.50	5.13
Infrastructure and Forestland	2.00	4.50	5.09
Liquidity	2.00	-0.55	-1.05

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

**f. Discount Rate**

The discount rate used to measure the total pension liability was 7.65 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained at CalPERS' website.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**g. Changes in the Net Pension Liability**

The changes in Net Pension Liability for each Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Miscellaneous Plan</b>			
<b>Balance at June 30, 2015</b>	<u>\$ 120,807,599</u>	<u>\$ 94,276,177</u>	<u>\$ 26,531,422</u>
<b>Changes in the year:</b>			
Service Cost	2,046,427	-	2,046,427
Interest on the total pension liability	9,044,787	-	9,044,787
Differences between actual and expected experience	(950,961)	-	(950,961)
Contribution - employer	-	2,403,298	(2,403,298)
Contribution - employee	-	1,071,389	(1,071,389)
Net Investment Income	-	510,663	(510,663)
Benefit payments, including refunds of employee contributions	(5,294,666)	(5,294,666)	-
Administrative expense	-	(57,456)	57,456
<b>Net changes</b>	<u>4,845,587</u>	<u>(1,366,772)</u>	<u>6,212,359</u>
<b>Balance at June 30, 2016</b>	<u><u>\$ 125,653,186</u></u>	<u><u>\$ 92,909,405</u></u>	<u><u>\$ 32,743,781</u></u>
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Safety Plan</b>			
<b>Balance at June 30, 2015</b>	<u>\$ 224,431,525</u>	<u>\$ 156,303,305</u>	<u>\$ 68,128,220</u>
<b>Changes in the year:</b>			
Service Cost	2,745,588	-	2,745,588
Interest on the total pension liability	16,654,242	-	16,654,242
Differences between expected and actual experience	(2,403,349)	-	(2,403,349)
Contribution - employer	-	4,627,179	(4,627,179)
Contribution - employee	-	973,955	(973,955)
Net Investment Income	-	746,473	(746,473)
Benefit payments, including refunds of employee contributions	(11,396,941)	(11,396,941)	-
Administrative expenses	-	(95,259)	95,259
<b>Net changes</b>	<u>5,599,540</u>	<u>(5,144,593)</u>	<u>10,744,133</u>
<b>Balance at June 30, 2016</b>	<u><u>\$ 230,031,065</u></u>	<u><u>\$ 151,158,712</u></u>	<u><u>\$ 78,872,353</u></u>

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**h. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of each Plan, calculated using the discount rate of 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.65%) or 1% point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Miscellaneous Plan's net pension liability	\$ 49,365,967	\$ 32,743,781	\$ 18,968,370
Safety Plan's net pension liability	109,266,132	78,872,353	53,802,837
Total Net Pension Liability	<u>\$ 158,632,099</u>	<u>\$ 111,616,134</u>	<u>\$ 72,771,207</u>

**i. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

**j. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2017, the City recognized pension expense of \$1,851,059 for the Miscellaneous Plan and \$4,814,533 for the Safety Plan. As of June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Miscellaneous Plan</b>		
Contributions made after the measurement date	\$ 2,279,397	\$ -
Difference between expected and actual experience	-	(1,061,341)
Change in assumptions		(555,491)
Net difference between projected and actual earnings on pension plan investments	5,055,819	-
<b>Miscellaneous Plan Total</b>	<u>7,335,216</u>	<u>(1,616,832)</u>
<b>Safety Plan</b>		
Contributions made after the measurement date	5,863,082	-
Difference between expected and actual experience	-	(2,204,277)
Change in assumptions	-	(1,141,175)
Net difference between projected and actual earnings on pension plan investments	8,308,977	-
<b>Safety Plan Total</b>	<u>14,172,059</u>	<u>(3,345,452)</u>
<b>Total</b>	<u>\$ 21,507,275</u>	<u>\$ (4,962,284)</u>

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**j. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources are amortized in pension expense for the year the gain or loss occurs, except for contributions subsequent to the measurement period of \$2,279,397 and \$5,863,082 for the Miscellaneous and Safety Plans, respectively, which will be recognized as a reduction of the net pension liability during the fiscal year ending June 30, 2018. The amortization period differs depending on the source of the gain or loss. Differences between projected and actual investment earnings are amortized on a 5-year straight-line basis and all other amounts are amortized over the average expected remaining service lives of all members that are provided with benefits. As of the June 30, 2016 measurement date, the expected average remaining service lifetime is 2.7 years for the Miscellaneous Plan and 2.8 years for the Safety Plan. Deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending June 30,	<b>Miscellaneous Plan</b>	<b>Safety Plan</b>
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2018	\$ (663,584)	\$ (1,537,766)
2019	460,156	434,346
2020	2,319,285	3,872,494
2021	1,323,130	2,194,451
Total	<u>\$ 3,438,987</u>	<u>\$ 4,963,525</u>

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS**

***Plan Description***

In addition to providing pension benefits, the City provides medical insurance for certain employees after they separate from the City, through a single-employer defined benefit plan as provided under the City's contractual agreements with members from each bargaining unit. Members who retire from the City on or after attaining the age of 50 with at least five years of service are eligible for these benefits. A separate annual financial report is not issued.

***Funding Policy***

The City funds retiree healthcare benefits on a pay-as-you-go basis, paying a maximum of \$350 per month for each retirees' benefits from City funds as they are due with no pre-funding for future years. The City recognizes expenditures for its share of the annual premiums as these benefits become due. For fiscal year ended June 30, 2017, the total contributions made to the plan were \$1,188,789 and include \$825,789 paid by the City for benefits of 209 retired employees, and implied subsidy of \$363,000.

The City has not established an irrevocable trust for the purpose of accumulating assets for plan benefits.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***Annual OPEB Cost and Net OPEB Obligation***

The City's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 2,560,000
Interest on net OPEB obligation	190,000
Adjustments to annual required contributions	<u>(471,000)</u>
Annual OPEB cost (expense)	2,279,000
Contributions made (including premiums paid)	<u>(1,188,789)</u>
Increase in net OPEB obligation	1,090,211
Net OPEB obligation - beginning of year	<u>5,652,602</u>
Net OPEB obligation - end of year	<u><u>\$ 6,742,813</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2017, and the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	OPEB Cost Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
<u>6/30/2015</u>	<u>\$ 1,479,000</u>	<u>\$ 817,075</u>	<u>55.25%</u>	<u>\$ 4,925,213</u>
6/30/2016	1,548,000	820,611	53.01%	5,652,602
6/30/2017	2,279,000	1,188,789	52.16%	6,742,813

***Funded Status and Funding Progress***

The funded status of the plan as of June 30, 2015, the Plan's most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 27,256,000
Actuarial value of Plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 27,256,000</u>
Funded ratio (actuarial value of Plan assets/AAL)	<u>0%</u>
Covered Payroll (active Plan participants)	<u>\$ 25,182,000</u>
UAAL as a percentage of covered payroll	<u>108.2%</u>



## **CITY OF BREA, CALIFORNIA**

### **NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2017**

#### **NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

The required contribution is based on projected pay-as-you-go financing requirements with additional amount to prefund benefits as determined annually by the City under an actuarial valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial valuation, dated June 30, 2015, used the Entry Age Normal actuarial cost method, a discount rate of 3.75% which is the long-term expected rate of return on the City's investment fund, an annual general inflation rate of 2.75%, and an annual aggregate payroll increase of 3%. Annual healthcare cost trend increase by 7.5% beginning in 2019, reduced to an ultimate rate of 4% after 2076. The unfunded accrued actuarial liability (UAAL) is being amortized over a closed 22-year period as a level percentage of payroll. As of the actuarial valuation date, the City had 292 active participants and 209 retirees receiving benefits.

#### **NOTE 11 – SELF-INSURANCE PROGRAM**

The City is a member of the California Insurance Pool Authority (CIPA). CIPA, a consortium of 11 cities in Los Angeles County and Orange County, California, that was established to pool resources, share risks, purchase excess insurance and to share costs for professional risk management and claims administration.

At June 30, 2017, the City was self-insured for workers' compensation up to \$400,000 per occurrence and general liability and auto liability insurance up to \$350,000 per occurrence. The coverage for general and auto liability extends to \$20,000,000 per occurrence with a \$20,000,000 annual pooled aggregate. Member agencies may be assessed the difference between funds available and the \$20,000,000 annual pooled aggregate in proportion to their annual premium. During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

At June 30, 2017, \$4,497,191 has been accrued for general liability and workers' compensation claims in the Internal Service Risk Management Fund. These amounts represent estimates of amounts to be paid for reported claims and incurred but not yet reported claims based upon past experience, modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2017, is dependent on future developments, based upon information from the City Attorney, the City's claims administrators and others involved with the administration of the programs, City management believes the accrual is adequate to cover such losses.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 11 – SELF-INSURANCE PROGRAM (CONTINUED)**

Changes in the claims liability amounted to the following for the years ended June 30:

Claims and judgements at June 30, 2015	\$ 4,208,326
Claims payments	(2,390,133)
Claims incurred and changes in estimates	<u>2,402,727</u>
Claims and judgements at June 30, 2016	4,220,920
Claims payments	(1,634,136)
Claims incurred and changes in estimates	<u>1,910,407</u>
Claims and judgements at June 30, 2017	<u><u>\$ 4,497,191</u></u>

**NOTE 12 – FUND BALANCE CLASSIFICATIONS**

Fund balances in the governmental funds as of June 30, 2017, have been classified as follows:

	General	Special Revenue Fund Housing Successor	Capital Projects Fund Capital Improvements	Non-major Governmental Funds	Total
Nonspendable:					
Advances to other funds	\$ 373,703	\$ -	\$ -	\$ -	\$ 373,703
Prepaid costs	38,956	-	-	-	38,956
Total nonspendable	<u>412,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>412,659</u>
Restricted:					
Debt service	296,368	-	-	-	296,368
Prop 172	662,501	-	-	-	662,501
COPS	58,238	-	-	-	58,238
Lighting and maintenance districts	330,335	-	-	-	330,335
Low and moderate income housing asset	-	20,662,864	-	-	20,662,864
Gas tax	-	-	-	1,335,665	1,335,665
Narcotic enforcement asset seizure	-	-	-	188,336	188,336
Air quality improvement	-	-	-	234,625	234,625
Park development	-	-	-	914,492	914,492
Measure M	-	-	-	2,133,387	2,133,387
Affordable housing trust	-	-	-	2,459,297	2,459,297
Blackstone CFD	-	-	-	2,238,749	2,238,749
La Floresta CFD	-	-	-	147,554	147,554
Taylor-Morrison CFD	-	-	-	86,052	86,052
Capital and mitigation improvement	-	-	-	5,002,402	5,002,402
Storm drain	-	-	-	256,400	256,400
Capital projects	-	-	9,005,509	-	9,005,509
Pension stabilization	6,854,304	-	-	-	6,854,304
Total restricted	<u>8,201,746</u>	<u>20,662,864</u>	<u>9,005,509</u>	<u>14,996,959</u>	<u>52,867,078</u>
Assigned to:					
General Plan Maintenance Fee	677,547	-	-	-	677,547
Brea War Memorial	47,652	-	-	-	47,652
Community Benefit and Economic Development	455,210	-	-	-	455,210
OPEB fund	155,103	-	-	-	155,103
Community center	830,937	-	-	-	830,937
Capital Asset replacement	9,149,623	-	-	-	9,149,623
Total assigned	<u>11,316,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,316,072</u>
Unassigned					
General fund	14,077,609	-	-	-	14,077,609
Non-major governmental funds	-	-	-	(19,272)	(19,272)
Total unassigned	<u>14,077,609</u>	<u>-</u>	<u>-</u>	<u>(19,272)</u>	<u>14,058,337</u>
Total	<u>\$ 34,008,086</u>	<u>\$ 20,662,864</u>	<u>\$ 9,005,509</u>	<u>\$ 14,977,687</u>	<u>\$ 78,654,146</u>

# CITY OF BREA, CALIFORNIA

## NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2017

### NOTE 13 – RESTATEMENTS OF PRIOR YEAR FINANCIAL STATEMENTS

The City has restated certain balances within the Water Enterprise Fund and Business-Type Activities as described below. Further the Integrated Law and Justice Agency of Orange County (ILJAO) agency fund has been restated to include capital assets. The restatement resulted in the following adjustments to net position (or due to external parties) as of July 1, 2016:

	Business-type Activities	Water Utility Fund	ILJAO Agency Fund
Beginning of year, as previously reported:			
Net position	\$ 51,977,823	\$ 40,796,141	
Due to external parties/other agencies			\$ 2,772,194
Effect of reclassifying a capital improvement project placed into service in 2013, but not transferred out of construction in progress.	(425,598)	(425,598)	
Effect of reclassifying the City's preferred stock in Cal Domestic Water Company (\$8,444,404) from Other Investments (now "Equity in California Domestic Water Company") to Water Rights within Capital Asset.	-	-	-
Effect of equity method investment application using consolidated activity of California Domestic Water Company, including the activity of Cadway, a wholly-owned subsidiary of California Domestic Water Company.	4,228,155	4,228,155	-
Effect of reporting ILJAO's capital assets within the agency fund as of July 1, 2016	-	-	728,190
Beginning of year, as restated:			
Net position	\$ 55,780,380	\$ 44,598,698	
Due to external parties/other agencies			\$ 3,500,384

The pro-forma effect of the restatement on impacted balances is shown below:

	June 30, 2016 Previously Reported	Restatement	June 30, 2016 Restated
<b><u>Business Type Activities:</u></b>			
<i>Capital Assets:</i>			
Land	\$ 2,074,536	\$ -	\$ 2,074,536
Water Rights (fee title and preferred stock)	23,931,020	8,444,404	32,375,424
Construction-in-progress	2,978,617	(2,837,322)	141,295
Total Capital Assets, not depreciated	\$ 28,984,173	\$ 5,607,082	\$ 34,591,255
Capital assets being depreciated - Infrastructure	\$ 106,994,026	\$ 2,837,322	\$ 109,831,348
Less: accumulated depreciation - Infrastructure	(50,395,386)	(425,598)	(50,820,984)
Total capital assets being depreciated, net	\$ 56,696,376	\$ 2,411,724	\$ 59,108,100
Other investments - renamed Equity in California Domestic Water Company	\$ 15,606,946	\$ (4,216,249)	\$ 11,390,697
<b><u>Water Utility Fund:</u></b>			
Capital assets - net of accumulated depreciation	\$ 71,217,086	\$ 8,018,806	\$ 79,235,892
Other investments - renamed Equity in California Domestic Water Company	15,606,946	(4,216,249)	11,390,697
<b><u>ILJAO Agency fund:</u></b>			
Capital assets - net of accumulated depreciation	\$ -	\$ 728,190	\$ 728,190
Due to external parties/other agencies	2,772,194	728,190	3,500,384

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 13 – RESTATEMENTS OF PRIOR YEAR FINANCIAL STATEMENTS (CONTINUED)**

The restatements for the Water Enterprise Fund and Business-Type Activities impacted the results of operations for the year ended June 30, 2016 as follows:

	June 30, 2016 Previously Reported	Restatement	June 30, 2016 Restated
<b><u>Business Type Activities:</u></b>			
<u>Change in Net position</u>	\$ 6,207,120	\$ (968,473)	\$ 5,238,647
<b><u>Water Utility Fund:</u></b>			
<u>Change in Net position</u>	5,299,639	(968,473)	4,331,166

Refer to notes 4 and 7 for further details on the California Domestic Water Company activity and related capital asset activity, respectively. See further details on ILJAOC at Note 16.

**NOTE 14 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

The following material construction and other significant commitments existed at June 30, 2017:

Project Name	Contract Amount	Expenditures to date as of June 30, 2017	Remaining Commitments
<b>Capital Improvements Fund:</b>			
57 Freeway & Lambert Road Interchange Improvement Project	\$ 3,420,000	\$ 3,049,491	\$ 370,509
The Tracks At Brea Trail Project - EPA RLF	1,153,000	285,194	867,806
Super Block I Parking Structure	8,381,880	4,139,102	4,242,778
Computer Aided Dispatch/Records Management System	860,379	403,524	456,855
Kraemer Boulevard & Lambert Road (Phase 3) Pavement Rehabilitation	2,011,118	-	2,011,118
Laurel Elementary Magnet/Lagos de Moreno Park Upgrades	1,799,000	-	1,799,000
Tracks at Brea Trail Project - Segment 4	3,496,433	-	3,496,433
Central Avenue & Tamarack Avenue Intersection Improvement	470,824	-	470,824
Total	<u>\$ 21,592,634</u>	<u>\$ 7,877,311</u>	<u>\$ 13,715,323</u>

The last four construction contracts did not start construction until 2017-18

Further, as described in Note 17, the City annually contributes amounts to the Successor Agency for debt service.

**NOTE 15 – CONTINGENCIES**

The City is a defendant in several pending lawsuits of a nature common to many similar jurisdictions. City management estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial position of the City.

The City incurs various costs under federal and state grant reimbursement programs and records the related revenue and receivables for grant claims. Such grant claims are subject to final audit by federal and state agencies.

**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 15 – CONTINGENCIES (CONTINUED)**

As of the date of the report, management has asserted they are revising and memorializing certain provisions related to the water rights acquired through preferred stock in the California Domestic Water Company. The effect of changes, if any, as a result of these agreements, will be reflected in future reporting periods, when known. Refer to Note 4 for further details.

**NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS**

**Integrated Law and Justice Agency of Orange County (ILJAO)**

The City is a member of the Integrated Law and Justice Agency of Orange County (ILJAO), along with 24 other cities and local law enforcement agencies. The purpose of ILJAO is to facilitate and share criminal justice information and data among the member agencies. The Agency has a twelve member Board of Directors. The City was appointed to serve as Treasurer/Controller, and assumed administrative responsibilities of ILJAO. Therefore the activities of ILJAO are reported as an Agency fund of the City. During the year ended June 30, 2017, the City paid \$12,274 to ILJAO for its share of operating and replacement costs. Separately prepared financial statements for ILJAO are available on the City's website.

**NOTE 17 – SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On August 25, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2011-085.

Each year, the successor agency is allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full, and all assets have been liquidated.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 17 – SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private purpose trust fund) in the financial statements of the City.

**a. Cash and investments**

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and Investments	\$ 1,806,091
Cash and Investments with fiscal agent	28,580,065
	<u>\$ 30,386,156</u>

**b. Deferred Loans**

The City (through the former redevelopment agency) has made long term loans to various developers and organizations to stimulate development in the City and remove blight in designated project areas. The outstanding balance at June 30, 2017, is as follows:

Rehabilitation loans	\$ 12,000
Developer/ Organization Loans:	
Brea Improv	318,759
Brea Olinda Unified School District	1,708,555
	<u>\$ 2,039,314</u>

**c. Long-Term Debt**

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2017, follows:

	Beginning Balance	Additions	Repayments	Retirements	Ending Balance	Due Within One Year
<b>Tax Allocation Bonds</b>						
2003 Tax Allocation Bonds	\$ 27,853,872	\$ 596,546	\$ -	\$ -	\$ 28,450,418	\$ -
2008 Tax Allocation Bonds Series A	13,215,000	-	(955,000)	(12,260,000)	-	-
2008 Tax Allocation Bonds Series B	1,540,000	-	(90,000)	(1,450,000)	-	-
2011 Tax Allocation Bonds Series A	24,382,882	1,479,851	(25,000)	-	25,837,733	73,391
2011 Tax Allocation Bonds Series B	10,035,000	-	(95,000)	-	9,940,000	100,000
2013 Tax Allocation Bonds	81,800,000	-	(6,920,000)	-	74,880,000	7,130,000
2016 Tax Allocation Bond Series A	-	10,425,000	-	-	10,425,000	1,150,000
2016 Tax Allocation Bond Series B	-	1,540,000	-	-	1,540,000	155,000
Subtotal - Tax Allocation Bonds	<u>158,826,754</u>	<u>14,041,397</u>	<u>(8,085,000)</u>	<u>(13,710,000)</u>	<u>151,073,151</u>	<u>8,608,391</u>
<b>Lease Revenue Bonds</b>						
2004 Refunding Lease Revenue Bonds	1,880,000	-	(285,000)	-	1,595,000	295,000
2010 Refunding Lease Revenue Bonds	5,545,000	-	(835,000)	-	4,710,000	870,000
Subtotal -Lease Revenue Bonds	<u>7,425,000</u>	<u>-</u>	<u>(1,120,000)</u>	<u>-</u>	<u>6,305,000</u>	<u>1,165,000</u>
Total	<u>\$ 166,251,754</u>	<u>\$ 14,041,397</u>	<u>\$ (9,205,000)</u>	<u>\$ (13,710,000)</u>	<u>157,378,151</u>	<u>\$ 9,773,391</u>
			Unamortized bond discounts and premiums		8,299,295	
					<u>\$ 165,677,446</u>	

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 17 – SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**c. Long-Term Debt (Continued)**

**Tax Allocation Bonds**

**2003 Tax Allocation Bonds**

In July 2003, the former Brea Redevelopment Agency issued \$120,497,866 principal amount of 2003 Redevelopment Project AB Tax Allocation Bonds. The proceeds were used to: 1) current refund the Agency's Brea Redevelopment Agency 1993 Tax Allocation Refunding Bonds, 2) pay the costs of additional redevelopment activities with respect to Project Area AB, 3) pay the cost of a reserve fund security instrument, and 4) pay costs of issuance related to the bonds.

Bonds in the years 2014 to 2026 are current interest bonds payable with no annual installments, while bonds maturing in the years 2028 to 2030 are capital appreciation bonds payable August 1 in annual installments of \$2,151,714 to \$1,801,707. Bonds maturing in the years 2027, 2031 and 2032, in the amount of \$16,475,000 are term bonds.

The current interest bonds bear interest at 4.450% due February 1 and August 1, of each year. The term bonds bear interest at 4.45% and are due August 1, 2032. The capital appreciation bonds have a face value of \$22,640,000. By their nature, there is no regular interest payments associated with capital appreciation bonds. The "interest" on the debt results from the difference between the amounts paid by the investors when the debt was issued and the significantly larger value at maturity. The \$22,640,000 of face value capital appreciation bonds were initially recorded at the amount of proceeds received, \$5,987,866. Each year, the outstanding balance is increased for the accretion of interest associated with the bonds.

A financial guaranty insurance policy has been issued and, accordingly, no cash reserve balance is required. Bond payments are secured by a first pledge on all of the tax revenues on parity with the 2011 and 2013 bonds.

In December 2013, the Successor Agency issued the 2013 Tax Allocation Refunding Bonds to redeem the current interest bonds and term bonds outstanding balance of the 2003 Tax Allocation Bonds. Upon issuance of the 2013 Bonds, a portion of the sale proceeds of the 2013 Bonds was transferred to the 2003 Escrow Fund. On the redemption date, moneys deposited in the escrow funds was used to pay the redemption price for the refunded bonds. As a result, except for the capital appreciation bonds, the liability for current interest bonds and term bonds has been removed. The outstanding balance of the capital appreciation bonds at June 30, 2017, was \$28,450,418.

**2011 Tax Allocation Bonds, Series A**

In June 2011, the former Brea Redevelopment Agency issued \$18,839,323 principal amount of Brea Redevelopment Agency 2011 Tax Allocation Bonds, Series A. The proceeds were used to: 1) refund all of the Agency's remaining outstanding 2001 Subordinate Tax Allocation Refunding Bonds, Series B, 2) finance projects benefiting the Agency's Redevelopment Project AB, 3) fund a reserve account, and 4) pay costs of issuance.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 17 – SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**c. Long-Term Debt (Continued)**

Bonds maturing in the years 2031 are current interest bonds payable August 1 in one installment of \$4,315,000, while bonds maturing in the years 2013 to 2036, are capital appreciation bonds payable August 1 in annual installments of \$28,489 to \$1,958,307. The Series A Capital Appreciation Bonds maturing on August 1, 2025 and August 1, 2034 are subject to special mandatory redemption in whole by the Agency on July 1, 2025 and May 15, 2034, respectively, at redemption price equal to 100 percent of the accreted value of the Series A Capital Appreciation Bonds to be redeemed, without premium.

The current interest bonds maturing on August 1, 2031, are subject to redemption in whole or in part at the option of the Agency from any available source of funds. The capital appreciation bonds maturing on or after August 1, 2022, are subject to redemption in whole or in part at the option of the Agency, from any available source of funds.

The current interest bonds bear interest at 5.00% due February 1 and August 1, of each year. The capital appreciation bonds have a face value of \$57,725,000. By their nature, there is no regular interest payments associated with capital appreciation bonds. The "interest" on the debt results from the difference between the amounts paid by the investors when the debt was issued and the significantly larger value at maturity. The \$57,725,000 of face value capital appreciation bonds were initially recorded at the amount of proceeds received, \$14,524,323. Each year, the outstanding balance is increased for the accretion of interest associated with the bonds.

Series A bonds are secured by a pledge of and lien on all the surplus tax revenues. The bonds are further secured by a required cash reserve of \$1,883,932 deposited with the trustee. As of June 30, 2017, the reserve was \$1,930,234.

Bond payments are secured by a first pledge on all of the tax revenues on parity with 2003 and 2013 bonds.

The outstanding balance at June 30, 2017, was \$25,837,733.

**2011 Taxable Tax Allocation Housing Bonds, Series B**

In June 2011, the former Brea Redevelopment Agency issued \$10,295,000 principal amount of Brea Redevelopment Agency 2011 Taxable Tax Allocation Housing Bonds, Series B. The proceeds were used to: 1) finance projects in the Agency's low and moderating income housing program of benefit to the project area, 2) fund a reserve account, and 3) pay costs of issuance.

Series B bonds consist of \$5,045,000 serial bonds maturing in the years 2013 to 2025, payable August 1 in remaining annual installments of \$100,000 to \$1,735,000. The bonds bear interest at 2.126% to 6.862%. Bonds maturing in the year 2026 to 2029, in the amount of \$5,250,000 are term bonds and bear interest at 7.392%. The Series B Bonds maturing on August 1, 2025 are subjected to special mandatory redemption in whole by the Agency on July 1, 2025, at redemption price equal to 100 percent of the principal amount, together with accrued interest, without premium.



**CITY OF BREA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 17 – SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**c. Long-Term Debt (Continued)**

Serial bonds maturing on or after August 1, 2022, are subject to redemption in whole or in part at the option of the Agency from any available source of funds. Term bonds are subject to mandatory redemption in part by lot on August 1, 2026, August 1, 2027, August 1, 2028 and August 1, 2029, in the amount of \$1,410,000, \$1,515,000, \$1,625,000, \$700,000, respectively, from sinking fund payments made by the Agency.

Series B bonds are secured by a pledge of and lien on housing tax revenues. The bonds are further secured by a required cash reserve of \$1,029,500 deposited with the trustee. As of June 30, 2017, the reserve was \$1,033,643.

Bond payments are secured by a first pledge on all of the tax revenues on parity with 2003 and 2013 bonds.

The outstanding balance at June 30, 2017, was \$9,940,000.

**2013 Tax Allocation Refunding Bonds**

In December 2013, the Successor Agency to the Brea Redevelopment Agency issued its \$96,620,000 Successor Agency to the Brea Redevelopment Agency Redevelopment Project AB 2013 Tax Allocation Refunding Bonds to refund the outstanding balance of the Brea Redevelopment Agency 2001 Tax Allocation Refunding Bonds, Series A in the amount of \$36,205,000 and to refund the current interest bonds and term bonds outstanding of the 2003 Tax Allocation Bonds in the amount of \$68,390,000. Upon issuance of the 2013 Bonds, a portion of the sale proceeds of the 2013 Bonds was transferred to the 2001A Escrow Fund and to the 2003 Escrow Fund. On the Redemption Date, moneys deposited in the Escrow Funds were used to pay the redemption price for the Refunded Bonds.

The difference between the reacquisition price and carrying value of the refunded debt resulted in a deferred loss on refunding. The balance as of June 30, 2017 of \$1,144,217 is reported as a deferred outflow of resources, and will be amortized over the life of the new debt as a component of interest expense.

Bonds Maturing in the years 2014 to 2026 are payable in August 1, of each year with annual installments ranging from \$1,500,000 to \$8,595,000. The remaining interest rates on the bonds was 5.00%.

A financial guaranty insurance policy has been issued and, accordingly, no cash reserve balance is required. Bond payments are secured by a first pledge on all tax revenues on parity with the 2003 and 2011 Tax Allocation Bonds.

The outstanding balance at June 30, 2017, was \$74,880,000.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 17 – SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**c. Long-Term Debt (Continued)**

**2016 Tax Allocation Refunding Bonds, Series A and B**

In November 2016, the Successor Agency to the Brea Redevelopment Agency issued its 2016 Tax Exempt Tax Allocation Refunding Bonds, Series A and 2016 Taxable Tax Allocation Refunding Bonds, Series B in the amount of \$10,425,000 and \$1,540,000 respectively. The proceeds of the bonds were used to currently refund the Public Financing Authority's outstanding 2008 Tax Exempt Tax Allocation Revenue Bonds, Series A in the amount of \$12,260,000 and to advance refund the outstanding 2008 Tax Allocation Revenue Bonds, Series B in the amount of \$1,450,000. As of June 30, 2017, the 2008 Tax Allocation Revenue Bonds, Series B balance outstanding was \$1,450,000, but considered legally defeased for financial reporting purposes.

The difference between the reacquisition price and carrying value of the refunded debt is reported as a deferred outflow of resources as of June 30, 2017 totaling \$542,921. This amount will be amortized over the life of the refunded debt, as a component of interest expense. The refunding provided for a cumulative savings of \$3,634,966 over the life of the bonds, resulting in an economic gain of \$3,353,905 net of other funds to fund the redemption, or 27.4 percent of the refunded principal.

The Series A Serial Bonds totaling \$10,425,000 have principal repayments ranging from \$915,000 to \$1,150,000 with interest rates ranging from 2.00% to 4.00%.

The outstanding balance at June 30, 2017 was \$10,425,000.

The Series B Serial Bonds totaling \$1,540,000 have principal repayment ranging from \$145,000 to \$165,000 with interest rates ranging from 1.25% to 3.00%.

The outstanding balance at June 30, 2017 was \$1,540,000.

A financial guaranty insurance policy has been issued and, accordingly, no cash reserve balance is required.

The debt service schedules of these Tax Allocation Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2018	\$ 8,628,018	\$ 5,579,068	\$ 14,207,086
2019	8,846,493	5,092,285	13,938,778
2020	9,087,692	4,697,715	13,785,407
2021	9,494,745	4,278,818	13,773,563
2022	9,921,267	3,843,419	13,764,686
2023 - 2027	55,369,101	16,655,297	72,024,398
2028 - 2032	37,283,137	19,877,462	57,160,599
2033 - 2037	12,442,698	25,493,385	37,936,083
Total	<u>\$ 151,073,151</u>	<u>\$ 85,517,449</u>	<u>\$ 236,590,600</u>

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 17 – SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**c. Long-Term Debt (Continued)**

**Pledged Revenues – Tax Allocation Bonds**

The Successor Agency pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill X1 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$236,590,600, with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$18,131,944 and the debt service obligation was \$14,541,063.

**Refunding Lease Revenue Bonds**

**2004 Refunding Lease Revenue Bonds**

The \$4,330,000 principal amount of the 2004 Refunding Lease Revenue Bonds was issued by the Brea Public Financing Authority in November 2004, to advance refund the Brea Public Financing Authority's 1995 Lease Revenue Bonds.

Bonds maturing in the years 2005 to 2021 are serial bonds payable in remaining annual installments ranging from \$295,000 to \$345,000. The bonds bear remaining interest of 3.875% to 4.500%. Bonds maturing on or after July 1, 2015, may be called before maturity and redeemed at the option of the Authority in whole or in part on any date after July 1, 2014, at a redemption price equal to 100% of the principal amount of the bonds redeemed.

Bonds are payable from the lease payments to be made by the City of Brea for the subleasing of certain real property pursuant to a lease agreement dated November 1, 2004. A financial guarantee insurance policy has been issued, and accordingly, no cash reserve balance is required to be established. Simultaneously, the City and the Agency entered into the Fourth Supplement to the Amended and Restated Reimbursement Agreement.

The outstanding balance at June 30, 2017, was \$1,595,000.

**2010 Refunding Lease Revenue Bonds**

The \$9,460,000 principal amount of the 2010 Refunding Lease Revenue Bonds was issued by the Brea Public Financing Authority in December 2010, to refund the Brea Public Financing Authority's 1998 Lease Revenue Refunding Bonds.

Bonds maturing in the years 2011 to 2021 are serial bonds payable in remaining annual installments ranging from \$870,000 to \$1,015,000. The bonds bear interest at 2% to 4%, due semi-annually on January 1 and July 1. Bonds maturing on July 1, 2021, may be redeemed at the option of the Authority in whole or in part on any date after July 1, 2020, at a redemption price equal to 100% of the principal amount of the bonds redeemed.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 17 – SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**d. Long-Term Debt (Continued)**

Bonds are payable from the lease payments to be made by the City of Brea for the right to use and occupy certain property pursuant to a lease agreement dated December 1, 1998, and further amended by Amended and Restated Sublease Agreement dated December 1, 2010. Simultaneously, the City and the Agency entered into the Fourth Supplement to the Amended and Restated Reimbursement Agreement.

The outstanding balance at June 30, 2017, was \$4,710,000.

The debt service schedules of these Lease Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total Payment
2018	\$ 1,165,000	\$ 229,611	\$ 1,394,611
2019	1,210,000	182,484	1,392,484
2020	1,260,000	133,275	1,393,275
2021	1,310,000	81,669	1,391,669
2022	1,360,000	27,631	1,387,631
Total	<u>\$ 6,305,000</u>	<u>\$ 654,670</u>	<u>\$ 6,959,670</u>

**Pledged Revenues – Lease Refunding Bonds**

The Successor Agency pledged, as security for the lease revenue bonds issued, direct General Fund contribution and indirect tax increment revenue via a lease reimbursement agreement. The bonds issued were to defease previously issued bonds. Assembly Bill X1 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$6,959,670 with annual debt service requirements as indicated above. For the current year, the General Fund contribution was \$1,394,769 and total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$18,131,944. The debt service obligation on the lease revenue bonds for the current year was \$1,394,769.

**Multifamily Housing Revenue Bonds**

In July 2010, the Agency on behalf of Tonner Hills Housing Partners, LP (the “Borrower”), was authorized to issue \$5,858,319 and \$7,741,681 Brea Redevelopment Agency Multifamily Housing Revenue Bonds (Tonner Hills Apartment Homes) 2010 Series A-1 and A-2, respectively, for the purpose of providing funding necessary for the acquisition, construction and equipping of a 94-unit multifamily rental housing project in the City. The Agency and the Borrower also entered into a non-interest bearing loan agreement in amount of \$1,200,000 (See Note 5). These bonds are not the obligations of the Agency and will be paid solely from future rent revenue. The outstanding balance is determined when a construction draw requisition is submitted to the bank for payment, limited up to the authorized amounts for each of the series. Currently, the bonds are only paying interest to bondholder for debt service payment. When the bonds are converted, then the Borrower will pay principal and interest per bond conversion. The outstanding balance at June 30, 2017, was \$3,759,052 and \$0 for Series A-1 and Series A-2, respectively.

**CITY OF BREA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 17 – SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**e. Insurance**

The Successor Agency of the former Redevelopment Agency is covered under the insurance policy of the City of Brea at June 30, 2017.

**f. Other Significant Commitments**

**Owner Participation Agreement**

In 1987, the Brea Redevelopment Agency entered into an owner participation agreement with the owners of the Brea Mall. This agreement obligates the Agency to pay the owners 80% of the tax increment revenues generated by the Brea Mall above the 1987-1988 base year tax increment, plus \$15,000. The agreement's term is for 33 years beginning the year ended June 30, 1990. The tax increment revenue sharing payments are senior to bond payments.

The amount paid by the Agency as a result of this agreement for the fiscal year ended June 30, 2017, was \$1,575,641. Future minimum payments for the next 5 years are estimated as follows:

Year Ending June 30,	Amount
2018	\$ 1,581,169
2019	1,626,662
2020	1,673,065
2021	1,720,395
2022	1,768,673
Total	<u>\$ 8,369,964</u>

**g. Deficit Net Position**

As of June 30, 2017, the Agency had a deficit net position of \$132,923,573. This will be reduced with future receipt of distributions from the Redevelopment Property Tax Trust Fund from the County.

**NOTE 18 – SUBSEQUENT EVENTS**

On November 1, 2017, the Successor Agency to the Brea Redevelopment Agency issued 2017 Tax Allocation Refunding Bonds, Series A and B, in the amount of \$32,838,802 and \$13,070,000 respectively. The proceeds were used to refunding the current interest bonds for the 2003 Tax Allocation Refunding Bonds and the entire remaining amounts for the 2011 Tax Allocation Revenue Bonds, Series A and B.

On November 15, 2017, the City issued on behalf of the City of Brea Community Facilities District No. 2008-2, \$8,555,000 of 2017 Special Tax Refunding Bonds, which are special assessment district debt, not debt of the City. The proceeds were used to refund the City of Brea Community Facilities District No. 2008-2 2009 Special Tax Bonds.

In October 2017, the Successor Agency sold a property in the amount of \$800,000 to the City of Brea. The property was purchased by the City from resources within the Housing Successor Fund.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF BREA, CALIFORNIA**

**MISCELLANEOUS PLAN  
SCHEDULE OF CHANGES IN THE NET  
PENSION LIABILITY AND RELATED RATIOS  
LAST TEN YEARS\*  
AS OF JUNE 30, 2017**

	2017	2016	2015
<b>Total Pension Liability</b>			
Service cost	\$ 2,046,427	\$ 2,062,984	\$ 2,192,940
Interest on the total pension liability	9,044,787	8,692,445	8,386,263
Differences between actual and expected experience	(950,961)	(1,784,268)	-
Changes in assumptions	-	(2,142,611)	-
Benefit payments, including refunds of employee contributions	<u>(5,294,666)</u>	<u>(5,086,167)</u>	<u>(4,468,721)</u>
<b>Net change in total pension liability</b>	4,845,587	1,742,383	6,110,482
<b>Total pension liability- beginning</b>	<u>120,807,599</u>	<u>119,065,216</u>	<u>112,954,734</u>
<b>Total pension liability- ending (a)</b>	<u><u>\$ 125,653,186</u></u>	<u><u>\$ 120,807,599</u></u>	<u><u>\$ 119,065,216</u></u>
<b>Plan fiduciary net position</b>			
Contributions- employer	\$ 2,403,298	\$ 2,132,083	\$ 1,969,185
Contributions- employee	1,071,389	1,087,960	1,140,919
Net investment income	510,663	2,130,803	14,101,824
Benefit payments, including refunds of employee contributions	(5,294,666)	(5,086,167)	(4,468,721)
Administrative expense	<u>(57,456)</u>	<u>(106,071)</u>	<u>-</u>
<b>Net change in plan fiduciary net position</b>	(1,366,772)	158,608	12,743,207
<b>Plan fiduciary net position- beginning</b>	<u>94,276,177</u>	<u>94,117,569</u>	<u>81,374,362</u>
<b>Plan fiduciary net position- ending (b)</b>	<u><u>\$ 92,909,405</u></u>	<u><u>\$ 94,276,177</u></u>	<u><u>\$ 94,117,569</u></u>
 Net pension liability- ending (a) - (b)	 \$ 32,743,781	 \$ 26,531,422	 \$ 24,947,647
 Plan fiduciary net position as a percentage of the total pension liability	 73.94%	 78.04%	 79.05%
 Covered payroll	 \$ 15,474,119	 \$ 15,043,603	 \$ 14,843,300
 Net pension liability as percentage of covered payroll	 211.60%	 176.36%	 168.07%
 Measurement Period	 June 30, 2016	 June 30, 2015	 June 30, 2014

\* Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

Changes of Assumptions: In 2016 there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 % (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

Benefits Changes: The figures above do not include any liability impact that may have resulted from plan changes that occurred after the June 30, 2015 valuation date. This applies to voluntary benefit changes as well as any other offers of Two Years' Additional Service Credit (a.k.a. Golden Handshakes).

Covered Payroll: In accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*, covered payroll have been restated to show covered payroll based on pensionable earnings.

# CITY OF BREA, CALIFORNIA

## SAFETY PLAN SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS LAST TEN YEARS\* AS OF JUNE 30, 2017

	2017	2016	2015
<b>Total Pension Liability</b>			
Service cost	\$ 2,745,588	\$ 2,865,433	\$ 3,080,297
Interest	16,654,242	16,223,231	15,749,580
Difference Between expected and Actual Experience	(2,403,349)	(2,307,435)	-
Changes in Assumptions	-	(3,994,113)	-
Benefit payments, including refunds of employee contributions	(11,396,941)	(10,585,623)	(10,108,174)
<b>Net change in total pension liability</b>	5,599,540	2,201,493	8,721,703
<b>Total pension liability- beginning</b>	224,431,525	222,230,032	213,508,329
<b>Total pension liability- ending (a)</b>	<u>\$ 230,031,065</u>	<u>\$ 224,431,525</u>	<u>\$ 222,230,032</u>
<b>Plan fiduciary net position</b>			
Contributions- employer	\$ 4,627,179	\$ 3,591,767	\$ 3,655,839
Contributions- employee	973,955	1,084,088	1,024,137
Net investment income	746,473	3,517,885	24,058,889
Benefit payments, including refunds of employee contributions	(11,396,941)	(10,585,623)	(10,108,174)
Administrative expenses	(95,259)	(175,877)	-
<b>Net change in plan fiduciary net position</b>	(5,144,593)	(2,567,760)	18,630,691
<b>Plan fiduciary net position- beginning</b>	156,303,305	158,871,065	140,240,374
<b>Plan fiduciary net position- ending (b)</b>	<u>\$ 151,158,712</u>	<u>\$ 156,303,305</u>	<u>\$ 158,871,065</u>
 Net pension liability- ending (a) - (b)	 \$ 78,872,353	 \$ 68,128,220	 \$ 63,358,967
 Plan fiduciary net position as a percentage of the total pension liability	 65.71%	 69.64%	 71.49%
 Covered payroll**	 \$ 10,168,516	 \$ 9,980,447	 \$ 9,919,059
 Net pension liability as percentage of covered payroll	 775.65%	 682.62%	 638.76%
 Measurement Period	 June 30, 2016	 June 30, 2015	 June 30, 2014

\* Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

Changes of Assumptions: In 2016 there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 % (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

Benefits Changes: The figures above do not include any liability impact that may have resulted from plan changes that occurred after the June 30, 2015 valuation date. This applies to voluntary benefit changes as well as any other offers of Two Years' Additional Service Credit (a.k.a. Golden Handshakes).

\*\*Covered Payroll: In accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*, covered payroll have been restated to show covered payroll based on pensionable earnings.

# CITY OF BREA, CALIFORNIA

## SCHEDULE OF PLAN CONTRIBUTIONS LAST TEN YEARS\* FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016	2015	2014
<b><u>Miscellaneous Plan</u></b>				
Actuarially determined contributions	\$ 2,279,397	\$ 2,403,298	\$ 2,132,083	\$ 1,969,185
Contributions in relation to the actuarially determined contribution	<u>(2,279,397)</u>	<u>(2,403,298)</u>	<u>(2,132,083)</u>	<u>(1,969,185)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Covered payroll**	 <u>16,716,903</u>	 <u>15,474,119</u>	 <u>15,043,603</u>	 <u>14,843,300</u>
 Contributions as a percentage of covered payroll	 13.64%	 15.53%	 14.17%	 13.27%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><u>Safety Plan</u></b>				
Actuarially determined contributions	\$ 5,863,082	\$ 4,627,179	\$ 3,591,767	\$ 3,655,839
Contributions in relation to the actuarially determined contribution	<u>(5,863,082)</u>	<u>(4,627,179)</u>	<u>(3,591,767)</u>	<u>(3,655,839)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Covered payroll**	 <u>10,703,998</u>	 <u>10,168,516</u>	 <u>9,980,447</u>	 <u>9,919,059</u>
 Contributions as a percentage of covered payroll	 54.77%	 45.50%	 35.99%	 36.86%

\* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

### Notes to Schedule:

#### Miscellaneous and Safety Plans

Valuation Date:

The actuarial methods and assumptions used to set the actuarially determined contribution for FY 2016-17 were from the June 30, 2014 funding valuation report.

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.5%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

Note:

\*\*Covered Payroll: In accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*, covered payroll have been restated to show covered payroll based on pensionable earnings.

**CITY OF BREA, CALIFORNIA**

**OTHER POST-EMPLOYMENT BNEFIT PLAN  
SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2017**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll (b-a)/c)
6/30/2011	\$ -	\$ 18,197,000	\$ 18,197,000	0.0%	\$ 24,983,000	72.80%
6/30/2013	-	20,560,000	20,560,000	0.0%	26,674,000	77.10%
6/30/2015	-	27,256,000	27,256,000	0.0%	25,182,000	108.24%

See accompanying note to required supplementary information.

**CITY OF BREA, CALIFORNIA**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET TO ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues:</b>				
Taxes	\$ 38,763,350	\$ 38,763,350	\$ 38,308,747	\$ (454,603)
Licenses and permits	591,800	591,800	870,940	279,140
Intergovernmental	7,340,787	7,562,556	7,808,780	246,224
Charges for services	3,897,375	3,899,375	3,789,430	(109,945)
Investment income, net	346,490	346,490	768,370	421,880
Fines and forfeitures	708,425	708,425	554,708	(153,717)
Rental income	1,667,400	1,667,400	1,441,527	(225,873)
Miscellaneous	2,691,400	4,135,663	3,440,937	(694,726)
<b>Total revenues</b>	<u>56,007,027</u>	<u>57,675,059</u>	<u>56,983,439</u>	<u>(691,620)</u>
<b>Expenditures:</b>				
Current:				
General government	5,524,394	5,582,394	5,032,816	549,578
Public safety	33,311,511	34,494,025	34,011,330	482,695
Community development	3,067,484	3,437,801	3,009,011	428,790
Community services	7,381,334	7,941,386	7,395,363	546,023
Public works	5,699,408	5,751,474	5,537,040	214,434
Capital outlay	95,000	943,929	403,524	540,405
Debt service:				
Principal retirement	410,411	410,411	410,411	-
Interest and fiscal charges	397,962	397,962	397,243	719
<b>Total expenditures</b>	<u>55,887,504</u>	<u>58,959,382</u>	<u>56,196,738</u>	<u>2,762,644</u>
<b>Excess (deficiency) of revenues over(under) expenditures</b>	<u>119,523</u>	<u>(1,284,323)</u>	<u>786,701</u>	<u>2,071,024</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,666,800	2,487,848	2,207,848	(280,000)
Transfers out	(5,838,800)	(9,916,053)	(5,887,391)	4,028,662
<b>Total other financing sources (uses)</b>	<u>(4,172,000)</u>	<u>(7,428,205)</u>	<u>(3,679,543)</u>	<u>3,748,662</u>
<b>Net change in Fund Balance</b>	<u>\$ (4,052,477)</u>	<u>\$ (8,712,528)</u>	<u>(2,892,842)</u>	<u>\$ 5,819,686</u>
Fund balance at beginning of the year			36,900,928	
Fund balance at end of the year			<u>\$ 34,008,086</u>	

See accompanying note to required supplementary information.

**CITY OF BREA, CALIFORNIA**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET TO ACTUAL  
HOUSING SUCCESSOR FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts			Variance with Final Budget Positive/ (Negative)
	Original	Final	Amounts	
<b>Revenues:</b>				
Investment income, net	\$ 51,000	\$ 51,000	\$ 322,507	\$ 271,507
Other revenues	<u>1,779,287</u>	<u>1,779,287</u>	<u>1,867,260</u>	<u>87,973</u>
<b>Total revenues</b>	<u>1,830,287</u>	<u>1,830,287</u>	<u>2,189,767</u>	<u>359,480</u>
<b>Expenditures:</b>				
Community Development	<u>285,812</u>	<u>285,812</u>	<u>277,504</u>	<u>8,308</u>
<b>Net change in Fund Balance</b>	<u><u>\$ 1,544,475</u></u>	<u><u>\$ 1,544,475</u></u>	<u>1,912,263</u>	<u><u>\$ 367,788</u></u>
Fund balance at beginning of the year			<u>18,750,601</u>	
Fund balance at end of the year			<u><u>\$ 20,662,864</u></u>	

See accompanying note to required supplementary information.

## **CITY OF BREA, CALIFORNIA**

### **NOTE TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2017**

#### **Budget Information**

##### **General Budget Policies**

The City adheres to the following procedures in establishing the budgetary data reflected in its financial statements:

1. In May of each year, the City Manager submits to the City Council a proposed financial plan with an annual operating budget for the upcoming fiscal year commencing July 1. The operating budget includes proposed expenditures and the sources of financing.
2. Public hearings are conducted at City Council meetings to obtain taxpayer comments.
3. On or before July 1, the financial plan for the fiscal year is adopted by Council action.
4. The City Manager is authorized to transfer funds appropriated with respect to those classifications designated as other services and material and supplies within the same department. The City Manager may transfer appropriated funds from any classification within other expenditure categories to the capital outlay classification within the same department only; however, any revisions that alter the total expenditures of any department must be approved by the City Council. Activities of the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds are included in the annual appropriated budget. As an additional internal control mechanism, project-length financial plans are adopted for the Capital Improvement Program.
5. Formal budgetary integration is employed as a management control device during the year for the governmental funds.
6. Legally adopted budgets for all governmental funds are established on a basis consistent with generally accepted accounting principles (GAAP). For the current fiscal year, the HOME Program special revenue fund had no adopted budget.

##### **Excess of Expenditures Over Appropriation**

For purposes of evaluating legal compliance at the budgetary level of control (that is, the level at which expenditures cannot legally exceed the appropriated amount), control is established at the department level within the General Fund and at the fund level for total expenditures and transfers out for all other budgeted funds.

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## **SUPPLEMENTARY INFORMATION**

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## **MAJOR CAPITAL PROJECTS FUNDS**

### **Capital Projects Funds**

#### **Capital Improvements Fund**

The Capital Improvements Fund is used to account for the costs of constructing street improvements, parks and other public improvements not normally included within the other Capital Projects Funds. Financing is provided by Federal and State Grant Revenues and interfund transfers from the Special Revenue Funds and General Fund.

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**CITY OF BREA, CALIFORNIA**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
CAPITAL IMPROVEMENTS FUND  
YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 13,000,561	\$ 13,447,655	\$ 533,669	\$ (12,913,986)
Charges for services	337,000	337,000	1,521,150	1,184,150
Investment income, net	200,000	200,000	8,186	(191,814)
Developer contributions	1,738,892	1,488,892	535	(1,488,357)
Other revenues	-	571,230	14,303	(556,927)
<b>Total revenues</b>	<u>15,276,453</u>	<u>16,044,777</u>	<u>2,077,843</u>	<u>(13,966,934)</u>
<b>Expenditures:</b>				
Current:				
General government	350,502	350,502	561,790	(211,288)
Capital Outlay	40,212,827	49,843,161	14,404,865	35,438,296
<b>Total expenditures</b>	<u>40,563,329</u>	<u>50,193,663</u>	<u>14,966,655</u>	<u>35,227,008</u>
<b>Excess (deficiency) of revenues over(under) expenditures</b>	<u>(25,286,876)</u>	<u>(34,148,886)</u>	<u>(12,888,812)</u>	<u>21,260,074</u>
<b>Other financing sources (uses):</b>				
Transfers in	17,625,873	24,444,048	7,874,546	(16,569,502)
<b>Net change in fund balance</b>	<u>\$ (7,661,003)</u>	<u>\$ (9,704,838)</u>	<u>(5,014,266)</u>	<u>\$ 4,690,572</u>
Fund balance at beginning of the year			14,019,775	
Fund balance at end of the year			<u>\$ 9,005,509</u>	

## **NON-MAJOR GOVERNMENTAL FUNDS**

### **Non-major Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt services or capital projects.

The City of Brea has the following non-major Special Revenue Funds:

#### **Gas Tax Fund**

This fund is used to account for revenues received and expenditures made for street improvements and street maintenance. Financing is provided by the City's share of state gasoline taxes made pursuant to the California State Constitution and authorized by the State Legislature.

#### **Narcotics Enforcement Asset Seizure Fund**

This fund is used to account for revenues seized by the Police Department during narcotic investigations.

#### **Air Quality Improvement Fund**

This fund is used to account for revenues received from vehicle registration fees and restricted for improvement of air quality.

#### **Park Development Fund**

This fund is used to account for revenues received and expenditures made for park development and improvement. The primary source of revenue is park development fees collected from developers under the State of California's Quimby Act.

#### **Measure M Fund**

This fund is used to account for ½ cent sales tax restricted for expenditure for road maintenance and street expenditures.

#### **Affordable Housing Trust Fund**

This fund is used to account for revenues received and expenditures made for the development of low to moderate income housing. The primary source of revenue is fees collected from developers.

#### **Community Development Block Grant Fund**

This fund is used to account for the revenues received and expenditures made for the City's Community Development Block Grant Program. Financing is provided under an agreement with the County of Orange whereby the City is a secondary recipient of funds made available from the U.S. Department of Housing and Urban Development under the Housing and Community Development Act of 1974 and 1977.

## **Non-major Special Revenue Funds (Continued)**

### HOME Program Fund

This fund is used for the revenues received and expenditures made for housing rehabilitation. Financing is provided under an agreement with the County of Orange whereby the City is a secondary recipient of funds made available from the U.S. Department of Housing and Urban Development.

### Blackstone Community Facilities District 2008-1 Fund

The fund is used to account for the collection of special taxes and expenditure for police, fire, maintenance and general city services including park maintenance and open space.

### La Floresta Community Facilities District 2011-1 Fund

This fund is used to account for the collection of special taxes and expenditure for police, fire, maintenance and general city services.

### Taylor Morrison Community Facilities District 2013-1 Fund

This fund is used to account for the collection of special taxes and expenditures for police, fire, maintenance and general city services.

## **Non-major Capital Projects Funds**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

The City of Brea has the following non-major Capital Projects Funds:

### Capital and Mitigation Improvement Fund

This fund is used to account for the revenues received and expenditures made for the City Council-designated Capital Improvement projects, as well as the implementation of measures designed to mitigate impacts related to development, and the operation of government facilities, including, but not limited to: traffic, noise, aesthetics, and open space preservation. Financing is provided by the July 14, 2009 Agreement between the City and County of Orange regarding the extension of the Olinda Alpha Landfill.

### Storm Drain Fund

This fund is used to account for the financing and construction of storm drains throughout the City. Financing is provided by storm drain assessment fees.

### Midbury Assessment Authority Fund

This fund is used to account for the collection and payment of neighborhood street improvements.

**CITY OF BREA, CALIFORNIA**

**COMBINING BALANCE SHEET**

**NON-MAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2017**

	Special Revenue Funds			
	Gas Tax	Narcotics Enforcement Asset Seizure	Air Quality Improvement	Park Development
<b>Assets:</b>				
Cash and investments	\$ 1,335,665	\$ 180,217	\$ 220,436	\$ 914,492
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Due from other funds				
Notes and loans	-	-	-	-
Due from other governments	-	8,119	14,189	-
Advances to other funds	-	-	-	-
<b>Total assets</b>	<u>\$ 1,335,665</u>	<u>\$ 188,336</u>	<u>\$ 234,625</u>	<u>\$ 914,492</u>
<b>Liabilities, deferred inflows of resources and fund balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances to other funds	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Fund balances (deficit):				
Restricted:				
Community development projects	-	-	-	-
Public safety	-	188,336	-	-
Public works	1,335,665	-	234,625	-
Capital projects	-	-	-	914,492
Unassigned	-	-	-	-
<b>Total fund balances (deficit)</b>	<u>1,335,665</u>	<u>188,336</u>	<u>234,625</u>	<u>914,492</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 1,335,665</u>	<u>\$ 188,336</u>	<u>\$ 234,625</u>	<u>\$ 914,492</u>



Special Revenue Funds				
	Measure M	Affordable Housing Trust	Community Development Block Grant	HOME Program
<b>Assets:</b>				
Cash and investments	\$ 1,967,277	\$ 2,246,297	\$ 51,519	\$ -
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Due from other funds				
Notes and loans	-	213,000	1,598,500	35,241
Due from other governments	166,743	-	2,692	-
Advances to other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 2,134,020</b>	<b>\$ 2,459,297</b>	<b>\$ 1,652,711</b>	<b>\$ 35,241</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 58,320	\$ -
Accrued liabilities	633	-	-	-
Due to other governments	-	-	1,598,809	35,241
Due to other funds	-	-	-	-
Advances to other funds	-	-	-	-
<b>Total liabilities</b>	<b>633</b>	<b>-</b>	<b>1,657,129</b>	<b>35,241</b>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	2,692	-
Fund balances (deficit):				
Restricted:				
Community development projects	-	2,459,297	-	-
Public safety	-	-	-	-
Public works	2,133,387	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	(7,110)	-
<b>Total fund balances (deficit)</b>	<b>2,133,387</b>	<b>2,459,297</b>	<b>(7,110)</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,134,020</b>	<b>\$ 2,459,297</b>	<b>\$ 1,652,711</b>	<b>\$ 35,241</b>

Continued

**CITY OF BREA, CALIFORNIA**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	Special Revenue Funds		
	Blackstone CFD	La Floresta CFD	Taylor - Morrison CFD
<b>Assets:</b>			
Cash and investments	\$ 2,231,844	\$ 147,431	\$ 85,967
Receivables:			
Taxes	16,677	3,139	85
Accounts	1,217	-	-
Due from other funds			
Notes and loans	-	-	-
Due from other governments	-	-	-
Advances to other funds	-	-	-
<b>Total assets</b>	<b>\$ 2,249,738</b>	<b>\$ 150,570</b>	<b>\$ 86,052</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>			
Liabilities:			
Accounts payable	\$ 3,003	\$ -	\$ -
Accrued liabilities	7,986	3,016	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Advances to other funds	-	-	-
<b>Total liabilities</b>	<b>10,989</b>	<b>3,016</b>	<b>-</b>
Deferred Inflows of Resources:			
Unavailable revenues	-	-	-
Fund balances (deficit):			
Restricted:			
Community development projects	-	-	-
Public safety	-	-	-
Public works	2,238,749	147,554	86,052
Capital projects	-	-	-
Unassigned	-	-	-
<b>Total fund balances (deficit)</b>	<b>2,238,749</b>	<b>147,554</b>	<b>86,052</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,249,738</b>	<b>\$ 150,570</b>	<b>\$ 86,052</b>

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Capital and Mitigation Improvement	Storm Drain	Midbury	
<b>Assets:</b>				
Cash and investments	\$ 4,558,614	\$ 256,400	\$ 6,041	\$ 14,202,200
Receivables:				
Taxes	-	-	-	19,901
Accounts	-	-	-	1,217
Due from other funds				
Notes and loans	-	-	-	1,846,741
Due from other governments	-	-	-	191,743
Advances to other funds	443,788	-	-	443,788
<b>Total assets</b>	<b>\$ 5,002,402</b>	<b>\$ 256,400</b>	<b>\$ 6,041</b>	<b>\$ 16,705,590</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 61,323
Accrued liabilities	-	-	-	11,635
Due to other governments	-	-	-	1,634,050
Due to other funds	-	-	-	-
Advances to other funds	-	-	18,203	18,203
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>18,203</b>	<b>1,725,211</b>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	2,692
Fund balances (deficit):				
Restricted:				
Community development projects	-	-	-	2,459,297
Public safety	-	-	-	188,336
Public works	-	-	-	6,176,032
Capital projects	5,002,402	256,400	-	6,173,294
Unassigned	-	-	(12,162)	(19,272)
<b>Total fund balances (deficit)</b>	<b>5,002,402</b>	<b>256,400</b>	<b>(12,162)</b>	<b>14,977,687</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,002,402</b>	<b>\$ 256,400</b>	<b>\$ 6,041</b>	<b>\$ 16,705,590</b>

**CITY OF BREA, CALIFORNIA**

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds			
	Narcotics			Park Development
	Gas Tax	Enforcement Asset Seizure	Air Quality Improvement	
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	842,253	-	55,817	-
Charges for services	-	-	-	878,367
Investment income, net	758	1,051	(445)	(12,747)
Fines and forfeitures	-	42,768	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>843,011</b>	<b>43,819</b>	<b>55,372</b>	<b>865,620</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	224,278	-	-
Community development	-	-	-	-
Public works	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>224,278</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>843,011</b>	<b>(180,459)</b>	<b>55,372</b>	<b>865,620</b>
<b>Other financing sources (uses):</b>				
Transfers out	(794,702)	(1,422)	(38,562)	(34,452)
<b>Net change in fund balances</b>	<b>48,309</b>	<b>(181,881)</b>	<b>16,810</b>	<b>831,168</b>
<b>Fund balances (deficit), beginning of year</b>	<b>1,287,356</b>	<b>370,217</b>	<b>217,815</b>	<b>83,324</b>
<b>Fund balances (deficit), end of year</b>	<b>\$ 1,335,665</b>	<b>\$ 188,336</b>	<b>\$ 234,625</b>	<b>\$ 914,492</b>

	Special Revenue Funds			
	Measure M	Affordable Housing Trust	Community Development Block Grant	HOME Program
<b>Revenues:</b>				
Taxes	\$ 944,742	\$ -	\$ -	\$ -
Intergovernmental	-	-	265,750	-
Charges for services	-	-	-	-
Investment income, net	(419)	(260)	-	-
Fines and forfeitures	-	-	-	-
Other revenues	-	139,750	-	-
<b>Total revenues</b>	<u>944,323</u>	<u>139,490</u>	<u>265,750</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	184,080	-
Public works	20,043	-	-	-
<b>Total expenditures</b>	<u>20,043</u>	<u>-</u>	<u>184,080</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>924,280</u>	<u>139,490</u>	<u>81,670</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(831,508)</u>	<u>-</u>	<u>(29,037)</u>	<u>-</u>
<b>Net change in fund balances</b>	92,772	139,490	52,633	-
<b>Fund balances (deficit), beginning of year</b>	<u>2,040,615</u>	<u>2,319,807</u>	<u>(59,743)</u>	<u>-</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ 2,133,387</u>	<u>\$ 2,459,297</u>	<u>\$ (7,110)</u>	<u>\$ -</u>

Continued

**CITY OF BREA, CALIFORNIA**

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds		
	Blackstone CFD	La Floresta CFD	Taylor- Morrison CFD
<b>Revenues:</b>			
Taxes	\$ 708,450	\$ 198,145	\$ 48,196
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment income, net	4,232	1,155	89
Fines and forfeitures	-	-	-
Other revenues	-	-	-
<b>Total revenues</b>	<u>712,682</u>	<u>199,300</u>	<u>48,285</u>
<b>Expenditures:</b>			
Current:			
General government	40,157	10,000	-
Public safety	57,691	84,269	-
Community development	-	-	-
Public works	220,921	-	-
<b>Total expenditures</b>	<u>318,769</u>	<u>94,269</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>393,913</u>	<u>105,031</u>	<u>48,285</u>
<b>Other financing sources (uses):</b>			
Transfers out	<u>(502,924)</u>	<u>(142,721)</u>	<u>(33,981)</u>
<b>Net change in fund balances</b>	(109,011)	(37,690)	14,304
<b>Fund balances (deficit), beginning of year</b>	<u>2,347,760</u>	<u>185,244</u>	<u>71,748</u>
<b>Fund balances (deficit), end of year</b>	<u><u>\$ 2,238,749</u></u>	<u><u>\$ 147,554</u></u>	<u><u>\$ 86,052</u></u>

	Capital Projects Funds			Total Nonmajor Governmental Funds
	Capital and Mitigation Improvement	Storm Drain	Midbury	
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 7,694	\$ 1,907,227
Intergovernmental	-	-	-	1,163,820
Charges for services	-	-	-	878,367
Investment income, net	8,265	44	27	1,750
Fines and forfeitures	-	-	-	42,768
Other revenues	566	-	-	140,316
<b>Total revenues</b>	<b>8,831</b>	<b>44</b>	<b>7,721</b>	<b>4,134,248</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	455	50,612
Public safety	-	-	-	366,238
Community development	-	-	-	184,080
Public works	-	-	-	240,964
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>455</b>	<b>841,894</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>8,831</b>	<b>44</b>	<b>7,266</b>	<b>3,292,354</b>
<b>Other financing sources (uses):</b>				
Transfers out	(237,169)	-	-	(2,646,478)
<b>Net change in fund balances</b>	<b>(228,338)</b>	<b>44</b>	<b>7,266</b>	<b>645,876</b>
<b>Fund balances (deficit), beginning of year</b>	<b>5,230,740</b>	<b>256,356</b>	<b>(19,428)</b>	<b>14,331,811</b>
<b>Fund balances (deficit), end of year</b>	<b>\$ 5,002,402</b>	<b>\$ 256,400</b>	<b>\$ (12,162)</b>	<b>\$ 14,977,687</b>

**CITY OF BREA, CALIFORNIA**

**SCHEDULE TO REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GAS TAX SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 891,500	\$ 891,500	\$ 842,253	\$ (49,247)
Investment income, net	10,000	10,000	758	(9,242)
<b>Total revenues</b>	<u>901,500</u>	<u>901,500</u>	<u>843,011</u>	<u>(58,489)</u>
 <b>Excess of revenues over expenditures</b>	 <u>901,500</u>	 <u>901,500</u>	 <u>843,011</u>	 <u>(58,489)</u>
 <b>Other financing sources (uses):</b>				
Transfers out	(1,563,500)	(1,869,368)	(794,702)	1,074,666
<b>Net change in fund balance</b>	<u>\$ (662,000)</u>	<u>\$ (967,868)</u>	<u>48,309</u>	<u>\$ 1,016,177</u>
 Fund balance at beginning of the year			<u>1,287,356</u>	
 Fund balance at end of the year			<u>\$ 1,335,665</u>	



**CITY OF BREA, CALIFORNIA**

**SCHEDULE TO REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
NARCOTICS ENFORCEMENT ASSET SEIZURE SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment income, net	\$ 4,000	\$ 4,000	\$ 1,051	\$ (2,949)
Fines and forfeitures	175,000	175,000	42,768	(132,232)
<b>Total revenues</b>	<u>179,000</u>	<u>179,000</u>	<u>43,819</u>	<u>(135,181)</u>
<b>Expenditures:</b>				
Current:				
Public safety	501,640	511,636	224,278	287,358
<b>Excess (deficiency) of revenues over(under) expenditures</b>	<u>(322,640)</u>	<u>(332,636)</u>	<u>(180,459)</u>	<u>152,177</u>
<b>Other financing sources (uses):</b>				
Transfers out	-	(1,422)	(1,422)	-
<b>Net change in fund balance</b>	<u><u>\$ (322,640)</u></u>	<u><u>\$ (334,058)</u></u>	<u><u>(181,881)</u></u>	<u><u>\$ 152,177</u></u>
Fund balance at beginning of the year			<u>370,217</u>	
Fund balance at end of the year			<u><u>\$ 188,336</u></u>	

**CITY OF BREA, CALIFORNIA**

**SCHEDULE TO REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 44,000	\$ 44,000	\$ 55,817	\$ 11,817
Investment income, net	1,200	1,200	(445)	(1,645)
<b>Total revenues</b>	<u>45,200</u>	<u>45,200</u>	<u>55,372</u>	<u>10,172</u>
 <b>Excess of revenues over expenditures</b>	 <u>45,200</u>	 <u>45,200</u>	 <u>55,372</u>	 <u>10,172</u>
 <b>Other financing sources (uses):</b>				
Transfers out	(50,000)	(100,000)	(38,562)	61,438
<b>Net change in fund balance</b>	<u><u>\$ (4,800)</u></u>	<u><u>\$ (54,800)</u></u>	<u><u>16,810</u></u>	<u><u>\$ 71,610</u></u>
 Fund balance at beginning of the year			 <u>217,815</u>	
 Fund balance at end of the year			 <u><u>\$ 234,625</u></u>	

**CITY OF BREA, CALIFORNIA**

**SCHEDULE TO REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
PARK DEVELOPMENT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive/ (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$ 1,061,715	\$ 1,061,715	\$ 878,367	\$ (183,348)
Investment income, net	<u>2,500</u>	<u>2,500</u>	<u>(12,747)</u>	<u>(15,247)</u>
<b>Total revenues</b>	<u>1,064,215</u>	<u>1,064,215</u>	<u>865,620</u>	<u>(198,595)</u>
 <b>Excess of revenues over expenditures</b>	 <u>1,064,215</u>	 <u>1,064,215</u>	 <u>865,620</u>	 <u>(198,595)</u>
 <b>Other financing sources (uses):</b>				
Transfers out	<u>(366,473)</u>	<u>(1,175,925)</u>	<u>(34,452)</u>	<u>1,141,473</u>
<b>Net change in fund balance</b>	<u><u>\$ 697,742</u></u>	<u><u>\$ (111,710)</u></u>	<u><u>831,168</u></u>	<u><u>\$ 942,878</u></u>
 Fund balance at beginning of the year			<u>83,324</u>	
Fund balance at end of the year			<u><u>\$ 914,492</u></u>	

**CITY OF BREA, CALIFORNIA**

**SCHEDULE TO REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MEASURE M SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 978,413	\$ 978,413	\$ 944,742	\$ (33,671)
Investment income, net	5,000	5,000	(419)	(5,419)
<b>Total revenues</b>	<u>983,413</u>	<u>983,413</u>	<u>944,323</u>	<u>(39,090)</u>
<b>Expenditures:</b>				
Current:				
Public works	<u>32,239</u>	<u>32,239</u>	<u>20,043</u>	<u>12,196</u>
<b>Excess (deficiency) of revenues         over(under) expenditures</b>	<u>951,174</u>	<u>951,174</u>	<u>924,280</u>	<u>26,894</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(2,661,000)</u>	<u>(2,752,013)</u>	<u>(831,508)</u>	<u>1,920,505</u>
<b>Net change in fund balance</b>	<u><u>\$ (1,709,826)</u></u>	<u><u>\$ (1,800,839)</u></u>	<u><u>92,772</u></u>	<u><u>\$ 1,947,399</u></u>
Fund balance at beginning of the year			<u>2,040,615</u>	
Fund balance at end of the year			<u><u>\$ 2,133,387</u></u>	

**CITY OF BREA, CALIFORNIA**

**SCHEDULE TO REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
AFFORDABLE HOUSING TRUST SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income, net	\$ 35,000	\$ 35,000	\$ (260)	\$ (35,260)
Other revenues	<u>120,000</u>	<u>120,000</u>	<u>139,750</u>	<u>19,750</u>
<b>Total revenues</b>	<u>155,000</u>	<u>155,000</u>	<u>139,490</u>	<u>(15,510)</u>
<b>Expenditures:</b>				
Current:				
Community development	<u>100,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
<b>Net change in fund balance</b>	<u>\$ 55,000</u>	<u>\$ 5,000</u>	<u>139,490</u>	<u>\$ 134,490</u>
Fund balance at beginning of the year			<u>2,319,807</u>	
Fund balance at end of the year			<u>\$ 2,459,297</u>	

**CITY OF BREA, CALIFORNIA**

**SCHEDULE TO REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 294,000	\$ 453,145	\$ 265,750	\$ (187,395)
<b>Expenditures:</b>				
Current:				
Community development	180,000	339,145	184,080	155,065
<b>Excess (deficiency) of revenues over(under) expenditures</b>	114,000	114,000	81,670	(32,330)
<b>Other financing sources (uses):</b>				
Transfers out	(114,000)	(179,576)	(29,037)	150,539
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (65,576)</u>	<u>52,633</u>	<u>\$ 118,209</u>
Fund balance at beginning of the year			<u>(59,743)</u>	
Fund balance at end of the year			<u>\$ (7,110)</u>	

**CITY OF BREA, CALIFORNIA**

**SCHEDULE TO REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BLACKSTONE CFD SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive/ (Negative)</u>
<b>Revenues:</b>				
Taxes	\$ 537,700	\$ 537,700	\$ 708,450	\$ 170,750
Investment income, net	27,000	27,000	4,232	(22,768)
<b>Total revenues</b>	<u>564,700</u>	<u>564,700</u>	<u>712,682</u>	<u>147,982</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	40,157	(40,157)
Public safety	56,505	56,505	57,691	(1,186)
Public works	281,681	287,881	220,921	66,960
<b>Total expenditures</b>	<u>338,186</u>	<u>344,386</u>	<u>318,769</u>	<u>25,617</u>
<b>Excess (deficiency) of revenues over(under) expenditures</b>	<u>226,514</u>	<u>220,314</u>	<u>393,913</u>	<u>173,599</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>-</u>	<u>(502,924)</u>	<u>(502,924)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>226,514</u>	<u>(282,610)</u>	<u>(109,011)</u>	<u>173,599</u>
Fund balance at beginning of the year			<u>2,347,760</u>	
Fund balance at end of the year			<u><u>\$ 2,238,749</u></u>	

**CITY OF BREA, CALIFORNIA**

**SCHEDULE TO REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
LA FLORESTA CFD SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
<b>Revenues:</b>				
Taxes	\$ 175,000	\$ 175,000	\$ 198,145	\$ 23,145
Investment income, net	3,000	3,000	1,155	(1,845)
<b>Total revenues</b>	<u>178,000</u>	<u>178,000</u>	<u>199,300</u>	<u>21,300</u>
<b>Expenditures:</b>				
Current:				
General government	5,000	6,640	10,000	(3,360)
Public safety	84,758	84,758	84,269	489
Public works	2,872	2,872	-	2,872
<b>Total expenditures</b>	<u>92,630</u>	<u>94,270</u>	<u>94,269</u>	<u>1</u>
<b>Excess (deficiency) of revenues over(under) expenditures</b>	<u>85,370</u>	<u>83,730</u>	<u>105,031</u>	<u>21,301</u>
<b>Other financing sources (uses):</b>				
Transfers out	-	(142,721)	(142,721)	-
<b>Net change in fund balance</b>	<u>85,370</u>	<u>(58,991)</u>	<u>(37,690)</u>	<u>21,301</u>
Fund balance at beginning of the year			<u>185,244</u>	
Fund balance at end of the year			<u><u>\$ 147,554</u></u>	



**CITY OF BREA, CALIFORNIA**

**SCHEDULE TO REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TAYLOR-MORRISON CFD SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues:</b>				
Taxes	\$ 45,650	\$ 45,650	\$ 48,196	\$ 2,546
Investment income, net	200	200	89	(111)
<b>Total revenues</b>	<u>45,850</u>	<u>45,850</u>	<u>48,285</u>	<u>2,435</u>
 <b>Excess of revenues over expenditures</b>	 <u>45,850</u>	 <u>45,850</u>	 <u>48,285</u>	 <u>2,435</u>
 <b>Other financing sources (uses):</b>				
Transfers out	-	(33,981)	(33,981)	-
<b>Net change in fund balance</b>	<u>\$ 45,850</u>	<u>\$ 11,869</u>	<u>14,304</u>	<u>\$ 2,435</u>
 Fund balance at beginning of the year			<u>71,748</u>	
 Fund balance at end of the year			<u>\$ 86,052</u>	

**CITY OF BREA, CALIFORNIA**

**SCHEDULE TO REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL AND MITIGATION IMPROVEMENT CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive/ (Negative)</u>
<b>Revenues:</b>				
Investment income, net	\$ 30,000	\$ 30,000	\$ 8,265	\$ (21,735)
Other revenues	-	-	566	566
<b>Total revenues</b>	<u>30,000</u>	<u>30,000</u>	<u>8,831</u>	<u>(21,169)</u>
 <b>Excess of revenues over expenditures</b>	 <u>30,000</u>	 <u>30,000</u>	 <u>8,831</u>	 <u>(21,169)</u>
 <b>Other financing sources (uses):</b>				
Transfers out	(978,100)	(1,155,072)	(237,169)	917,903
<b>Net change in fund balance</b>	<u><u>\$ (948,100)</u></u>	<u><u>\$ (1,125,072)</u></u>	<u><u>(228,338)</u></u>	<u><u>\$ 896,734</u></u>
 Fund balance at beginning of the year			<u>5,230,740</u>	
Fund balance at end of the year			<u><u>\$ 5,002,402</u></u>	

**CITY OF BREA, CALIFORNIA**

**SCHEDULE TO REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
STORM DRAIN CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Revenues:</b>				
Investment income, net	\$ 2,500	\$ 2,500	\$ 44	\$ (2,456)
<b>Net change in fund balance</b>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>44</u>	<u>\$ (2,456)</u>
Fund balance at beginning of the year			<u>256,356</u>	
Fund balance at end of the year			<u>\$ 256,400</u>	

**CITY OF BREA, CALIFORNIA**

**SCHEDULE TO REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MIDBURY CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 7,718	\$ 7,718	\$ 7,694	\$ (24)
Investment income, net	100	100	27	(73)
<b>Total revenues</b>	<u>7,818</u>	<u>7,818</u>	<u>7,721</u>	<u>(97)</u>
<b>Expenditures:</b>				
Current:				
General government	468	468	455	13
<b>Net change in fund balance</b>	<u>\$ 7,350</u>	<u>\$ 7,350</u>	<u>7,266</u>	<u>\$ 84</u>
Fund balance at beginning of the year			<u>(19,428)</u>	
Fund balance at end of the year			<u>\$ (12,162)</u>	

## **NON-MAJOR PROPRIETARY FUNDS**

### **Urban Runoff Fund**

The fund is used to account for the City's urban runoff operations, which are financed and operated in a manner similar to a private enterprise. The costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

### **Sanitation Fund**

The fund is used to account for the City's refuse collection and street sweeping operations, which are operated in a manner similar to a private enterprise. User charges finance the operations of this fund.

### **Information Technology External Support Fund**

This fund is used to account for the operations of the Information Technology Division's contractual information technology services to other agencies. The costs (expenses including depreciation) of providing these services to participating cities on a continuing basis are financed or recovered primarily through user charges.

**CITY OF BREA, CALIFORNIA**

**COMBINING STATEMENT OF NET POSITION  
NON-MAJOR PROPRIETARY FUNDS  
JUNE 30, 2017**

	Urban Runoff	Sanitation	Information Technology External Support	Total
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 511,779	\$ -	\$ 692,248	\$ 1,204,027
Accounts receivable	65,323	607,808	329,952	1,003,083
Due from other governments	-	22,784	-	22,784
<b>Total current assets</b>	<b>577,102</b>	<b>630,592</b>	<b>1,022,200</b>	<b>2,229,894</b>
Noncurrent:				
Capital assets - net of accumulated depreciation	2,265	-	-	2,265
<b>Total assets</b>	<b>579,367</b>	<b>630,592</b>	<b>1,022,200</b>	<b>2,232,159</b>
<b>Deferred outflows of resources:</b>				
Deferred pension related items	39,840	171,823	582,344	794,007
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	3,655	208,906	3,586	216,147
Accrued liabilities	3,587	19,153	59,575	82,315
Due to other funds	-	439,894	-	439,894
Compensated absences, due within one year	-	11,666	80,144	91,811
<b>Total current liabilities</b>	<b>7,242</b>	<b>679,619</b>	<b>143,305</b>	<b>830,167</b>
Noncurrent:				
Compensated absences, due in more than one year	-	3,889	26,715	30,604
Net pension liability	286,160	2,037,373	2,336,735	4,660,268
<b>Total noncurrent liabilities</b>	<b>286,160</b>	<b>2,041,262</b>	<b>2,363,450</b>	<b>4,690,872</b>
<b>Total liabilities</b>	<b>293,402</b>	<b>2,720,881</b>	<b>2,506,755</b>	<b>5,521,038</b>
<b>Deferred inflows of resources:</b>				
Deferred pension related items	38,824	394,509	12,740	446,073
<b>Net position (deficit):</b>				
Net investment in capital assets	2,265	-	-	2,265
Unrestricted	284,716	(2,312,975)	(914,951)	(2,943,210)
<b>Total net position (deficit)</b>	<b>\$ 286,981</b>	<b>\$ (2,312,975)</b>	<b>\$ (914,951)</b>	<b>\$ (2,940,945)</b>

**CITY OF BREA, CALIFORNIA**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
NON-MAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Urban Runoff	Sanitation	Information Technology External Support	Total
<b>Operating revenues:</b>				
Charges for services	\$ 398,630	\$ 2,704,917	\$ 1,959,634	\$ 5,063,181
Other revenues	13,456	879,236	-	892,692
<b>Total operating revenues</b>	<u>412,086</u>	<u>3,584,153</u>	<u>1,959,634</u>	<u>5,955,873</u>
<b>Operating expenses:</b>				
Personnel services	227,772	606,083	1,470,371	2,304,226
Maintenance and operation	148,130	2,441,821	253,038	2,842,989
Depreciation expense	938	-	-	938
<b>Total operating expenses</b>	<u>376,840</u>	<u>3,047,904</u>	<u>1,723,409</u>	<u>5,148,153</u>
<b>Operating income (loss)</b>	<u>35,246</u>	<u>536,249</u>	<u>236,225</u>	<u>807,720</u>
<b>Nonoperating revenues (expenses):</b>				
Intergovernmental revenues	-	34,154	-	34,154
Interest expense	(434)	(324)	(641)	(1,399)
<b>Total nonoperating revenues (expenses)</b>	<u>(434)</u>	<u>33,830</u>	<u>(641)</u>	<u>32,755</u>
<b>Income (loss) before contributions and transfers</b>	<u>34,812</u>	<u>570,079</u>	<u>235,584</u>	<u>840,475</u>
<b>Transfers:</b>				
Transfers out	(7,540)	(465,000)	(50,000)	(522,540)
<b>Change in net position</b>	<u>27,272</u>	<u>105,079</u>	<u>185,584</u>	<u>317,935</u>
<b>Net position (deficit) at beginning of year</b>	<u>259,709</u>	<u>(2,418,054)</u>	<u>(1,100,535)</u>	<u>(3,258,880)</u>
<b>Net position (deficit) at end of year</b>	<u>\$ 286,981</u>	<u>\$ (2,312,975)</u>	<u>\$ (914,951)</u>	<u>\$ (2,940,945)</u>

**CITY OF BREA, CALIFORNIA**

**COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Urban Runoff	Sanitation	Information Technology External Support	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers and users	\$ 406,976	\$ 3,564,809	\$ 1,989,573	\$ 5,961,358
Cash payments to suppliers for goods and services	(387,281)	(3,028,277)	(1,722,147)	(5,137,705)
Cash payments to employees for services	(3,563)	(105,362)	(35,909)	(144,834)
<b>Net cash provided by operating activities</b>	<b>16,132</b>	<b>431,170</b>	<b>231,517</b>	<b>678,819</b>
<b>Cash flows from non-capital financing activities:</b>				
Cash transfers out	(7,540)	(465,000)	(50,000)	(522,540)
Intergovernmental revenues	-	34,154	-	34,154
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(7,540)</b>	<b>(430,846)</b>	<b>(50,000)</b>	<b>(488,386)</b>
<b>Cash flows from investing activities:</b>				
Interest received	(434)	(324)	(641)	(1,399)
<b>Net cash provided by (used for) investing activities</b>	<b>(434)</b>	<b>(324)</b>	<b>(641)</b>	<b>(1,399)</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,158</b>	<b>-</b>	<b>180,876</b>	<b>189,034</b>
Cash and Cash Equivalents at Beginning of Year	503,621	-	511,372	1,014,993
Cash and Cash Equivalents at End of Year	<u>\$ 511,779</u>	<u>\$ -</u>	<u>\$ 692,248</u>	<u>\$ 1,204,027</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ 35,246	\$ 536,249	\$ 236,225	\$ 807,720
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	938	-	-	938
(Increase) decrease in accounts receivable	(5,110)	3,440	(329,952)	(331,622)
(Increase) decrease in due from other governments	-	(22,784)	359,891	337,107
Increase (decrease) in accounts payable	(11,500)	15,276	(1,804)	1,972
Increase in accrued liabilities	121	4,351	3,066	7,538
(Decrease) in due to other funds	-	(90,273)	-	(90,273)
Increase in compensated absences	-	1,089	20,569	21,658
(Decrease) in net pension liability	(3,563)	(16,178)	(56,478)	(76,219)
<b>Total adjustments</b>	<b>(19,114)</b>	<b>(105,079)</b>	<b>(4,708)</b>	<b>(128,901)</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 16,132</b>	<b>\$ 431,170</b>	<b>\$ 231,517</b>	<b>\$ 678,819</b>

**Non-cash investing, capital and financing activities:**

There was no non-cash investing, capital or financing activities during the year.



## **INTERNAL SERVICE FUNDS**

### **Risk Management Fund**

This fund is used to account for the costs of operating a self-insurance program for general liability, workers' compensation, long-term disability and unemployment compensation. Such costs to other departments are billed at a predetermined rate set annually during the budget process.

### **Vehicle Maintenance Fund**

This fund was created to account for the costs of operating a maintenance facility for automotive equipment used by other City departments. Such costs to other departments are billed at a predetermined cost per mile charge that includes depreciation. This charge is set annually during the budget process. The Vehicle Maintenance Fund is responsible for financing replacement vehicles, as necessary.

### **Building Occupancy Fund**

This fund is used to account for the costs of operating a building maintenance program for City facilities. Such costs to other departments are billed at a predetermined rate set annually during the budget process.

**CITY OF BREA, CALIFORNIA**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2017**

	<u>Risk Management</u>	<u>Vehicle Replacement</u>	<u>Building Occupancy</u>	<u>Totals 2017</u>
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 4,558,357	\$ 1,253,987	\$ 493,909	\$ 6,306,253
Receivables:				
Accounts	2,889	4,923	-	7,812
<b>Total current assets</b>	<u>4,561,246</u>	<u>1,258,910</u>	<u>493,909</u>	<u>6,314,065</u>
Noncurrent assets:				
Advances to other funds	866,118	-	-	866,118
Capital assets, net of accumulated depreciation	-	4,080,667	1,462,480	5,543,147
<b>Total noncurrent assets</b>	<u>866,118</u>	<u>4,080,667</u>	<u>1,462,480</u>	<u>6,409,265</u>
<b>Total assets</b>	<u>5,427,364</u>	<u>5,339,577</u>	<u>1,956,389</u>	<u>12,723,330</u>
<b>Deferred outflows of resources:</b>				
Deferred pension related items	72,814	227,964	271,730	572,508
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	31,027	121,068	111,901	263,996
Accrued liabilities	6,847	19,097	29,816	55,760
Accrued Interest	-	-	2,598	2,598
Compensated absences, due within one year	-	27,426	42,113	69,539
Claims and judgments, due within one year	1,753,904	-	-	1,753,904
Capital leases, due within one year	-	-	168,315	168,315
<b>Total current liabilities</b>	<u>1,791,778</u>	<u>167,591</u>	<u>354,743</u>	<u>2,314,112</u>
Non-current liabilities:				
Compensated absences, due in more than one year	-	9,142	14,038	23,180
Claims and judgments, due in more than one year	2,743,287	-	-	2,743,287
Net pension liability	365,823	1,241,135	1,335,892	2,942,850
<b>Total non-current liabilities</b>	<u>3,109,110</u>	<u>1,250,277</u>	<u>1,349,930</u>	<u>5,709,317</u>
<b>Total liabilities</b>	<u>4,900,888</u>	<u>1,417,868</u>	<u>1,704,672</u>	<u>8,023,428</u>
<b>Deferred inflows of resources:</b>				
Deferred pension related items	29,476	117,489	95,859	242,824
<b>Net position:</b>				
Net investment in capital assets	-	4,080,667	1,462,480	5,543,147
Unrestricted	569,814	(48,483)	(1,034,892)	(513,561)
<b>Total net position</b>	<u>\$ 569,814</u>	<u>\$ 4,032,184</u>	<u>\$ 427,588</u>	<u>\$ 5,029,586</u>

**CITY OF BREA, CALIFORNIA**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Risk Management	Vehicle Maintenance	Building Occupancy	Total
<b>Operating revenues:</b>				
Charge for service	\$ 2,901,534	\$ 2,286,231	\$ 2,485,854	\$ 7,673,619
Other revenues	451,083	49,328	75,797	576,208
<b>Total operating revenues</b>	<u>3,352,617</u>	<u>2,335,559</u>	<u>2,561,651</u>	<u>8,249,827</u>
<b>Operating expenses:</b>				
Personnel services	169,126	595,861	732,764	1,497,751
Maintenance and operation	1,277,471	1,028,285	1,511,572	3,817,328
Claims and judgements	1,935,696	-	-	1,935,696
Depreciation expense	-	672,357	119,470	791,827
<b>Total operating expenses</b>	<u>3,382,293</u>	<u>2,296,503</u>	<u>2,363,806</u>	<u>8,042,602</u>
<b>Operating income (loss)</b>	<u>(29,676)</u>	<u>39,056</u>	<u>197,845</u>	<u>207,225</u>
<b>Nonoperating revenues (expenses):</b>				
Interest expense	(7,511)	(1,106)	(11,707)	(20,324)
Gain (loss) on disposal of capital assets	-	(6,704)	-	(6,704)
<b>Total nonoperating revenues (expenses)</b>	<u>(7,511)</u>	<u>(7,810)</u>	<u>(11,707)</u>	<u>(27,028)</u>
<b>Income (loss) before transfers</b>	<u>(37,187)</u>	<u>31,246</u>	<u>186,138</u>	<u>180,197</u>
<b>Transfers:</b>				
Transfers in	-	88,882	-	88,882
Transfers out	(100,000)	(411,992)	-	(511,992)
<b>Total transfers</b>	<u>(100,000)</u>	<u>(323,110)</u>	<u>-</u>	<u>(423,110)</u>
<b>Change in net position</b>	<u>(137,187)</u>	<u>(291,864)</u>	<u>186,138</u>	<u>(242,913)</u>
<b>Net position at beginning of Year</b>	<u>707,001</u>	<u>4,324,048</u>	<u>241,450</u>	<u>5,272,499</u>
<b>Net position at end of year</b>	<u>\$ 569,814</u>	<u>\$ 4,032,184</u>	<u>\$ 427,588</u>	<u>\$ 5,029,586</u>

**CITY OF BREA, CALIFORNIA**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Risk Management	Vehicle Maintenance	Building Occupancy	Total
<b>Cash flows from operating activities:</b>				
Cash received from users and departments	\$ 3,355,092	\$ 2,526,913	\$ 2,575,590	\$ 8,457,595
Cash payments to suppliers for goods and services	(1,790,253)	(1,533,494)	(2,222,482)	(5,546,229)
Cash payments to employees for services	(1,714,643)	(204,642)	(42,980)	(1,962,265)
<b>Net cash provided by (used for) operating activities</b>	<b>(149,804)</b>	<b>788,777</b>	<b>310,128</b>	<b>949,101</b>
<b>Cash flows from non-capital financing activities:</b>				
Cash transfers out	(100,000)	(411,992)	-	(511,992)
Cash transfers in	-	88,882	-	88,882
Advances received from other funds	574,677	-	-	574,677
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>474,677</b>	<b>(323,110)</b>	<b>-</b>	<b>151,567</b>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	-	(470,363)	(5,460)	(475,823)
Proceeds from sale of capital assets	-	53,059	-	53,059
Principal and interest paid on long-term debt	(7,511)	-	(174,972)	(182,483)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(7,511)</b>	<b>(417,304)</b>	<b>(180,432)</b>	<b>(605,247)</b>
<b>Cash flows from investing activities:</b>				
Interest received	-	(1,106)	-	(1,106)
<b>Net cash provided by (used for) investing activities</b>	<b>-</b>	<b>(1,106)</b>	<b>-</b>	<b>(1,106)</b>
<b>Net increase (decreased) in cash and cash equivalents</b>	<b>317,362</b>	<b>47,257</b>	<b>129,696</b>	<b>494,315</b>
Cash and Cash Equivalents at Beginning of Year	4,240,995	1,206,730	364,213	5,811,938
Cash and Cash Equivalents at End of Year	\$ 4,558,357	\$ 1,253,987	\$ 493,909	\$ 6,306,253
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ (29,676)	\$ 39,056	\$ 197,845	\$ 207,225
<b>Adjustments to reconcile operating income (loss) net cash provided by (used for) operating activities:</b>				
Depreciation	-	672,357	119,470	791,827
Decrease in accounts receivable	2,475	3,421	-	5,896
Increase (decrease) in accounts payable	(392,342)	93,303	1,650	(297,389)
Increase (decrease) in accrued liabilities	8	(2,651)	3,354	711
Increase in claims and judgements	276,271	-	-	276,271
Increase in compensated absences	-	3,225	12,289	15,514
(Decrease) in net pension liability	(6,540)	(19,934)	(24,480)	(50,954)
<b>Total adjustments</b>	<b>\$ (120,128)</b>	<b>\$ 749,721</b>	<b>\$ 112,283</b>	<b>\$ 741,876</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ (149,804)</b>	<b>\$ 788,777</b>	<b>\$ 310,128</b>	<b>\$ 949,101</b>
<b>Non-cash investing, capital and financing activities:</b>				
There was no non-cash investing, capital or financing activities during the year.				

## **AGENCY FUNDS**

### **Bexley Assessment District 2001-1 Fund**

This fund was created to account for collection and payment of neighborhood sewer improvements.

### **Hillside Open Space Education Coalition**

This fund is used to account for the funds received to educate the public as to the importance of hillside preservation.

### **Downtown Community Facilities District 1996-1 Fund**

This fund is used to account for the collection and payment to the holders of the 2014 Special Tax Bonds.

### **Olinda Heights Community Facilities District 1997-1 Fund**

This fund is used to account for the collection and payment to the holders of the 2005 Special Tax Bonds.

### **Brea Plaza Community Facilities District 2008-02 Fund**

This fund is used to account for the collection and payment to the holders of the 2009 Special Tax Bonds.

### **Integrated Law and Justice Agency of Orange County (ILJAOC) Fund**

This fund is used to account for the collection and payment related to a joint venture agreement with several other public agencies of Orange County. The City acts as a treasurer for the ILJAOC.

**CITY OF BREA, CALIFORNIA**

**COMBINING BALANCE SHEET  
AGENCY FUNDS  
JUNE 30, 2017**

	<u>Bexley</u>	<u>Hillside Open Space Education Coalition</u>	<u>Downtown</u>
<b>Assets:</b>			
Cash and investments	\$ -	\$ 536,884	\$ 260,732
Receivables:			
Accounts	9,936	-	-
Taxes	-	-	-
Due from other governments	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	163,319
Capital assets:			
Capital assets, net of accumulated depreciation	-	-	-
<b>Total assets</b>	<u><u>\$ 9,936</u></u>	<u><u>\$ 536,884</u></u>	<u><u>\$ 424,051</u></u>
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 1,245
Accrued liabilities	-	536,884	424
Due to the City of Brea	9,936	-	-
Due to external parties/other agencies	-	-	422,382
<b>Total liabilities</b>	<u><u>\$ 9,936</u></u>	<u><u>\$ 536,884</u></u>	<u><u>\$ 424,051</u></u>

<u>Olinda Heights</u>	<u>Brea Plaza</u>	<u>ILJAO</u>	<u>Total</u>
\$ 369,750	\$ 386,788	\$ 3,365,333	\$ 4,919,487
-	-	7,723	17,659
9,007	-	-	9,007
-	-	19,065	19,065
465,154	837,908	-	1,466,381
-	-	468,006	468,006
<u>\$ 843,911</u>	<u>\$ 1,224,696</u>	<u>\$ 3,860,127</u>	<u>\$ 6,899,605</u>
\$ 32	\$ 59	\$ 276,855	\$ 278,191
1,060	587	-	538,955
-	-	-	9,936
842,819	1,224,050	3,583,272	6,072,523
<u>\$ 843,911</u>	<u>\$ 1,224,696</u>	<u>\$ 3,860,127</u>	<u>\$ 6,899,605</u>

**CITY OF BREA, CALIFORNIA**  
**COMBINING STATEMENT OF CHANGES**  
**IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Balance July 1, 2016, as restated	Additions	Deletions	Balance June 30, 2017
<b><u>Bexley</u></b>				
<b>Assets</b>				
Receivables:				
Accounts	\$ 19,111	\$ 1,515	\$ 10,690	\$ 9,936
<b>Liabilities</b>				
Due to City of Brea	\$ 19,111	\$ 12,126	\$ 21,301	\$ 9,936
<b><u>Hillside Open Space Education Coalition</u></b>				
<b>Assets</b>				
Cash and investments	\$ 536,842	\$ 8,106	\$ 8,064	\$ 536,884
<b>Liabilities</b>				
Accrued liabilities	\$ 536,842	\$ 8,106	\$ 8,064	\$ 536,884
<b><u>Downtown</u></b>				
<b>Assets</b>				
Cash and investments	\$ 263,607	\$ 260,048	\$ 262,923	\$ 260,732
Restricted assets:				
Cash and investments with fiscal agents	163,087	225,482	225,250	163,319
<b>Total Assets</b>	<u>\$ 426,694</u>	<u>\$ 485,530</u>	<u>\$ 488,173</u>	<u>\$ 424,051</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,205	\$ 21,104	\$ 21,064	\$ 1,245
Accrued liabilities	426	424	426	424
Due to external parties/other agencies	425,063	260,230	262,911	422,382
<b>Total Liabilities</b>	<u>\$ 426,694</u>	<u>\$ 281,758</u>	<u>\$ 284,401</u>	<u>\$ 424,051</u>
<b><u>Olinda Heights</u></b>				
<b>Assets</b>				
Cash and investments	\$ 336,624	\$ 521,077	\$ 487,951	\$ 369,750
Receivables:				
Taxes	11,899	9,007	11,899	9,007
Restricted assets:				
Cash and investments with fiscal agents	467,302	448,282	450,430	465,154
<b>Total Assets</b>	<u>\$ 815,825</u>	<u>\$ 978,366</u>	<u>\$ 950,280</u>	<u>\$ 843,911</u>
<b>Liabilities</b>				
Accounts payable	\$ 33	\$ 9,657	\$ 9,658	\$ 32
Accrued liabilities	1,066	1,060	1,066	1,060
Due to external parties/other agencies	814,726	524,514	496,421	842,819
<b>Total Liabilities</b>	<u>\$ 815,825</u>	<u>\$ 535,231</u>	<u>\$ 507,145</u>	<u>\$ 843,911</u>



	Balance July 1, 2016, as restated	Additions	Deletions	Balance June 30, 2017
<b><u>Brea Plaza</u></b>				
<b>Assets</b>				
Cash and investments	\$ 390,354	\$ 663,182	\$ 666,748	\$ 386,788
Restricted assets:				
Cash and investments with fiscal agents	844,452	652,369	658,913	837,908
<b>Total Assets</b>	<u>\$ 1,234,806</u>	<u>\$ 1,315,551</u>	<u>\$ 1,325,661</u>	<u>\$ 1,224,696</u>
<b>Liabilities</b>				
Accounts payable	\$ 59	\$ 4,360	\$ 4,360	\$ 59
Accrued liabilities	586	587	586	587
Due to external parties/other agencies	1,234,161	674,805	684,916	1,224,050
<b>Total Liabilities</b>	<u>\$ 1,234,806</u>	<u>\$ 679,752</u>	<u>\$ 689,862</u>	<u>\$ 1,224,696</u>
<b><u>ILJAO</u></b>				
<b>Assets</b>				
Cash and investments	\$ 2,933,494	\$ 5,136,157	\$ 4,704,318	\$ 3,365,333
Receivables:				
Accounts	-	12,218	4,495	7,723
Due from other governments	60,756	1,286,279	1,327,970	19,065
Capital assets:				
Capital assets, net of depreciations	728,190	-	260,184	468,006
<b>Total Assets</b>	<u>\$ 3,722,440</u>	<u>\$ 6,434,654</u>	<u>\$ 6,296,967</u>	<u>\$ 3,860,127</u>
<b>Liabilities</b>				
Accounts payable	\$ 222,056	\$ 980,686	\$ 925,887	\$ 276,855
Due to external parties/other agencies	3,500,384	1,160,077	1,077,189	3,583,272
<b>Total Liabilities</b>	<u>\$ 3,722,440</u>	<u>\$ 2,140,763</u>	<u>\$ 2,003,076</u>	<u>\$ 3,860,127</u>
<b><u>Total Agency Funds</u></b>				
<b>Assets</b>				
Cash and investments	\$ 4,460,921	\$ 6,588,570	\$ 6,130,004	\$ 4,919,487
Receivables:				
Taxes	11,899	9,007	11,899	9,007
Accounts	19,111	13,733	15,185	17,659
Due from other governments	60,756	1,286,279	1,327,970	19,065
Restricted assets:				
Cash and investments with fiscal agents	1,474,841	1,326,133	1,334,593	1,466,381
Capital assets:				
Capital assets, net of depreciations	728,190	-	260,184	468,006
<b>Total Assets</b>	<u>\$ 6,755,718</u>	<u>\$ 9,223,722</u>	<u>\$ 9,079,835</u>	<u>\$ 6,899,605</u>
<b>Liabilities</b>				
Accounts payable	\$ 223,353	\$ 1,015,807	\$ 960,969	\$ 278,191
Accrued liabilities	538,920	10,177	10,142	538,955
Due to City of Brea	19,111	12,126	21,301	9,936
Due to external parties/other agencies	5,974,334	2,619,626	2,521,437	6,072,523
<b>Total Liabilities</b>	<u>\$ 6,755,718</u>	<u>\$ 3,657,736</u>	<u>\$ 3,513,849</u>	<u>\$ 6,899,605</u>

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## **STATISTICAL SECTION**

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## STATISTICAL SECTION

*This part of the City of Brea's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.*

### Contents

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#### **Financial Trends**

*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

#### **Revenue Capacity**

*These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.*

#### **Debt Capacity**

*These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*

#### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

#### **Operating Information**

*These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.*

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

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CITY OF BREA

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Accrual basis of accounting)

	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
Governmental Activities										
Net investment in capital assets	\$ 44,751,794	\$ 43,350,936	\$ 49,313,284	\$ 40,774,347	\$ 36,846,317	\$ 165,031,654	\$ 164,750,324	\$ 159,976,819	\$ 165,493,107	\$ 170,548,467
Restricted	43,477,959	46,271,092	62,325,348	73,800,755	26,596,796	53,379,627	48,418,876	56,883,753	54,629,374	52,867,078
Unrestricted	(25,459,519)	(21,203,642)	(34,372,602)	(33,277,968)	157,129,179	29,028,179	30,997,188	(64,027,907)	(58,217,717)	(57,154,376)
Total governmental activities net position	\$ 62,770,234	\$ 68,418,386	\$ 77,266,030	\$ 81,297,134	\$ 220,572,292	\$ 247,439,460	\$ 244,166,388	\$ 151,832,665	\$ 161,904,764	\$ 166,261,169
Business-type Activities										
Net investment of capital assets	\$ 42,960,060	\$ 44,774,355	\$ 45,690,842	\$ 27,869,296	\$ 36,107,809	\$ 36,804,832	\$ 31,396,904	\$ 33,367,826	\$ 33,174,074	\$ 42,091,695
Restricted	2,623,071	1,885,573	-	7,028,848	5,217,299	7,411,252	5,213,677	6,203,193	6,165,829	5,641,012
Unrestricted	6,930,527	6,368,112	7,101,987	13,592,110	7,695,077	6,023,885	19,603,041	8,603,346	12,637,920	14,392,925
Total business-type activities net position	\$ 52,513,658	\$ 53,028,040	\$ 52,792,829	\$ 48,490,254	\$ 49,020,185	\$ 50,239,969	\$ 56,213,622	\$ 48,174,365	\$ 51,977,823	\$ 62,125,632
Primary Government										
Net investment of capital assets	\$ 87,711,854	\$ 88,125,291	\$ 95,004,126	\$ 68,643,643	\$ 72,954,126	\$ 201,836,486	\$ 196,147,228	\$ 192,344,645	\$ 198,667,181	\$ 212,640,162
Restricted	46,101,030	48,156,665	62,325,348	80,829,603	31,814,095	60,790,879	53,632,553	63,086,946	60,795,203	58,508,090
Unrestricted	(18,528,992)	(14,835,530)	(27,270,615)	(19,685,858)	164,824,256	35,052,064	50,600,229	(55,424,561)	(45,579,797)	(42,761,451)
Total primary government net position	\$ 115,283,892	\$ 121,446,426	\$ 130,058,859	\$ 129,787,388	\$ 269,592,477	\$ 297,679,429	\$ 300,380,010	\$ 200,007,030	\$ 213,882,587	\$ 228,386,801

CITY OF BREA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual basis of accounting)

	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
Expenses:										
Governmental activities:										
General government	\$ 10,179,967	\$ 11,501,616	\$ 8,516,391	\$ 7,530,948	\$ 9,747,589	\$ 7,495,185	\$ 7,352,190	\$ 7,569,787	\$ 7,297,652	\$ 7,758,276
Public safety	34,611,575	36,993,799	35,756,811	36,221,221	39,166,833	35,849,288	31,408,789	32,409,727	31,372,155	33,938,469
Community Development	7,623,158	9,214,020	17,213,948	11,056,047	2,312,830	2,615,088	5,201,569	2,836,727	3,010,978	3,403,082
Community services	6,659,386	6,907,228	6,154,495	6,106,128	6,623,220	6,622,332	7,023,682	7,441,012	7,267,829	7,598,666
Public Works	8,836,925	10,608,001	7,075,398	19,991,034	15,240,604	9,718,841	10,092,864	12,367,078	13,544,061	16,306,542
Interest on long-term debt	9,142,551	8,779,300	9,607,504	9,228,093	2,414,053	501,265	458,021	435,772	435,207	414,974
Total governmental activities expenses	77,053,562	84,003,964	84,324,547	90,133,471	75,505,129	62,801,999	61,537,115	63,060,103	62,927,882	69,420,009
Business-type activities:										
Urban run-off	174,302	226,256	284,692	244,479	269,518	288,517	310,717	388,493	415,328	376,623
Water utility	11,195,152	11,272,767	14,025,354	14,067,772	15,512,551	14,883,425	16,048,442	15,752,822	14,085,433	14,882,443
Sewer utility	758,958	1,307,733	1,073,775	1,080,134	1,227,087	1,353,552	1,525,820	1,575,738	1,590,905	1,630,319
Sanitation	2,348,281	2,444,076	2,486,588	2,565,324	2,706,954	2,789,289	2,849,515	2,910,840	2,937,684	3,045,308
Information Technology External Support	979,157	1,329,165	1,958,140	1,230,704	1,269,800	1,271,540	1,228,919	1,240,462	1,312,899	1,724,116
Total business-type activities expenses	15,455,850	16,579,997	19,828,549	19,188,413	20,985,910	20,586,323	21,963,413	21,868,355	20,342,249	21,658,809
Total primary government expenses	\$ 92,509,412	\$ 100,583,961	\$ 104,153,096	\$ 109,321,884	\$ 96,491,039	\$ 83,388,322	\$ 83,500,528	\$ 84,928,458	\$ 83,270,131	\$ 91,078,818
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 1,036,421	\$ 1,013,985	\$ 730,875	\$ 433,932	\$ 2,177,602	\$ 1,890,749	\$ 1,631,098	\$ 1,663,401	\$ 1,765,913	\$ 1,605,816
Public safety	12,201,407	12,624,891	13,651,052	12,878,402	13,155,339	7,315,925	1,533,213	1,376,553	1,282,646	1,297,025
Community Development	783,633	21,926	604,565	567,237	583,339	1,535,351	1,092,041	998,141	1,577,964	2,151,955
Community services	3,015,379	3,074,717	3,304,933	2,248,603	1,737,725	3,638,056	4,672,523	5,640,412	3,021,505	2,818,718
Public Works	484,085	490,302	469,533	2,262,329	1,955,188	1,688,142	1,909,409	1,706,630	1,257,168	1,610,889
Operating contributions and grants	8,279,190	6,362,517	5,111,923	3,542,733	6,364,114	4,955,213	3,502,773	3,238,366	3,399,311	2,632,718
Capital contributions and grants	6,941,249	6,761,134	15,640,554	4,501,863	8,472,778	3,495,573	1,187,623	3,908,617	2,336,984	5,668,485
Total governmental activities program revenues	32,741,364	30,349,472	39,513,435	26,435,099	34,446,085	24,519,009	15,528,680	18,532,120	14,641,491	17,785,606
Business-type activities:										
Charges for services:										
Urban run-off	314,762	329,143	333,760	351,123	377,950	361,321	380,256	384,523	402,205	412,086
Water utility	10,456,507	10,565,259	11,344,697	11,834,601	14,085,133	16,401,415	18,813,373	18,242,242	16,520,362	20,098,490
Sewer utility	1,776,075	1,875,014	1,894,176	2,008,507	1,932,161	2,018,405	2,136,760	2,141,422	2,236,813	2,322,756
Sanitation	2,844,356	2,959,536	3,037,508	3,138,125	3,158,430	3,199,135	3,317,183	3,431,013	3,531,648	3,584,153
Information Technology External Support	1,026,609	1,679,249	1,546,020	1,642,756	1,676,577	1,499,019	1,472,730	1,532,097	1,807,305	1,959,634
Operating contributions and grants	-	-	-	11,323	11,323	11,323	11,371	-	11,371	525,165
Capital contributions and grants	192,527	214,182	389,905	-	-	-	1,209,000	1,521,000	-	-
Total business-type activities program revenues	16,610,836	17,622,383	18,546,066	18,986,435	21,241,574	23,490,618	27,340,673	27,252,297	24,509,704	28,902,284
Primary government program revenues	\$ 49,352,200	\$ 47,971,855	\$ 58,059,501	\$ 45,421,534	\$ 55,687,659	\$ 48,009,627	\$ 42,869,353	\$ 45,784,417	\$ 39,151,195	\$ 46,687,890



**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual basis of accounting)**

**General Revenues and Other Changes in Net Position:**

Business-type activities:										
Use of money and property	485,070	392,553	972,854	1,052,916	415,256	54,871	125,999	151,348	303,514	(23,077)
Other	680,266	-	70,830	-	952,030	1,320,699	1,362,633	580,062	401,566	250,269
Transfers	169,931	(920,557)	3,588	(5,153,514)	(1,093,019)	(3,256,862)	(892,239)	(1,525,979)	(1,590,527)	(1,125,415)
Total business-type activities	1,335,267	(528,004)	1,047,272	(4,100,598)	274,267	(1,881,292)	596,393	(794,569)	(885,447)	(898,223)
Total primary government	\$ 61,448,057	\$ 58,938,291	\$ 54,706,028	\$ 63,628,879	\$ 180,608,469	\$ 62,807,316	\$ 43,331,756	\$ 42,718,045	\$ 49,717,251	\$ 55,092,585

<sup>1</sup> During the fiscal year ended June 30, 2012, the assets, liabilities and fund balances of the Brea Redevelopment Agency were transferred to the Successor Agency on February 1, 2012, as a result of the dissolution of Rededevelopment Agencies in California.

CITY OF BREa

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10	Fiscal Year 2010-11 <sup>1</sup>	Fiscal Year 2011-12 <sup>2</sup>	Fiscal Year 2012-13 <sup>3</sup>	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
General Fund										
Reserved	\$ 2,322,137	\$ 1,380,677	\$ 785,545	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	19,831,412	20,855,888	21,339,180	-	-	-	-	-	-	-
Nonspendable	-	-	-	362,049	1,580,778	1,675,150	1,096,665	856,591	615,605	412,659
Restricted	-	-	-	870,294	926,483	1,191,585	1,161,494	1,392,800	7,448,016	8,201,746
Committed	-	-	-	7,048,285	6,546,809	7,496,895	8,649,210	8,616,218	9,091,623	-
Assigned	-	-	-	798,915	590,613	667,696	800,857	573,064	590,815	11,316,072
Unassigned	-	-	-	16,998,367	21,075,761	21,224,287	21,046,657	23,586,834	19,154,869	14,077,609
Total general fund	\$ 22,153,549	\$ 22,236,565	\$ 22,124,725	\$ 26,077,910	\$ 30,720,444	\$ 32,255,613	\$ 32,754,883	\$ 35,025,507	\$ 36,900,928	\$ 34,008,086
All Other Governmental Funds										
Reserved	\$ 38,414,600	\$ 28,011,213	\$ 47,477,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	8,441,729	10,753,310	9,623,245	-	-	-	-	-	-	-
Capital projects funds	17,893,745	32,341,656	22,796,432	-	-	-	-	-	-	-
Debt service funds	18,483,272	17,927,243	12,049,980	-	-	-	-	-	-	-
Nonspendable	-	-	-	21,711,076	-	-	18,212,052	18,067,123	-	-
Restricted	-	-	-	70,255,597	25,670,313	52,188,042	29,045,330	28,721,740	47,181,358	44,665,332
Assigned	-	-	-	9,915,996	1,705,413	-	-	-	-	-
Unassigned	-	-	-	(335,374)	(54,141)	(144,652)	(89,971)	(78,497)	(79,171)	(19,272)
Total all other governmental funds	\$ 83,233,346	\$ 89,033,422	\$ 91,946,732	\$ 101,547,295	\$ 27,321,585	\$ 52,043,390	\$ 47,167,411	\$ 46,710,366	\$ 47,102,187	\$ 44,646,060

<sup>1</sup> During the fiscal year ended June 30, 2011, the City adopted GASB Statement 54 which established new categories for fund balance.

<sup>2</sup> During the fiscal year ended June 30, 2012, the assets, liabilities (current and long-term debt obligations) and fund balances of the former Brea Redevelopment Agency were transferred to the Successor Agency on February 1, 2012, as a result of the dissolution of redevelopment agencies in California.

<sup>3</sup> During the fiscal year ended June 30, 2013, the Successor Agency transferred to the City of Brea the housing assets of the former Brea Redevelopment Agency.

## CITY OF BREA

## CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
<b>Revenues:</b>										
Taxes	\$ 58,184,372	\$ 56,253,190	\$ 55,174,409	\$ 53,658,443	\$ 52,965,161	\$ 33,464,585	\$ 35,621,119	\$ 37,453,770	\$ 40,526,309	\$ 40,215,974
Licenses and permits	389,220	496,386	468,491	502,449	468,154	485,113	608,664	645,054	782,250	870,940
Intergovernmental	8,114,101	6,208,976	3,678,295	9,065,309	9,057,154	7,391,599	5,921,198	7,992,057	10,535,171	9,506,268
Contributions	-	-	13,400,000	-	6,012,024	2,299,568	199,811	497,304	2,080	535
Charges for services	13,946,450	15,041,718	14,754,248	17,578,136	16,383,685	12,386,985	7,416,279	8,125,141	5,451,452	6,188,947
Use of money and property <sup>1</sup>	7,647,945	5,219,651	3,833,071	3,625,103	3,212,863	1,797,849	2,580,210	2,379,065	2,778,480	2,542,341
Fines and forfeitures	2,064,038	1,834,868	2,160,058	1,823,981	1,811,929	1,500,354	1,067,593	842,001	790,247	597,476
Miscellaneous	2,549,669	2,612,448	2,566,836	3,431,088	5,032,030	5,377,484	2,907,555	3,025,883	2,852,006	5,462,816
Total revenues	92,895,795	87,667,237	96,035,408	89,684,509	94,943,000	64,703,537	56,322,429	60,960,275	63,717,995	65,385,297
<b>Expenditures:</b>										
General Government	6,680,795	7,125,057	6,302,472	6,199,044	6,889,583	5,569,582	5,479,851	5,635,476	5,751,038	5,645,218
Public Safety	34,381,768	36,548,783	35,669,855	34,916,663	36,925,686	35,270,155	31,461,089	31,340,804	33,095,380	34,377,568
Development Services <sup>2</sup>	7,568,746	9,177,580	5,177,066	-	-	-	-	-	-	-
Community Development <sup>2</sup>	-	-	-	6,581,513	2,213,502	2,669,989	5,206,914	2,853,942	3,191,325	3,470,595
Community Services	5,982,070	6,470,313	6,108,153	5,808,160	5,930,685	6,141,746	6,450,201	6,750,909	7,048,955	7,395,363
Maintenance Services <sup>2</sup>	4,299,500	6,935,005	4,201,954	-	-	-	-	-	-	-
Public Works <sup>2</sup>	-	-	-	4,550,487	4,715,759	4,769,385	4,925,155	5,200,858	5,456,277	5,778,004
Capital Outlay	22,321,493	7,601,076	13,152,533	26,027,011	12,901,819	6,896,432	7,350,289	8,129,441	9,372,430	14,808,389
Debt service:										
Principal retirement	7,716,246	7,268,934	8,476,465	8,402,943	9,021,235	368,460	350,000	370,000	618,132	410,411
Interest and fiscal charges	8,800,953	7,900,652	8,899,460	8,980,763	4,246,122	460,878	439,402	416,792	420,772	397,243
Debt issuance costs	-	720,002	145,961	649,830	-	-	-	-	-	-
Pass-through agreement payments	2,193,506	2,564,792	3,437,854	2,537,558	457,812	-	-	-	-	-
SERAF payment	-	-	8,983,766	1,849,599	-	-	-	-	-	-
Total expenditures	99,945,077	92,312,194	100,555,539	106,503,571	83,302,203	62,146,627	61,662,901	60,698,222	64,954,309	72,282,791
Excess (deficiency) of revenues over (under) expenditures	(7,049,282)	(4,644,957)	(4,520,131)	(16,819,062)	11,640,797	2,556,910	(5,340,472)	262,053	(1,236,314)	(6,897,494)
<b>Other Financing Sources (Uses):</b>										
Transfers in	31,616,075	27,097,193	23,268,409	33,603,347	11,074,821	6,904,709	5,890,552	6,507,993	4,378,333	10,082,394
Transfers out	(33,120,756)	(25,761,520)	(23,361,808)	(28,816,796)	(10,207,113)	(4,733,798)	(4,934,249)	(4,956,467)	(2,826,881)	(8,533,869)
Sale of capital assets	-	-	-	-	-	6,850	7,460	-	-	-
Capital leases	-	327,376	-	-	-	-	-	-	1,952,104	-
Long-term debt issued	-	20,925,000	7,415,000	38,594,323	-	-	-	-	-	-
Refunded debt redeemed	-	(12,060,000)	-	(13,185,000)	-	-	-	-	-	-
Bond premium	-	-	-	351,694	-	-	-	-	-	-
Bond discount	-	-	-	(174,757)	-	-	-	-	-	-
Total other financing sources (uses)	(1,504,681)	10,528,049	7,321,601	30,372,811	867,708	2,177,761	963,763	1,551,526	3,503,556	1,548,525
Extraordinary gain on dissolution of Redevelopment Agency <sup>3,4</sup>	-	-	-	-	(82,091,681)	21,522,303	-	-	-	-
Net change in fund balances	\$ (8,553,963)	\$ 5,883,092	\$ 2,801,470	\$ 13,553,749	\$ (69,583,176)	\$ 26,256,974	\$ (4,376,709)	\$ 1,813,579	\$ 2,267,242	\$ (5,348,969)
Debt service as a percentage of noncapital expenditures	21.28%	18.76%	20.05%	20.10%	17.30%	1.52%	1.43%	1.41%	1.87%	1.41%

<sup>1</sup> Beginning fiscal year ended June 30, 2010, the amount reported is a combination of investment and rental income.<sup>2</sup> Effective July 1, 2010, the Development and Maintenance Services Departments were eliminated and the Community Development and Public Works Departments were created due to the City of Brea's reorganization plan.<sup>3</sup> During the fiscal year ended June 30, 2012, the assets, liabilities (current and long-term debt obligations) and fund balances of the Brea Redevelopment Agency were transferred to the Successor Agency on February 1, 2012, as a result of the dissolution of redevelopment agencies in California.<sup>4</sup> During the fiscal year ended June 30, 2013, the Successor Agency transferred to the City of Brea the housing assets of the former Brea Redevelopment Agency.

**CITY OF BREA**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Other Property <sup>1</sup></b>	<b>Total Taxable Assessed Value <sup>2</sup></b>	<b>Total Direct Tax Rate</b>
2008	3,369,302,387	1,178,077,438	730,088,623	1,528,851,283	6,806,319,731	0.17402
2009	3,420,432,796	1,535,537,061	1,161,803,074	917,687,313	7,035,460,244	0.17402
2010	3,319,962,213	1,554,892,370	1,199,008,537	905,419,292	6,979,282,412	0.17402
2011	3,579,683,419	1,548,534,540	1,135,559,625	753,830,318	7,017,607,902	0.17402
2012	3,637,044,394	1,543,677,299	1,077,624,463	723,537,802	6,981,883,958	0.17402
2013	3,805,741,803	1,544,954,532	1,145,495,173	682,982,424	7,179,173,932	0.17402
2014	3,927,143,843	1,569,625,782	1,112,039,475	839,411,616	7,448,220,716	0.17402
2015	4,377,268,712	1,580,151,775	1,167,513,932	826,734,462	7,951,668,881	0.17402
2016	4,945,219,822	1,670,210,797	1,168,849,914	740,725,273	8,525,005,806	0.17402
2017	5,359,064,633	1,725,644,969	1,264,334,778	775,342,859	9,124,387,239	0.17402

<sup>1</sup> Other property includes recreational, institutional, vacant, and miscellaneous property.

<sup>2</sup> Tax-exempt property is excluded from the total taxable assessed value.

**NOTE:**

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Sources: HdL Coren & Cone; Orange County Assessor

**CITY OF BREa**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
City Direct Rates:										
City of Brea	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902
City of Brea Paramedics Tax <sup>1</sup>	0.04500	0.04500	0.04500	0.04500	0.04500	0.04500	0.04500	0.04500	0.04500	0.04500
Total City Direct Rate	0.17402	0.17402	0.17402	0.17402	0.17402	0.17402	0.17402	0.17402	0.17402	0.17402
Overlapping Rates:										
Brea-Olinda Unified School District General Fund	0.44000	0.43990	0.43990	0.43990	0.43990	0.43990	0.43990	0.43990	0.43990	0.43990
Brea-Olinda Unified School District Bonds	0.02241	0.02270	0.02285	0.02426	0.02367	0.02365	0.02470	0.02528	0.02292	0.02298
NOC Community College General Fund	0.06700	0.06660	0.06660	0.06660	0.06660	0.06660	0.06660	0.06660	0.06660	0.06660
NOC Community College Bonds	0.01502	0.01493	0.01662	0.01758	0.01742	0.01902	0.01704	0.01704	0.01704	0.01704
Educational Revenue Augmentation Fund	0.18300	0.18260	0.18260	0.18260	0.18260	0.18260	0.18260	0.18260	0.18260	0.18260
Orange County Department of Education	0.03900	0.03910	0.03910	0.03910	0.03910	0.03910	0.03910	0.03910	0.03910	0.03910
Orange County Flood Control District	0.01900	0.01888	0.01880	0.01880	0.01880	0.01888	0.01888	0.01888	0.01888	0.01888
Orange County General Fund	0.05900	0.05890	0.05890	0.05890	0.05890	0.05890	0.05890	0.05890	0.05890	0.05890
Orange County Harbors, Beaches & Parks	0.01460	0.01459	0.01459	0.01459	0.01459	0.01459	0.01459	0.01459	0.01459	0.01459
Orange County Library District	0.01590	0.01592	0.01592	0.01592	0.01592	0.01592	0.01592	0.01592	0.01592	0.01592
Orange County Sanitation District Two Operating	0.03100	0.03080	0.03080	0.03080	0.03080	0.03080	0.03080	0.03080	0.03080	0.03080
Orange County Transportation Authority	0.00270	0.00268	0.00268	0.00268	0.00268	0.00268	0.00268	0.00268	0.00268	0.00268
Orange County Vector Control	0.00110	0.00107	0.00107	0.00107	0.00107	0.00107	0.00107	0.00107	0.00107	0.00107
Metropolitan Water District	0.00450	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350
Total Direct Rate	\$ 1.08825	\$ 1.08699	\$ 1.08875	\$ 1.09052	\$ 1.08977	\$ 1.09123	\$ 1.09030	\$ 1.09088	\$ 1.08852	\$ 1.08858

<sup>1</sup> The City of Brea Paramedic Tax rate is per \$100 of assessed value.

**NOTES:**

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of bonded debt and property tax overrides.

The Redevelopment Agency tax rate is not presented above in that property within the project area is subject to a tax rate of 1.0495%, which includes the Proposition 13 property tax rate of 1.00% and the applicable voter approved debt.

Source: Hdl. Coren & Cone, Orange County Assessor Combined Tax Rolls

CITY OF BREA

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO

Taxpayer	Fiscal Year 2016-17			Fiscal Year 2007-08		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Retail Property Trust	\$ 244,440,777	1	2.63%	\$ 200,591,871	1	5.32%
Olen Pointe Brea LLC	137,339,115	2	1.48%	117,681,040	4	2.15%
ABS CA-O DC2 LLC	130,456,278	3	1.40%			
CRE Brea Valencia LLC	111,677,500	4	1.20%			
FW CA-Brea Marketplace LLC	104,388,101	5	1.12%	85,869,618	7	2.29%
Beckman Coulter Inc.	99,034,367	6	1.07%	97,721,211	5	2.36%
Brea Union Plaza II LLC	77,908,186	7	0.84%	74,431,577	8	1.80%
ICE Holdings LLC	53,847,888	8	0.58%	47,189,817	10	1.14%
Mercury Casualty Company	52,601,573	9	0.57%			
BPAP West 135 & 145 LLC	51,270,125	10	0.55%			
Acquipt Brea LP				119,173,658	3	2.88%
New Albertson's Inc				134,327,246	2	3.46%
Equity Office Properties				55,176,915	9	1.47%
La Floresta				86,700,000	6	2.09%
	<u>\$ 1,062,963,910</u>		<u>11.44%</u>	<u>\$ 1,018,862,953</u>		<u>24.96%</u>

The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

Sources: HdL Coren & Cone, County of Orange Assessor's Office

**CITY OF BREA**

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2008	34,675,457	34,287,289	98.88	370,616	34,657,905	99.95
2009	34,655,751	34,504,139	99.56	354,837	34,858,976	100.59
2010	33,304,101	32,620,080	97.95	252,721	32,872,801	98.70
2011	34,970,273	35,335,027	101.04	145,204	35,480,231	101.46
2012	32,242,292	31,678,555	98.25	295,525	31,974,080	99.17
2013 <sup>1</sup>	12,449,282	12,125,387	97.40	195,502	12,320,889	98.97
2014	13,412,523	13,173,993	98.22	140,765	13,314,758	99.27
2015	14,720,458	14,481,121	98.37	145,952	14,627,073	99.37
2016	16,669,635	16,489,408	98.92	166,642	16,656,050	99.92
2017	17,274,771	16,771,004	97.08	172,238	16,943,242	98.08

<sup>1</sup> Beginning February 1, 2012, the property tax revenues of the former Brea Redevelopment Agency are now accounted for in the Successor Agency to the Brea Redevelopment Agency.

**NOTE:**

The amounts presented include property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

Source: County of Orange Auditor Controller's Office

CITY OF BREA

TAXABLE SALES BY CATEGORY  
LAST TEN FISCAL YEARS

Category	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Department Stores	\$ 2,983,783	\$ 2,759,775	\$ 2,950,535	\$ 3,037,419	\$ 3,158,876	\$ 3,060,495	\$ 3,000,876	\$ 3,020,454	\$ 2,959,079	\$ 2,827,804
Restaurant	1,765,436	1,595,896	1,556,835	1,679,527	1,902,210	2,004,400	2,082,644	2,159,263	2,258,542	2,305,596
Light Industry	1,666,225	1,485,575	1,497,016	1,854,804	1,713,504	1,759,297	2,142,298	2,049,527	2,171,917	2,158,761
Building Materials-Wholesale	1,125,562	1,105,874	1,061,908	1,348,297	1,346,742	1,622,498	1,676,631	1,799,592	2,051,748	2,116,119
Apparel Stores	1,798,551	1,525,844	1,443,568	1,581,487	1,661,679	1,755,021	1,697,734	1,732,123	1,696,435	1,676,921
Miscellaneous Retail	1,722,736	1,440,366	1,287,074	1,372,512	1,560,446	1,600,599	1,707,983	1,779,009	1,652,697	1,558,413
Furniture/Appliance	673,297	534,043	558,615	683,424	764,254	708,157	686,308	801,114	763,158	810,168
Service Stations	739,166	734,678	649,050	917,704	998,449	991,760	1,001,724	844,593	712,761	674,913
Food Markets	354,159	261,529	269,150	263,462	271,680	284,288	358,917	358,917	469,420	488,165
Building Materials-Retail	375,248	326,520	328,472	366,253	345,832	450,631	450,013	446,278	470,340	472,178
Heavy Industry	371,096	382,130	309,395	391,235	369,982	498,859	346,253	356,465	408,035	359,099
Auto Sales-New	2,938	1,908	769	160	247	262	330,614	315,306	288,732	441,956
Other	2,733,598	2,289,386	1,925,965	2,135,394	2,084,482	1,798,200	1,774,919	1,805,690	1,922,933	1,927,869
Total	\$ 16,311,795	\$ 14,443,524	\$ 13,838,352	\$ 15,631,678	\$ 16,178,383	\$ 16,534,467	\$ 17,256,914	\$ 17,468,331	\$ 17,825,797	\$ 17,817,962

Note: Totals do not include portion of State and County pool as well as the impact of the State Triple Flip.

Source: MuniServices



# CITY OF BREA

## RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities		Debt Per Capita <sup>8</sup>	
	Tax Allocation Bonds <sup>4, 5</sup>	Lease Revenue Bonds <sup>5</sup>	Capital Leases <sup>2, 7</sup>	Total Governmental Activities	Water Revenue Bonds <sup>1, 3, 6</sup>	Total Primary Government		
								Percentage of Personal Income <sup>8</sup>
2008	181,975,649	15,310,000	3,552,175	200,837,824	14,975,000	215,812,824	11.17%	5,384
2009	188,442,073	14,495,000	2,993,624	205,930,697	25,800,000	231,730,697	11.43%	5,768
2010	178,909,196	16,485,000	6,716,146	202,110,342	38,095,000	240,205,342	11.46%	5,949
2011	197,967,628	15,360,000	6,106,031	219,433,659	37,760,000	257,193,659	13.10%	6,419
2012	-	2,760,000	5,161,902	7,921,902	37,265,000	45,186,902	2.21%	1,104
2013	-	2,760,000	4,659,564	7,419,564	36,325,000	43,744,564	2.10%	1,057
2014	-	2,760,000	4,169,409	6,929,409	35,350,000	42,279,409	1.83%	997
2015	-	2,760,000	3,652,690	6,412,690	52,890,000	59,302,690	2.48%	1,369
2016	-	2,760,000	4,833,071	7,593,071	53,325,495	60,918,566	2.41%	1,394
2017	-	2,760,000	4,261,876	7,021,876	50,150,000	57,171,876	2.26%	1,293

<sup>1</sup> For the fiscal year ended June 30, 2009, the Brea Public Financing Authority issued \$12,855,000 in water revenue refunding bonds and \$12,945,000 in new money bonds.

<sup>2</sup> For the fiscal year ended June 30, 2010, the City of Brea entered into a lease-purchase agreement for \$4,580,000.

<sup>3</sup> For the fiscal year ended June 30, 2010, the Brea Public Financing Authority issued over \$12 million of water revenue bonds.

<sup>4</sup> For the fiscal year ended June 30, 2011, the Brea Redevelopment Agency issued over \$29 million of tax allocation bonds.

<sup>5</sup> For the fiscal year ended June 30, 2012, outstanding long term debts of the Brea Redevelopment Agency were transferred to the Successor Agency on February 1, 2012, as a result of dissolution of redevelopment agencies in California.

<sup>6</sup> For the fiscal year ended June 30, 2015, the Brea Community Benefit Financing Authority issued over \$18 million of water revenue bonds.

<sup>7</sup> For the fiscal year ended June 30, 2016, the City of Brea entered into a lease purchase agreement for \$1,952,104.

<sup>8</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data.

NOTE: Details regarding the outstanding debt can be found in the notes of the financial statements.

CITY OF BREa

RATIO OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Bonded Debt Outstanding			Restricted for Debt Service <sup>2</sup>	Net Bonded Debt	Percentage of Assessed Value of Property <sup>3</sup>	Per Capita <sup>4</sup>
	Tax Allocation Bonds <sup>1, 2</sup>	Lease Revenue Bonds <sup>2</sup>	Total				
2008	181,975,649	15,310,000	197,285,649	3,188,031	194,097,618	2.85%	4,477
2009	185,442,073	14,495,000	199,937,073	3,713,382	196,223,691	2.79%	4,592
2010	178,909,196	16,485,000	195,394,196	3,758,776	191,635,420	2.75%	4,629
2011	197,967,628	15,360,000	213,327,628	6,647,628	206,680,000	2.95%	5,247
2012	-	2,760,000	2,760,000	301,972	2,458,028	0.04%	60
2013	-	2,760,000	2,760,000	291,130	2,468,870	0.03%	60
2014	-	2,760,000	2,760,000	293,713	2,466,287	0.03%	58
2015	-	2,760,000	2,760,000	264,636	2,495,364	0.03%	58
2016	-	2,760,000	2,760,000	269,453	2,490,547	0.03%	57
2017	-	2,760,000	2,760,000	265,707	2,494,293	0.03%	57

<sup>1</sup> For the fiscal year ended June 30, 2011, the Redevelopment Agency issued over \$29 million of tax allocation bonds in June, 2011, which included over \$22 million in new bonds resulting in the increase

<sup>2</sup> For the fiscal year ended June 30, 2012, outstanding long term debts of the Brea Redevelopment Agency were transferred to the Successor Agency on February 1, 2012, as a result of dissolution of Redevelopment Agencies in California.

<sup>3</sup> See schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

<sup>4</sup> Population data can be found in schedule of Demographic and Economic Statistics.

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF BREA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2017**

City Assessed Valuation: \$ 9,116,002,399

	<b>Estimated Percentage Applicable <sup>1</sup></b>	<b>Debt Outstanding</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Overlapping Debt Repaid with Property Taxes:</b>			
Metropolitan Water District	0.352	\$ 74,905,000	\$ 263,666
North Orange County Joint Community College District	7.706	240,284,001	18,516,285
Brea-Olinda Unified School District	94.539	14,814,029	14,005,035
Placentia-Yorba Linda Unified School District	1.276	242,284,159	3,091,546
Rowland Unified School District	0.149	243,811,554	363,279
Fullerton Joint Union High School District	1.952	126,837,910	2,475,876
Fullerton School District	0.008	34,680,458	2,774
La Habra City School District	11.027	21,991,369	2,424,988
City of Brea Community Facilities Districts	100	13,055,000	13,055,000
Brea-Olinda Unified School District Community Facilities District No. 95-1	100	6,310,000	6,310,000
Total overlapping debt repaid with property taxes		<u>1,018,973,480</u>	<u>60,508,449</u>
<b>Overlapping Other Debt:</b>			
Orange County General Fund Obligation	1.736	\$ 227,516,000	\$ 3,949,678
Orange County Pension Obligations Bonds	1.736	386,762,539	6,714,198
Orange County Board of Education Certificates of Participation	1.736	14,440,000	250,678
North Orange Regional Occupation Program Certificates of Participation	7.917	9,910,000	784,575
Brea-Olinda Unified School District Certificates of Participation	94.539	18,410,000	17,404,630
Placentia-Yorba Linda Unified School District Certificates of Participation	1.276	95,540,355	1,219,095
Rowland Unified School District Certificates of Participation	0.149	5,000,000	7,450
Fullerton Joint Union High School District Certificates of Participation	1.952	19,920,000	388,838
Fullerton School District Certificates of Participation	0.008	5,165,000	413
Total overlapping general fund debt		<u>30,719,555</u> <sup>2</sup>	
Total overlapping debt			\$ 91,228,004
<b>City of Brea Direct Debt:</b>			
Lease Revenue Bonds			\$ 2,760,000
Capital Leases			4,261,876
Total City of Brea Direct Debt			<u>\$ 7,021,876</u>
Combined total direct and overlapping debt			\$ 98,249,880 <sup>3</sup>

<sup>1</sup> Percentage of overlapping agency's assessed valuation located within the boundaries of the City.

<sup>2</sup> Previously classified Orange County Sanitation District certificates of participation have been reclassified as district

<sup>3</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds.

**NOTE:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Brea. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: California Municipal Statistics, Inc.

CITY OF BREA

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10	Fiscal Year 2010-11	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
Assessed value	\$ 6,806,319,731	\$ 7,035,460,244	\$ 6,979,282,412	\$ 6,979,282,412	\$ 7,328,303,022	\$ 7,556,214,577	\$ 7,815,157,069	\$ 8,026,908,085	\$ 8,532,576,967	\$ 9,116,002,399
Debt limit: 3.75% of assessed value	255,236,990	263,829,759	261,723,090	261,723,090	274,811,363	283,358,047	293,068,390	301,009,053	319,971,636	341,850,090
Total net debt applicable to limit										
Total general obligation bonded debt										-
Less net assets in debt service fund										-
Total amount of debt applicable to debt limit										\$ -
Legal debt margin										\$ 341,850,090

NOTE:

Under state finance law, the City of Brea's outstanding general obligation debt should not exceed 3.75 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

## PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF BREA****DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

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<b>Fiscal Year Ended June 30</b>	<b>Population <sup>1</sup></b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income <sup>2</sup></b>	<b>Unemployment Rate <sup>3</sup></b>
2008	40,081	1,932,265	48,209	4.1%
2009	40,176	2,027,401	50,463	7.2%
2010	40,377	2,095,324	51,894	6.2%
2011	40,065	1,963,986	49,020	6.6%
2012	40,932	2,040,992	49,863	6.0%
2013	41,394	2,087,913	50,440	5.2%
2014	42,397	2,311,442	54,519	4.2%
2015	43,328	2,387,199	55,096	3.9%
2016	43,710	2,524,209	57,749	3.4%
2017	44,214	2,744,407	62,071	3.1%

## Sources:

<sup>1</sup> City Community Development, Planning Division<sup>2</sup> Per capita income for Orange County; U.S. Department of Commerce, Bureau of Economic Analysis<sup>3</sup> State of California Employment Development Department - Labor Market Information Division

**CITY OF BREA**

**PRINCIPAL EMPLOYERS  
CURRENT FISCAL YEAR AND TEN YEARS AGO**

Employer	Fiscal Year 2016-17			Fiscal Year 2007-08		
	Employees	Rank	Percent of Total City Employment <sup>1</sup>	Employees	Rank	Percent of Total City Employment
Mercury Insurance Group	1,650	1	7.67%	3,000	1	14.22%
Bank of America <sup>2</sup>	1,500	2	6.98%	1,500	3	7.11%
Albertson's, Inc.	1,273	3	5.92%	1,200	4	5.69%
Beckman Coulter, Inc.	1,034	4	4.81%	3,000	2	14.22%
Brea Olinda Unified School District	947	5	4.40%	500	6	2.37%
Kirkhill - TA Company	841	6	3.91%	700	5	3.32%
Veterinary Pet Insurance Co.	460	7	2.14%			
Bristol Industries	410	8	1.91%			
Peterson Brothers Construction	361	9	1.68%			
Avery Dennison Administrative	271	10		450	9	2.13%
Harte-Hanks Communications				500	7	2.37%
Capital Group				400	10	1.90%
ITT Hartford Insurance Group				450	8	2.13%
Total	<u>7,097</u>		<u>31.75%</u>	<u>8,700</u>		<u>41.24%</u>

<sup>1</sup> Based upon the Employment Development Department's estimate of 21,500 residents employed in 2017 out of a total population of 44,214.

<sup>2</sup> Unable to confirm, used last year number.

Source: City of Brea Business License Division and calls to businesses.

# CITY OF BREA

## FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	68	69	56	57	57	59	58	59	60	59
Public Safety	226	226	211	213	213	212	167	158	158	159
Development Services	32	33	29	-	-	-	-	-	-	-
Community Development <sup>1</sup>	-	-	-	20	20	20	21	21	21	23
Community Services	50	52	48	39	48	52	52	52	55	56
Maintenance Services	38	42	32	-	-	-	-	-	-	-
Public Works <sup>2</sup>	-	-	-	37	39	42	41	42	45	47
Water Utility	16	14	16	16	14	15	17	17	17	15
Sewer Utility	4	4	6	6	6	6	6	6	6	6
Sanitation	2	2	2	2	2	2	2	2	2	4
Mobile Data System	1	1	-	-	-	-	-	-	-	-
External Information Technology <sup>3</sup>	-	-	9	9	9	9	10	10	10	12
Total	437	443	409	399	408	417	373	367	374	381

<sup>1</sup> Prior to FY2011, Community Development was reported under Development Services function.

<sup>2</sup> Prior to FY2011, Public Works was reported under Maintenance Services function.

<sup>3</sup> Prior to FY2010, External Information Technology Services was reported under General Government function.

Source: City of Brea Adopted Budget and Supplements to the Adopted Budget.



**CITY OF BREA**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function:										
Police										
Calls dispatched	19,334	22,232	22,231	23,071	24,650	22,810	22,412	23,026	24,359	26,027
Crime reports	5,585	7,076	5,475	4,726	4,491	4,450	4,207	4,490	4,798	4,881
Moving citations	8,335	7,123	9,192	9,024	8,215	5,573	3,272	3,426	2,483	2,409
Parking citations	14,836	14,118	20,639	15,469	16,034	10,651	11,178	10,057	10,528	10,467
Water										
Number of customer accounts	11,842	11,863	11,953	11,878	12,095	12,258	12,637	12,951	13,153	13,224
Average daily consumption (millions of gallons)	10.79	9.26	8.83	8.53	9.39	9.77	10.30	9.54	7.86	7.71
Water samples taken	1,753	624	624	627	672	840	624	686	732	780
Sewers										
Feet of sewer mains root cut/chemically treated	2,410	-	-	-	-	-	-	-	-	-
Development Services <sup>5</sup>										
Permits issued	1,096	1,218	979	-	-	-	-	-	-	-
Inspections conducted	4,945	4,850	4,628	-	-	-	-	-	-	-
Traffic signals maintained <sup>4</sup>	50	51	51	-	-	-	-	-	-	-
Infrastructure improv. projects administered	14	12	13	-	-	-	-	-	-	-
Community Development										
Permits issued	-	-	-	1,097	1,180	1,404	1,418	1,561	2,072	2,170
Inspections conducted	-	-	-	4,316	5,030	5,604	7,955	7,997	6,903	6,833
Maintenance Services <sup>5</sup>										
Square feet of graffiti removal	11,232	12,755	15,048	-	-	-	-	-	-	-
Streetsweeping miles	26,341	22,943	20,777	-	-	-	-	-	-	-
Trees pruned per year	2,642	2,706	2,906	-	-	-	-	-	-	-
Public Works										
Square feet of graffiti removal	-	-	-	12,528	9,576	10,944	7,713	4,545	3,609	6,950
Streetsweeping miles	-	-	-	20,609	18,398	19,365	19,494	20,128	20,333	21,060
Trees pruned per year	-	-	-	2,702	2,806	3,136	2,069	3,408	3,275	2,830
Traffic signals maintained <sup>2, 4</sup>	-	-	-	51	52	52	52	52	53	56
Infrastructure improv. projects administered	-	-	-	9	17	6	9	10	8	8
Culture and Recreation										
Gallery promotions and mailings	42,151	43,962	21,647	26,903	22,934	18,500	18,500	18,500	14,800	14,800
Gallery attendance	6,004	7,495	6,934	7,081	11,693	9,596	10,674	10,042	12,807	10,175
Theatre annual program brochures mailed	23,313	24,532	35,053	37,848	37,843	32,359	44,517	26,258	34,670	31,853
Theatre attendance	16,419	17,742	13,964	11,983	12,829	12,516	12,889	12,926	50,476	47,832
General government										
Accounts payable warrants issued	8,624	7,772	6,233	6,043	8,182	7,872	7,829	8,599	7,569	7,154

<sup>1</sup> The reporting methodology employed beginning fiscal year 2007-08 was changed; going forward, this methodology will remain consistent for the sake of comparability.

<sup>2</sup> Figure corrected with fiscal year 2011-12 CAFR.

<sup>3</sup> Beginning in fiscal year 2007-08, the reported streetsweeping miles included curb miles from the City's backup sweeper which was not included in the prior fiscal year.

<sup>4</sup> Doesn't include five flashing beacons the City maintains

<sup>5</sup> Beginning in fiscal year 2010-11, function classified as Public Works or Community Development.

Source: City of Brea

# CITY OF BREA

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Highways and streets										
Miles of streets	119	119	119	119	119	119	120	120	121	121
Street lights	3,388	3,388	3,388	3,388	3,388	3,388	3,401	3,401	3,452	3,452
Water										
Number of water wells	1	1	1	1	1	1	1	1	1	1
Number of reservoirs	6	6	6	6	6	6	7	7	7	7
Miles of lines & mains	167	167	167	167	167	167	167	197	197	212
Sewer										
Miles of sanitary sewers	110	110	110	110	110	110	111	111	112	112
Miles of storm drains	25	25	25	25	25	25	26	26	27	27
Culture and Recreation										
Number of parks	10	11	11	11	11	12	13	13	13	13
Number of other facilities	7	7	7	7	7	7	7	7	7	7

Source: City of Brea

## **OTHER REPORTS**

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**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Members of the City Council  
City of Brea, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Brea, California (City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 31, 2018. Our report included an emphasis of matter regarding the City's restatement and disclosures of transactions with California Domestic Water Company. We also included an emphasis of matter regarding the City's restatement of Construction in Progress. Lastly, our report included an emphasis of matter regarding the City's adoption of Governmental Accounting Standards Board (GASB) Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*, as of July 1, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2017-001, 2017-003, and 2017-004 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2017-002 to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2017-005.

### **City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Vaurinek, Trine, Day & Co., LLP*

Laguna Hills, California  
May 31, 2018

## **CITY OF BREA, CALIFORNIA**

### **SCHEDULE OF FINDINGS AND RESPONSES JUNE 30, 2017**

#### ***Finding Number 2017-001***

#### **FINANCIAL REPORTING AND CLOSING**

##### ***Criteria:***

There should be sufficient procedures in place to allow for the proper classification and timely reporting of financial information in accordance with generally accepted accounting principles. Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein and for the fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. This requires management to work through a year-end closing process to accumulate, reconcile, and summarize information for inclusion in the annual financial statements. The year-end closing process includes the review and/or reconciliation of all balances within the City's general ledger. Accounts must be reviewed for proper cutoff, classification, presentation, and appropriate disclosure in the financial statements. These processes should be completed on a timely manner to ensure the accurate and timely presentation of the financial information.

##### ***Condition:***

During the audit, we identified adjustments, which were posted as part of the audit, for the following:

- Transactions between the City and California Domestic Water Company (CDWC) to reflect the equity investment of the consolidated entity (which included Cadway).
- Capital assets of \$2.8 million from Construction-in-progress to Infrastructure.
- Opening net position/fund balance for the prior year audited financial statements.
- Net Pension Liability and related Deferred Outflows of Resources, Deferred Inflows of Resources, and Pension Expense.
- The market value adjustment on the PARS investment account.

In addition, we noted the City proposed 25 financial statement journal entries, and 16 budget adjustment journal entries after providing the trial balance to the auditors for the audit.

Lastly, the City's practice is to construct assets within the Capital Improvements Fund, and transfer back to the Water and Sewer fund when complete. Only the hard costs are capitalized within the Capital Improvements Fund, resulting in the residual labor costs being expensed in the Capital Improvements Fund. The Water and Sewer funds should classify these residual labor costs as operating expenses, not transfers out. Further, the Sanitation Fund currently records the collection of Franchise Fees from the City's contract refuse hauling company. These amounts are then transferred out from the Sanitation Fund to the General Fund, but should be reflected as revenues of the General Fund.

##### ***Context:***

The condition was noted during our audit of the City for the year ended June 30, 2017.

##### ***Effect:***

Journal entries were posted, and adjustments made to the financial statements, in order to fairly present the financial statements.

## **CITY OF BREA, CALIFORNIA**

### **SCHEDULE OF FINDINGS AND RESPONSES JUNE 30, 2017**

#### ***Cause:***

The City's procedures did not allow for the proper classification or timely reporting of information required for financial reporting.

#### ***Recommendation:***

We recommend the City review its closing policies and procedures to ensure amounts are properly classified, properly reported in a timely manner, and disclosed appropriately in the financial statements.

#### ***Views of Responsible Officials and Planned Corrective Actions:***

The City's audit process started later than anticipated due to a delay in securing a new audit contract. Additionally, there was turnover in accounting staff; duties transitioned from other department to accounting and projects during the fiscal year which required extensive involvement from accounting staff. Therefore, staff was still recording year-end closing entries when the trial balance was provided to the auditors for the year-end audit work, resulting in a number of entries to be posted to the trial balance. Lastly, year-end budget adjustments, if needed, are not prepared for City Council consideration until after the books are closed each year.

Accounting division procedures will be updated to include weekly, monthly, quarterly and year-end checklists along with specific deadlines to ensure items timely financial recording and review of classification issues as necessary. The work plan will include a deadline for year-end audit work to be completed at least two weeks prior to the beginning of the final audit field work in order for management to review; make any necessary adjustments and/or confer with the auditor regarding any classification issues. Staff will meet at least monthly to review status on the work plan.

As it relates to recommendations regarding certain City accounting practices, the FY 2018-19 Proposed Operating Budget which is scheduled for a public hearing and consideration of adoption on June 19, 2018, includes the recommended accounting change for refuse franchise fees. Additionally, staff will revisit its policies as it relates to labor or any other Capital Improvement Project costs that are not capitalized. For future years, any material amounts determined to not be capitalized will be reclassified as operating expenses in the applicable fund.

#### ***Finding Number 2017-002***

### **BANK RECONCILIATIONS**

#### ***Criteria:***

Reconciliations should be performed and reviewed on a timely basis.

#### ***Condition:***

We noted the April 2017 bank reconciliation was performed and reviewed approximately four months later in August 2017. Further, there were unreconciled differences noted as of the end of the month which were carried over until the June 2017 bank reconciliation. We also noted the June 2017 bank reconciliation was initially performed and reviewed in August 2017 with unreconciled differences. The updated bank reconciliation was completed in October 2017 to reflect additional adjustments and record the unreconciled differences.



## **CITY OF BREA, CALIFORNIA**

### **SCHEDULE OF FINDINGS AND RESPONSES JUNE 30, 2017**

#### ***Context:***

The condition was noted during our review of the internal controls over the treasury process.

#### ***Effect:***

As a key internal control, reconciliations that are not prepared and reviewed on a timely basis weaken the internal control environment.

#### ***Cause:***

The City did not consistently perform, reconcile, and review bank reconciliations on a timely basis.

#### ***Recommendation:***

We recommend the City evaluate policies and implement procedures over bank reconciliations to ensure the bank reconciliations are performed and reviewed on a timely basis, typically with 30 days of the previous month end.

#### ***Views of Responsible Officials and Planned Corrective Actions:***

City procedures include completing bank reconciliation within 30 days. Ten out of twelve months were completed timely. It is noted that certain City practices can result in quite a bit of time spent on reconciling at month-end and in some cases, the need to carry forward reconciling items pending resolution. Carry forward items are cleared the following month. Staff is reviewing all procedures related to banking transaction monitoring in order to streamline where possible and reduce the amount of time needed for reconciliation at month end.

#### ***Finding Number 2017-003***

### **VENDOR CREATION, PROCUREMENT AND DISBURSEMENTS**

#### ***Criteria:***

Procurement policies and processes should be periodically reviewed and updated. System controls to segregate individuals who add, edit and remove vendors from the system from those that process purchase orders or disbursements should be maintained. Further, approval of disbursements should be performed by individuals with proper authority.

#### ***Condition:***

As of June 30, 2017, the City was in the process of updating its Purchasing Ordinance and Policies. This process was completed on November 21, 2017. However, the procurement policy in place as of June 30, 2017 was created in 1987.

Both Procurement and Accounts Payable employees have access to add and modify vendors. There is no review process of vendor changes, aside from an accountant's review of warrant proof list each check run. We further noted one disbursement where the invoice was not approved by an individual with the appropriate approval authority.

## **CITY OF BREA, CALIFORNIA**

### **SCHEDULE OF FINDINGS AND RESPONSES JUNE 30, 2017**

#### ***Context:***

The condition was noted during our procedures over the internal controls related to vendor creation, procurement and cash disbursements.

#### ***Effect:***

The City's procurement policies are outdated. Unauthorized vendors may be added to the system, or unauthorized changes to vendor information could go undetected. Lastly, disbursements have not consistently been approved by the proper individuals prior to disbursement of funds.

#### ***Cause:***

The City's policies and processes over vendor creation, procurement and disbursements is not properly updated, designed, or followed by City employees.

#### ***Recommendation:***

We recommend that the City review and update its procurement policies, which was performed subsequent to year end. The City should segregate controls over vendor creation and edit functions from those that process disbursements. For disbursements, the City should ensure proper approvals are obtained over payments prior to disbursements.

#### ***Views of Responsible Officials and Planned Corrective Actions:***

Vendor Creation – As noted, the City has vendor creation and payment segregated; however, in order to maintain efficient operations, accounts payable staff needs to be able to update mailing addresses and other vendor information. This requires access to the master vendor maintenance file. Therefore, the City will include a vendor change report as part of the weekly review of account payable invoices for payment to mitigate any impact to internal controls.

Procurement – The City's procurement policies were updated on November 21, 2017 and effective as of December 21, 2017. Additionally, these policies and procedures are scheduled to be updated every 3-5 years.

Disbursements – The weekly review of accounts payable invoices will also include verification of authorizations for payments in excess of \$25,000.

#### ***Finding Number 2017-004***

### **JOURNAL ENTRIES**

#### ***Criteria:***

There should be sufficient segregation of duties over journal entries, including authorization, custody of assets, and recordkeeping (posting to the general ledger). This includes secondary review of all journal entries posted to the system.

## **CITY OF BREA, CALIFORNIA**

### **SCHEDULE OF FINDINGS AND RESPONSES JUNE 30, 2017**

#### ***Condition:***

We noted two journal entries had only a preparer signature, with no evidence of secondary review.

#### ***Context:***

The condition was noted during our review of the internal controls over the journal entry processes.

#### ***Effect:***

Journal entries may be posted without secondary review, and not posted in a timely manner, resulting in additional effort to close the City's accounting records.

#### ***Cause:***

The City's process does not properly ensure a separate preparer and reviewer for all journal entries.

#### ***Recommendation:***

We recommend that the City review the procedures over journal entries to ensure timely review and posting to the general ledger.

#### ***Views of Responsible Officials and Planned Corrective Actions:***

City staff has indicated that these journal entries were properly reviewed; however, it was an oversight that the reviewer's initials were not on the documentation. In order to assure that all parties have properly documented their involvement in the journal entry preparation and review, the person posting the journal entries will be responsible for assuring all initials are present before posting.

#### ***Finding Number 2017-005***

### **DEBT FILINGS**

#### ***Criteria:***

The City is required comply with continuing disclosure and filing requirements related to debt.

#### ***Condition:***

The City submitted debt filings after the due date.

#### ***Context:***

The condition was noted during our testwork over debt covenant requirements.

#### ***Effect:***

The required filings were submitted past the required deadline.

## **CITY OF BREA, CALIFORNIA**

### **SCHEDULE OF FINDINGS AND RESPONSES JUNE 30, 2017**

#### ***Cause:***

The City's procedures did not allow for the timely reporting of bond filings.

#### ***Recommendation:***

We recommend the City develop procedures, and prepare and submit required reports prior to the deadlines in accordance with debt agreements.

#### ***Views of Responsible Officials and Planned Corrective Actions:***

The Continuing Disclosure reports were filed late. It is also noted that the City filed a notice of Failure to File report on the due date. Also, on October 18, 2017, the City filed Notices of Failure to File its continuing disclosure reports and Comprehensive Annual Financial Reports (CAFR) by the due date as required prior to issuing refunding bonds. These notices included information regarding the date filed.

City will establish procedures and listing of all outstanding bonds noting the date the annual bond continuing disclosure reports are due to insure timely reporting as part of a listing of all financial reporting dates for the City. The Administrative Services Director, or Revenue and Budget Manager will review the list of financial reporting requirements on a monthly basis. Additionally, the accounting division work plan will include in January of each year, a review of the listing of the various bonds to insure timely filing of the annual bond reports.



**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

**VALUE THE** *difference*

To the Members of the City Council  
City of Brea, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brea, California, (City) for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 15, 2017. We also met with the City's Finance Committee on August 29, 2017 and March 8, 2018. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*, as of July 1, 2016.

As described in Note 4 to the financial statements, management has reported prior period adjustments for the equity investment in California Domestic Water Company (CDWC) to reflect the consolidated entity, including Cadway, Inc., a wholly-owned subsidiary of CDWC. Further, preferred stock of CDWC held by the City has been reclassified as “water rights” within capital assets.

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 the:

- The measurement of fair value of investments is based on observable market inputs and information from the City's safekeeping custodian banks,
- Amounts related to the City's other postemployment benefit (OPEB) asset are based on actuarial valuations,
- Amounts related to the net pension liability, deferred outflows of resources and deferred inflows of resources, pension expense, and the related disclosures, are based on actuarial valuations.

We evaluated the key factors and assumptions used to develop these estimates in determining that they appeared reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

Note 3 to the financial statements discloses authorized investments, interest rate and credit risks, and fair value measurements.

Note 4 to the financial statements discloses the City's activities with CDWC including water rights and equity in CDWC.

Note 9 to the financial statements discloses the City's agent-multiple employer pension plan's net pension liability, and related deferred inflows and outflows of resources, and pension expense. The valuation of the net pension liability and related deferred inflows and outflows are sensitive to the underlying actuarial assumptions used, including but not limited to, the investment rate of return and discount rates. As disclosed in Note 9, a 1% increase or decrease in the discount rate has a significant effect on the City's net pension liability.

Note 13 to the financial statement discloses the City's restatements of the prior year financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

Certain matters arose during the audit regarding the accounting treatment and disclosures of transactions with CDWC, including the equity method reporting of common stock and the treatment of the City's preferred stock with CDWC. The completion of our audit was delayed to allow for management to provide additional information to address the accounting treatment and disclosures described in Notes 4, 13, and 15 to the financial statements, and the time for us to review and conclude on such information.

#### *Corrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

- Transactions between the City and California Domestic Water Company (CDWC) were adjusted to reflect the equity investment of the consolidated entity (which included Cadway). The adjustments posted were \$4.2 million to beginning net position.
- Capital assets of \$2.8 million were restated from Construction-in-progress to Infrastructure.
- Opening net position/fund balance for the prior year audited financial statements totaling \$163 thousand related to a prior year proposed audit adjustment
- Net Pension Liability and related Deferred Outflows of Resources, Deferred Inflows of Resources, and Pension Expense in the amounts of \$6.2 million, \$338 thousand, \$938 thousand and \$7.5 million, respectively.
- The market value adjustment on the PARS investment account in the amount of \$373 thousand.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We report that there were no such disagreements.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 31, 2018.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to management's discussion and analysis, schedule of changes in the net pension liability and related ratios for the Miscellaneous and Safety Plans, schedule of plan contributions for the Miscellaneous and Safety Plans, schedule of funding progress, and schedules of revenues, expenditures and changes in fund balance – budget and actual for the General fund and each major special revenue fund and related note, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

*Vaurinek, Trine, Day & Co., LLP*

Laguna Hills, California

May 31, 2018



**City of Brea**

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members  
**FROM:** Bill Gallardo, City Manager  
**DATE:** 06/19/2018  
**SUBJECT:** Approval of the Fiscal Year 2018-19 Appropriations Limit

---

**RECOMMENDATION**

Adopt the attached resolution approving the Fiscal Year 2018-19 Appropriations Limit.

**BACKGROUND/DISCUSSION**

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the “Gann Initiative.” The Proposition created Article XIII B of the State Constitution placing various limits on the appropriations of state and local governments. The law requires the governing body of each local jurisdiction to establish annually by resolution, the Appropriations Limit for the upcoming year. In effect, the law requires that expenditures subject to the limit cannot exceed the prior year’s expenditures after adjusting for inflation and population changes.

In June 1990, Proposition 111 was enacted which modified the formula to allow the Appropriations Limit to be more responsive to local growth issues. Prop. 111 allowed the City of Brea to modify its limit to take into consideration the change in the County or City population, whichever is greater.

The Appropriations Limit applies to all taxes levied by and for a municipality. In addition, user fees are excluded from the formula. The Appropriations Limit also excludes the following activities: Successor Agency to the Brea Redevelopment Agency Funds, Enterprise Funds, certain Capital Improvement Funds, and funds received from special assessment districts.

Brea’s appropriations that are “subject to the limit” have traditionally been much lower than required by Article XIII B. This year’s Appropriations Limit has been calculated to be \$96,851,095. Revenues subject to the Appropriations Limit are \$40,312,157 resulting in a favorable gap of \$56,538,938.

**COMMISSION/COMMITTEE RECOMMENDATION**

The Finance Committee reviewed this staff report at its regular meeting held on June 12, 2018, and recommended the resolution be forwarded to Council for approval.

**FISCAL IMPACT/SUMMARY**

There is no fiscal impact associated with establishing the Appropriations Limit.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Management Analyst

Concurrence: Cindy Russell, Administrative Services Director

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**Attachments**

Resolution and Exhibit A

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## **RESOLUTION NO. 2018-043**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA DETERMINING AND APPROVING DESIGNATED INFLATION FACTORS AND ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2018-19**

#### **A. RECITALS:**

(i) The voters of California, on November 6, 1979, added Article XIII B to the State Constitution placing various limitations on the appropriations of state and local governments.

(ii) Pursuant to Article XIII B and Section 7910 of the State Government Code, Brea must adopt an annual appropriations limit.

(iii) The documentation used in the determination of the appropriations limit set forth below has been available to the public as required by law.

#### **B. RESOLUTION:**

**NOW, THEREFORE**, be it is found, determined and resolved by the City Council of the City of Brea as follows:

1. Selects the California per capita personal income and the greater of the County or City population increase as allowable inflation factors.

2. Approves the following as the Appropriations Limit for Fiscal Year 2018-19 at \$96,851,095 as shown in attached Exhibit A.

3. Declare that the appropriations of the City of Brea for Fiscal Year 2018-19 that are subject to the limitation do not exceed the limitation.

**APPROVED AND ADOPTED** this 19th day of June, 2018.

\_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the 19th day of June, 2018, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DATED: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

## EXHIBIT A

### 2018-19 APPROPRIATION LIMIT CALCULATION

#### 2018-19 APPROPRIATIONS LIMITATION:

2017-18 Limitation: \$92,782,312

Annual adjustment factors:

Population increase (for County of Orange)	0.69%		1.0069
Inflation change (California Personal Income)	3.67%	x	<u>1.0367</u>
Combining adjustment factors			1.043853

**2018-19 Limitation** **\$96,851,095**

#### APPROPRIATIONS SUBJECT TO LIMITATION AND APPROPRIATIONS MARGIN:

Budget appropriation 2018-19 \$68,304,910

Add Interest Earnings 1,189,500

Less exclusions:

Non-proceeds of taxes (29,182,253)

Other -

Total exclusions (29,182,253)

**Total appropriations subject to limitation** **\$40,312,157**

City of Brea

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 06/19/2018

**SUBJECT:** Resolution Appropriating Additional Funds for the Laurel Elementary Magnet School/Lagos de Moreno Park Upgrades, Project 7929.

---

**RECOMMENDATION**

Adopt Resolution to appropriate an additional \$480,000 from the Park Development Fund (Fund 250) for Project Construction Engineering and Administration.

**BACKGROUND/DISCUSSION**

On June 6, 2017, the City Council awarded a contract to Lucas Builders, Inc. ("Contractor") in the amount of \$1,799,000 and approved a 10% construction contingency of \$180,000 for the Laurel Elementary Magnet School/Lagos De Moreno Park Upgrades, Project 7929 ("Project"). This Project will make upgrades to the school and playground by adding ADA access at three (3) separate locations, and install a new restroom, playground equipment, ball walls, benches, tables, and swings. In addition, a 30' by 30' shade structure will be constructed between the two playground locations along with numerous retaining walls to accommodate all the new amenities.

Construction of the Project started in July 2017, with an anticipated completion date of November 2017. However, during construction, the Contractor encountered an unforeseen condition with respect to the school's sewer lateral that led to a significant delay and additional costs to the Project. The unforeseen condition required the removal and replacement of this sewer lateral along with soil remediation work. This resulted in a mutually agreed upon Contract Change Order ("CCO") in the amount of \$159,000 with 30 additional working days added to the Contract, extending the Contract completion date to January 2018. Staff is currently in the process of seeking reimbursement for the extra cost with the Brea-Olinda Unified School District ("BOUSD"), which also includes the construction engineering cost associated with this CCO in the amount of \$41,000, bringing the total for this unforeseen change to \$200,000. The majority of this cost is currently being covered by the construction contingency and remainder funds in the Project budget.

Additionally, due to performance and other Contract issues with the Contractor, the City issued a Notice of Default and Demand for Take-Over letter to the United States Fire Insurance Company ("Surety Company") and Contractor on March 28, 2018. Currently, City staff and consultants along with the Contractor's Surety Company representative are working with the Contractor to cure the default and expedite the Project to its completion, which is now presently set for August 23, 2018 (weather permitting) within the Cure Default Baseline Schedule. The performance issues with the Contractor have resulted in extra efforts from staff and consultants resulting in an

increase to the Construction Engineering (Materials Testing, Inspection, Construction Management, and Administration) costs, which are projected to come in over the original budget by \$685,000 by late August 2018. However, since mid-January 2018, staff has been assessing Liquidated Damages ("LD's") at \$1,000/calendar day to the Contractor pursuant to the Contract, which is currently estimated at \$122,000 as of late May 2018. Unfortunately, the LD's do not cover the total cost/day for the Department of State Architect (DSA) required Construction Engineering, which is approximately \$2,000/day. Should the Project completion date extend out to August 23, 2018, the LD's would reach an amount of approximately \$206,000, which would offset a portion of the extra construction engineering costs. The net impact to the overall budget is \$479,000 (\$685,000 cost less \$206,000 LDs).

Furthermore, staff is evaluating additional testing and inspection costs associated with the Contractor's performance (included in the \$685,000 cost) that would be on top of the LD's charged to the Contractor, currently estimated at \$22,000. This construction payment deduct would help off-set the increased cost to the Monument and Art Piece and Shade Structure (approx. \$21,000). With the estimated LD's for an August 23, 2018 completion date and the added testing and inspection costs paid for by the Contractor, the total net increase to the Construction and Construction Engineering budget would be \$478,000. Staff is requesting the City Council consider appropriating a total of \$480,000 (rounded from \$478,000) to the Project budget from the Park Development Fund (Fund 250). Any project funds not used would be returned to the Park Development Fund (Fund 250).

#### **COMMISSION/COMMITTEE RECOMMENDATION**

The Parks, Recreation, and Human Services Commission ("PR&HSC") reviewed staff's recommendation at their June 4, 2018 meeting and recommended approval of an additional \$575,000 to be appropriated from the Park Development Fund (Fund 250) for Project Construction Engineering and Administration and added contingency. Additionally, the PR&HSC provided the following provisions as part of the motion to approve:

1. Re-evaluate the City of Brea's current contractor selection process and strengthen contract provisions, ensuring due diligence moving forward; and
2. Aggressively pursue liquidated damages from the contractor at the completion of the project; and
3. Aggressively pursue the reimbursement of funds from the Brea Olinda Unified School District for their costs associated with the replacement of the sewer lateral and soil remediation change order work at the site.

The Finance Committee reviewed staff's recommendation at their June 12, 2018 meeting to appropriate an additional \$480,000 from the Park Development Fund (Fund 250) for Project Construction Engineering and Administration. This recommended additional appropriations did not include the added contingency amount, which was included in the PR&HSC approved appropriations. The Finance Committee did not make a recommendation for approval and directed staff to forward the item to the City Council for further discussion.

## **FISCAL IMPACT/SUMMARY**

The total approved budget for the Project was \$2,591,473 with funding coming from a combination of the BOUSD (\$250,000) (10%), Fund 560, Valencia Median Improvement Program savings (\$1,200,000) (46%) and Fund 250, Park Development Fund (\$1,141,473) (44%). Staff is requesting the City Council consider an additional \$480,000 from the Park Development Fund (Fund 250) to cover the cost of the additional construction engineering efforts less the LDs. This request does not include funding for the BOUSD CCO at this time. However, staff fully expects to receive BOUSD approval of the CCO.

Therefore, a Resolution appropriating the added funds from the Park Development Fund (Fund 250) to the Project is attached for City Council's consideration and approval (see Resolution). There is no General Fund impact from this action. The following table provides a breakdown of the approved budget with the requested additional funds:

<b>Project Expenditure</b>	<b>Approved Budget</b>	<b>Requested Funds</b>	<b>Amended Budget Total</b>
Design	\$221,900	\$0	\$221,900
Construction Contract	\$1,799,000	\$0	\$1,799,000
Contingency (10%)	\$180,000	\$0	\$180,000
Shade Structure	\$28,452	\$3,608	\$32,060
Playground	\$162,295	\$0	\$162,295
Monument and Art Piece	\$32,500	\$17,500	\$50,000
<b>Subtotal</b>	<b>\$2,424,147</b>	<b>\$21,108</b>	<b>\$2,445,255</b>
Construction Engineering	\$162,295	\$685,000	\$847,295
Deduct - Liquidated Damages		(\$206,000)	(\$206,000)
Deduct - Testing and Inspection		(\$22,000)	(\$22,000)
Remainder	\$5,031		\$5,031
<b>Total Budget</b>	<b>\$2,591,473</b>	<b>\$478,108</b>	<b>\$3,069,581</b>

Note: Rounded to \$480,000

## **RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Steve Kooyman, P.E., City Engineer

Concurrence: Tony Olmos, P.E., Public Works Director

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## **Attachments**

Resolution

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## **RESOLUTION NO. 2018-044**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA TO AMEND THE FISCAL YEAR 2017-18 OF THE CAPITAL IMPROVEMENT PROGRAM BUDGET AND APPROPRIATE ADDITIONAL FUNDS FROM THE PARK DEVELOPMENT FUND (250) TO THE CAPITAL IMPROVEMENT PROGRAM FUND (510) FOR PROJECT 7929, LAUREL ELEMENTARY MAGNET SCHOOL/LAGOS DE MORENO PARK UPGRADES**

### **A. RECITALS:**

(i) The City Council has determined that it is in the best interest of the City of Brea to appropriate funds from the Park Development Fund (250), to the Capital Improvement Program Fund (510), for Project 7929, Laurel Elementary Magnet School/Lagos De Moreno Park Upgrades, for the fiscal year 2017-18.

(ii) The Capital Improvement Program Budget, Resolution No. 2017-049, and subsequent amendments, did not appropriate funds for this unanticipated adjustment.

### **B. RESOLUTION:**

**NOW, THEREFORE**, be it found, determined and resolved by the City Council of the City of Brea that Capital Improvement Program Budget, Resolution No. 2017-049, as heretofore amended, be further amended to:

1. Increase funding from the Park Development Fund (250) to Capital Improvement Program Fund (510) for Project 7929, Laurel Elementary Magnet School/Lagos De Moreno Park Upgrades, by \$480,000; and

3. Appropriate an additional \$480,000 to the Capital Improvement Program Fund (510) for Project 7929, Laurel Elementary Magnet School/Lagos De Moreno Park Upgrades.

**APPROVED AND ADOPTED** this 19th day of June, 2018.

\_\_\_\_\_  
Glenn Parker, Mayor

ATTEST: \_\_\_\_\_  
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the 19th day of June, 2018, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAINED: COUNCIL MEMBERS:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Lillian Harris-Neal, City Clerk

City of Brea

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members  
**FROM:** Bill Gallardo, City Manager  
**DATE:** 06/19/2018  
**SUBJECT:** Amend Resolution 2008-56 Updating the Foreign Language Policy

---

**RECOMMENDATION**

Approve Resolution 2018-045 Amending Resolution 2008-56 to Update the Foreign Language Policy.

**BACKGROUND/DISCUSSION**

On June 17, 2008, Resolution No. 2008-56 was approved to adopt regulations pertaining to candidates statement submitted to the voters at an election. The Resolution includes a "Foreign Language Policy" that details the foreign languages that the County of Orange is required to translate candidate's statements.

Pursuant to the Federal Voting Rights Act, the previous language requirement for the City of Brea was Spanish and Chinese. The County has clarified that the current language requirement for candidate's statements in the City of Brea is Spanish, Korean and Tagalog.

The Resolution will be amended to include the amended language information.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager  
Prepared by: Lillian Harris-Neal, City Clerk

---

**Attachments**

Resolution

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## **RESOLUTION NO. 2018-045**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA CALIFORNIA AMENDING RESOLUTION NO. 2008-56 TO UPDATE THE FOREIGN LANGUAGE POLICY**

#### **RECITALS:**

- i) Section 13307 of the Elections Code of the State of California provides that the governing body of any local agency adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of the candidates statement;
- ii) This Resolution is intended to update the Foreign Language Policy only;

#### **RESOLUTION:**

**NOW, THEREFORE,** the City Council of the City of Brea, California does hereby resolve, declare, determine and order as follows:

#### **SECTION 2. Foreign Language Policy.**

- A. The Federal Voting Rights Act requires the City to have candidate statements translated into at least the following languages: Spanish, Korean and Tagalog.
- B. The Orange County Registrar of Voters shall have all candidate's statements translated into the following languages: Spanish, Korean and Tagalog. The City Clerk shall make these translations available in the Office of the City Clerk upon request.
- C. State law requires the translation and printing (in the voter's pamphlet) of a candidate's statement in any additional language at the candidate's request.

D. The City Clerk shall:

1. Translations

- a) Have all candidate's statements translated into the languages specified in (B) above.
- b) Have translated those statements into the languages as requested by a candidate in (C) above.

2. Printing

- a) Have all translations of all candidate's statements specified in (B) and (C) above printed in the main voter pamphlet. The main voter pamphlet will be in English, Korean, and Tagalog and will also contain additional candidate statement translations if requested by the candidate.

E. Federal Law supersedes all State foreign language statutes.

**APPROVED AND ADOPTED** this 19th day of June, 2018.

---

Mayor

I, Lillian Harris-Neal, City Clerk of the City of Brea do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 19th day of June, 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DATED: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

City of Brea

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members  
**DATE:** 06/19/2018  
**SUBJECT:** Fire/Rescue Utility Terrain Vehicle (UTV)

---

**RECOMMENDATION**

Approve the purchase of a Fire/Rescue Utility Terrain Vehicle for \$31,251 from Prowler.

**BACKGROUND/DISCUSSION**

The Brea Fire Department recently worked with local Brea business partners Bridge Energy and FlexFit, to procure a light, off highway, utility terrain vehicle (UTV). These vehicles are often times considered a recreational off highway vehicle and come in a multitude of different styles, configurations and platforms. The end result, for our purposes, is a modified vehicle capable of effectively responding to off-road emergencies for a multitude of reasons such as: · off road medical emergencies

- fire pre-planning and reconnaissance
- fire fuel mitigation
- equipment hauling to off road training and emergency scenes
- heavy rescue operations
- patient packaging and hauling to waiting road ambulances
- large incident overhaul logistics

Overall, our Fire Department personnel are responsible for 2,000+ acres of wildland/urban interface between the areas of Tonner, Carbon and Brea canyons. These areas are heavily used for industry and recreation alike, creating significant demand for life and property protection. Combined with our exhaustive training and performance standards, the tools at our disposal are often what it takes to not only mitigate an emergency faster, but to do so with least amount of risk to personnel.

Regardless of location, terrain, or other obstacles, our desire is to respond to the need without delay. This vehicle would offer the advantages of a smaller, less expensive, more mobile and more versatile means of response, compared to our larger fire apparatus. As a result, the Brea Fire Department received a very generous donation of \$17,000 from the above listed partners. With the specialty mission that these vehicles serve, it is imperative to seek specifications relevant to both the geography of the area and the exact needs of the department. There is opportunity to buy a stock vehicle and modify it ourselves, however, this would likely result in significant time delay and increased costs. It is the intent of the Brea Fire Department to implement this asset prior to the 2018 fire season and busy summer recreational months.

It was deemed better suited to seek out one of the few companies who produced a prebuilt UTV for fire/rescue purposes. In doing so, there was one local company who met this need. They are a direct dealer for the base Can-Am platform allowing them to meet all warranty and factory



repair needs through the life of the vehicle. Their repair facility is located in Orange, CA. Their patient transport system allows us to do so without reducing seating capacity and cargo space. They have a patented wheel and tire system to prevent flat tire scenarios during response. Lastly, their front rack system on the vehicle allows for more storage space and front end protection than other manufacturers in the price point. It is for these reasons that we would like ATV Corporation to serve as the sole provider for this vehicle. Seeking out three formal bids would likely result in an extended timeline and a non-local manufacturer unable to meet our mission specifics.

**COMMISSION/COMMITTEE RECOMMENDATION**

Approve the purchase of a Fire/Rescue Utility Terrain Vehicle for \$31,251.

**FISCAL IMPACT/SUMMARY**

The quoted price for the UTV is \$29,003.25 which includes all necessary modifications for fire/EMS/rescue purposes. The total cost including sales tax of \$2,247.75 is \$31,251.00. Donations of \$17,000 have been recieved by the Fire Department, with an additional \$14,251 recommended to be used from projected Fire Department budgeted savings this fiscal year.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager  
Prepared by: Wolf Knabe

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**Attachments**

Quote

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**City of Brea**

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members

**FROM:** Bill Gallardo, City Manager

**DATE:** 06/19/2018

**SUBJECT:** Agreement with Brea Towing Services, LLC to Provide Official Police Towing Services

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**RECOMMENDATION**

Approve Agreement with Brea Towing, LLC to provide official police towing services.

**BACKGROUND/DISCUSSION**

During the course of its daily operations, the Police Department routinely requires the services of a towing company. Towing needs include the storage or impoundment of vehicles after an arrest, securing vehicles or contents thereof as criminal evidence, removal of disabled vehicles from the scene of a traffic collision, and towing of police vehicles experiencing mechanical failures.

Due to legal implications and processes, the reliability and professionalism of a company which provides police towing services is of paramount importance. Over the years, the Brea Police Department has utilized the services of several companies at various times, and continually evaluates the quality and reliability of each company which provides those services. For many years now, the department has exclusively utilized Brea Towing Service, LLC (Brea Towing) to provide police towing services. Brea Towing has consistently provided exceptional service, from initial response and tow to secure storage at their facility in Brea.

Over the past year, the police department has conducted internal auditing of agreements with various providers of professional services. During that process, it was noted that no contractual agreement with Brea Towing had ever been enacted. It appears that no contractual agreement has ever been enacted with any previous towing service providers. A Tow Policy and Franchise Fee Resolution have been in place for many years and have been regulating service provision expectations and franchise fee payments. Brea Towing's track record of service was continually evaluated by the department, and every four years, Brea Towing received written notification that the business relationship with the City will continue for another four years.

In order to ensure the City is properly indemnified by its towing service provider, and to formalize the relationship between the City and the provider, the department worked with the City Attorney to draft an Agreement with Brea Towing (or any future towing service provider).

The Agreement carries a four-year term. The Towing Provider may request a two-year extension within ninety (90) days of the end of the four-year term. An extension may be granted solely and optionally at the discretion of the City. Further, the Agreement requires the provider to comply with the City's Tow Policy, and sets forth requirements in other areas, such as training and driver conduct, compliance with certain state regulations and licensing requirements, and response

times, among other specifications. The Agreement also sets forth indemnification and insurance requirements, and includes a termination clause.

As part of this process, the department and City Attorney also undertook a thorough review of the Tow Policy (Agreement Exhibit A) and made changes to reflect the current needs of the department and further clarify requirements and expectations of a tow provider. Among these changes are driver and equipment requirements, clarification of fee rates paid by vehicle owners and the City, specific response time expectations, and hours of business office operation.

### **FISCAL IMPACT/SUMMARY**

The Tow Policy requires that rates charged by the provider shall not exceed rates approved by the local office of the California Highway Patrol. These are the rates upon which charges to the City as well as vehicle owners are based. Currently, those rates are:

Tow: \$210.00

Storage: \$60.00

Gate Fee: \$105.00 (after hours)

The City incurs costs for towing and daily storage for any vehicles impounded for evidence. Brea Towing currently charges the City 50% of charges incurred for initial towing and the first thirty (30) days of vehicle storage. Under the proposed Agreement and Tow Policy, the Towing Provider will still charge 50% of the initial tow service fee. However, storage rates have been modified. The Police Department sought to reduce costs associated with evidence storage of vehicles. A sliding scale of storage fees was developed to allow the department to limit costs by quickly processing evidence and releasing vehicles within the first five days, as well as to address longer-term storage costs. Generally, evidence storage costs will be reduced by up to 25% for shorter term storage, which account for the majority of vehicle evidence storage needs. Long-term storage costs will also see a slight reduction. The annualized fiscal impact of the proposed Agreement and Tow Policy in dollars is difficult to calculate since the costs are incident driven. Yearly expenditures fluctuate based on the number of incidents requiring the impoundment of vehicles and the length of impoundment necessary for investigative purposes. For example, the department budgeted \$6,000 for impound costs in FY17-18, yet had expended nearly \$10,000 in the first nine months of the fiscal year. Under the revised Tow Policy the City would have saved approximately \$1,000-\$2,000. For FY18-19, the department has proposed a budget amount of \$8,000 for costs related to towing services.

The Brea City Council Finance Committee reviewed the Agreement and Tow Policy on May 29, 2018 and recommended approval.

### **RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: John Burks, Police Captain

Concurrence: John Conklin, Police Chief

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### **Attachments**

Agreement with Brea Towing, LLC

City of Brea Vehicle Towing and Storage Policy

City of Brea - Insurance Requirements - Service Contracts - Tow Policy Attachment A



**AGREEMENT BETWEEN THE CITY OF BREA AND  
BREA TOWING SERVICE, LLC TO PROVIDE  
OFFICIAL POLICE TOW SERVICES**

THIS AGREEMENT is made and entered into as of \_\_\_\_\_, 201\_ between the City of Brea, a municipal corporation, by and through the Brea Police Department ("CITY") and Brea Towing Service, LLC ("TOWING COMPANY"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

**1. SERVICES** The CITY hereby retains TOWING COMPANY to provide timely and professional towing and storage services for vehicles, in accordance with the provisions of this Agreement, when a representative of the Brea Police Department or other authorized CITY representative requests towing services.

**2. NON-EXCLUSIVE FRANCHISE TO PROVIDE OFFICIAL POLICE TOW SERVICES.**

Section 5.240.030 of the Brea City Code requires every towing company performing official services to possess a franchise granted by the CITY pursuant to Chapter 5.240 of said Code. In furtherance thereof, this Agreement shall serve as the required franchise unless and until its termination or expiration. As a franchisee, TOWING COMPANY shall serve as an Official Police Tow Service Provider for the CITY. Depending on the TOWING COMPANY's ranking on the CITY's tow rotation list, TOWING COMPANY shall have the right during the term of this Agreement to receive calls from the CITY to provide towing and storage services for vehicles which are involved in accidents, are disabled, abandoned or impounded for evidence, are impeding the flow of traffic or are otherwise subject to being towed and stored at the direction of the CITY. TOWING COMPANY's priority on CITY's tow rotation list shall be established pursuant to CITY's Policy and Specifications Applicable to Official Vehicle Towing and Storage Service Providers ("Tow Policy" hereinafter), attached hereto as Exhibit "A". The Tow Policy may be modified by the CITY following not less than thirty (30) days prior, written notice to TOWING COMPANY, and thereafter this Agreement shall be deemed modified by replacing the previous Tow Policy with the amended Tow Policy. The amended Tow Policy shall replace the previous Tow Policy as Exhibit "A" hereto.

**3. TERM**

Unless sooner terminated as provided herein, the term of this Agreement is four (4) years. Prior to the expiration of the foregoing term, and in accordance with B.C.C. Section 5.240.090.C, the TOWING COMPANY may apply to renew this Agreement for an additional two (2) years on the same terms and conditions.

#### **4. ABILITY TO PERFORM**

The TOWING COMPANY shall at all times have sufficient towing equipment and storage yard capacity, as required by the Tow Policy and/or the Towing Ordinance, to perform the obligations set forth in this Agreement. The storage yard shall be in full compliance with any applicable zoning and building requirements. The TOWING COMPANY shall, at all times, possess a valid CITY Business License.

#### **5. TRAINING/ABILITY – QUALIFICATIONS**

A. The TOWING COMPANY's drivers and other personnel (collectively "employees") must be sufficiently trained and shall provide safe and proper service.

B. All drivers shall possess the proper class of driver's license required to perform their duties according to Section 12520(a) of the California Vehicle Code. The TOWING COMPANY's owner(s)/operators shall participate in the Employer Pull Notice Agreement through the Department of Motor Vehicles. The TOWING COMPANY is required to notify the Brea Police Department ("Department") Traffic Unit Supervisor of any Pull Notices received about any of its drivers.

C. The TOWING COMPANY's drivers shall present a neat, clean and professional appearance. Drivers shall at all times wear uniform type pants and shirt as described in the Tow Policy, and shall otherwise conduct themselves as required by the Tow Policy.

D. Should any TOWING COMPANY employee appear at the scene of a tow call with the odor of alcohol, such employee shall submit to a preliminary alcohol-screening test upon demand by a Brea Police Officer.

#### **6. COMPLIANCE WITH TOW POLICY**

The TOWING COMPANY and each and every employee thereof shall, at all times when providing services pursuant to this Agreement, comply fully with all provisions of the Tow Policy. Any failure to comply with the Tow Policy shall constitute a breach of this Agreement and grounds for suspension or revocation of this franchise, and/or reduction in position of priority on the CITY's tow rotation list.

#### **7. COMPLIANCE WITH TOWING ORDINANCE**

The TOWING COMPANY and each and every employee thereof shall, at all times when providing services pursuant to this Agreement, comply fully with all provisions of the CITY Towing Ordinance, Chapter 5.240 of the Brea City Code, as the same may be amended

from time to time. Any failure to comply with the CITY Towing Ordinance shall constitute a breach of this Agreement and grounds for suspension or revocation of this franchise, imposition of liquidated damages, and/or reduction in ranking on, or removal from, the CITY's tow rotation list.

#### **8. RESPONSE TIMES**

The TOWING COMPANY shall respond to Brea Police Department calls twenty-four (24) hours a day, seven days a week, including holidays, with maximum response times as set forth in the Tow Policy.

#### **9. FRANCHISE FEE**

The franchise fee payable to the City by the TOWING COMPANY as required by the CITY Towing Ordinance shall be in such amount as established by resolution of the Brea City Council, and as may be amended from time to time following notice to the TOWING COMPANY.

#### **10. SIGNS AND ADVERTISING**

The TOWING COMPANY shall not display any signs or advertising material which indicates that his/her business is an official towing service or police storage facility of the CITY without the express written permission from the Chief of Police.

#### **11. INDEMNITY**

The TOWING COMPANY shall be bound by the indemnification provisions set forth in Section 5.240.150 of the Brea City Code.

#### **12. INSURANCE**

Without limiting the TOWING COMPANY's indemnification of the CITY as provided in this Agreement, the TOWING COMPANY shall provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, insurance coverage as set forth in the Tow Policy and the Towing Ordinance.



### **13. RISK**

The TOWING COMPANY shall be responsible for damage to or theft of the vehicles and other property towed and stored by the TOWING COMPANY, its employees or agents. Any and all claims, demands or liability arising out of or encountered in connection with this Agreement shall be borne by the TOWING COMPANY.

### **14. TERMINATION**

A. The CITY may terminate this Agreement should TOWING COMPANY remain in breach of any provision of this Agreement following service of a written notice of breach and demand to cure within thirty (30) days. If the Agreement is terminated by the CITY, and provided TOWING COMPANY is not then in breach, the TOWING COMPANY shall be paid for services satisfactorily rendered to the last working day the Agreement is in effect, and the TOWING COMPANY shall have no other claim against the CITY by reason of such termination. Notwithstanding the foregoing, the CITY may immediately suspend this Agreement, pending further action, when determined by the Chief of Police to be necessary in order to more fully protect the public health and safety.

B. The TOWING COMPANY may terminate this Agreement only for a material breach and if the City fails to cure the breach within sixty (60) days following written notice from the TOWING COMPANY.

### **15. GENERAL PROVISIONS**

#### **A. Independent Contractor**

At all times during the term of this Agreement, the TOWING COMPANY shall be an independent contractor and shall not be an employee of the CITY. The CITY shall have the right to control the TOWING COMPANY only insofar as the results of the TOWING COMPANY's services rendered pursuant to this Agreement; however, the CITY shall not have the right to control the means by which the TOWING COMPANY accomplishes services rendered pursuant to this Agreement.

#### **B. Required Licenses and Permits**

The TOWING COMPANY represents and warrants to the CITY that the TOWING COMPANY has all licenses, permits, qualifications and approvals that are legally required for the TOWING COMPANY to perform the services required under this Agreement pursuant to Vehicle Code Section 12804.9. The TOWING COMPANY represents and warrants to the CITY that the TOWING COMPANY

shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for the TOWING COMPANY to perform the services.

C. No Agency

Except as the CITY may specify in writing, the TOWING COMPANY shall have no authority, express or implied, to act on behalf of the CITY as an agent in any capacity whatsoever. The TOWING COMPANY shall have no authority, express or implied, pursuant to this Agreement, to bind the CITY to any obligation.

D. Assignment

The TOWING COMPANY shall not assign any right or obligation pursuant to this Agreement without the prior written consent of the City Council. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect and constitute a default under this Agreement. The sale or transfer of controlling interest in a company shall constitute an assignment within the meaning of this Agreement.

E. Standard of Performance

The TOWING COMPANY shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent towing company providing the kinds of services in which the TOWING COMPANY is engaged in the geographical area in which the TOWING COMPANY is operating.

F. No Employee Financial Interest

No employee of the CITY shall have any direct or indirect financial interest in the TOWING COMPANY.

G. Compliance with all Laws and Regulations

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

H. Notices

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, that provides a receipt showing date and time of delivery, or (iii)

mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by Notice. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

To CITY:      City of Brea  
                    Police Department  
                    1 Civic Center Circle  
                    Brea, CA 92821  
                    Attention: Chief of Police

To TOWING COMPANY:  
                    Brea Towing Service, LLC  
                    509 W. Lambert Road  
                    Brea, CA 92821

I.      Time of Essence

In the performance of this Agreement, time is of the essence.

J.      Authority to Execute

The persons executing this Agreement on behalf of the TOWING COMPANY warrants and represents that he or she has the authority to execute this Agreement on behalf of the TOWING COMPANY and has the authority to bind the TOWING COMPANY to the performance of its obligations hereunder.

K.      Integrated Agreement

This Agreement and Exhibit "A" (Tow Policy) hereto constitute the entire agreement between the parties with respect to the subject matter herein. No representation or promise not expressly set forth herein shall be binding or have any force or effect. In the event of any conflict between this document, the Tow Policy, or the Towing Ordinance, the provisions of the Towing Ordinance, then the Tow policy, shall govern.

L.      Governing Law and Venue

The provisions of this Agreement shall be governed by the laws of the State of California. Venue for any legal action shall be the Superior Court of the County of Orange, California.

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

**CITY OF BREA**

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
TOWING COMPANY

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**[Two corporate officers are required to sign this Agreement.]**

## **POLICY AND SPECIFICATIONS APPLICABLE TO OFFICIAL VEHICLE TOWING AND STORAGE SERVICE PROVIDERS**

The following rules, guidelines, specifications and standards shall constitute the City of Brea's official policy ("Policy" hereinafter) governing providers of vehicle towing and storage services initiated by the Brea Police Department:

### **1. Prioritized list of official towing and storage service providers established.**

A. The City of Brea, by and through the Brea Police Department, hereby establishes a priority system governing the City-initiated dispatch of approved official towing and storage service providers ("Official Provider(s)" hereinafter.)

B. Based upon the level of existing need and necessity as to the maximum number of Official Providers, as heretofore determined by the City, such priority system shall be based upon a list of Official Providers, with the first Official Provider (i.e., ranked No. 1) receiving all calls for service initiated by the Brea Police Department. In the event the No. 1 Official Provider is unable to respond within the approved response time, the second Official Provider (i.e., ranked No. 2) shall be given the call. In the event the No. 2 Official Provider is also unable to respond within the approved response time, then the third Official Provider (i.e., ranked No. 3) shall be given the call. Each Official Provider shall occupy the rank assigned unless and until re-ranked (up or down), suspended, or removed from the priority list, as provided herein.

C. In accordance with Section 8 hereof, any Official Provider failing to comply with any provision of these specifications, following notice and an opportunity for a hearing, may be re-ranked, suspended, or removed from the priority list, depending upon the severity of the violation. In such instance, the second ranked Official Provider shall move to the No. 1 position, and the third ranked Official Provider shall move to the No. 2 position, and so forth, provided all requirements of this Policy are satisfied.

### **2. General Requirements**

In order to be eligible to be placed on the priority list as an Official Provider, each towing and storage company must comply with all applicable requirements of this Policy, including this Section 2.

#### **A. Location**

1. Each Official Provider ranked No. 1 must maintain a place of business and storage yard within one (1) mile of the Brea City limits. For purposes of this Section 2, each place of business must serve as the primary point of dispatch for all tow trucks providing service to the City of Brea.

2. Any other Official Provider may maintain a place of business and storage yard at any location outside of the City of Brea, not to exceed five (5) miles from

the City limits, provided the response time requirements set forth herein are satisfied.

3. Each Official Provider shall have a current City of Brea business license.

4. Each Official Provider shall provide towing and storage service on a twenty-four (24) hours per day, seven (7) days per week basis. In the event an Official Provider is unable, or anticipates that it will be unable, to provide such service, the Official Provider shall immediately notify the Brea Police Department and shall further state the anticipated duration of the interruption of service. During any such interruption of service, the next in rank Official Provider shall occupy the ranking of the Official Provider currently unable to provide service. Any Official Provider whose service is interrupted for forty-eight (48) or more consecutive hours shall be subject to suspension or removal from the list of Official Providers.

#### B. Response Times

Each Official Provider dispatched pursuant to a request of the Brea Police Department shall arrive at the designated location with fifteen (15) minutes during the hours of 6:00 a.m. to 10:00 p.m., seven (7) days per week, and within twenty (20) minutes during the hours of 10:00 p.m. to 6:00 a.m., seven (7) days per week. Maximum response times for tows of large truck, tractors, trailers, buses, and similar large vehicles, shall be as set forth in Section 4.A of this Policy. Any Official Provider which is unable to comply with these response times, or anticipates such inability, shall immediately advise the Brea Police Department or other requesting City Department at the time the request for services is made. An Official Provider that fails to comply with these response times on three (3) or more occasions during any three (3) month period shall be subject to re-ranking, suspension or removal from the list of Official Providers.

Each Official Provider shall maintain written records establishing the time of any receipt of request for service from the Brea Police Department and the time of arrival at the requested location by the tow truck. Such records shall be made available for inspection by the Chief of Police, or designee thereof during the normal business hours.

#### C. General

1. No Official Provider shall advertise or in any way publicize any official or other connection with the City of Brea, nor shall any Official Provider advertise any address or telephone number of the City of Brea as a location to contact for vehicle towing and storage service.

2. Each Official Provider shall at all times comply with all local, state and federal regulations, laws and statutes pertaining to the towing and storage of vehicles,

including, but not limited to, California Vehicle Code Sections 24605, 25253, 25300, 27700, and 27907, as the same may be amended from time to time.

3. Official Provider shall be available to provide towing and roadside assistance services for City of Brea vehicles. Provider may charge the City for those services at the following rate: Free of charge within a 7 mile radius of the Brea Civic and Cultural Center, \$5.00 per mile thereafter (one-way).

#### **D. Insurance Requirements**

Each Official Provider, prior to rendering any services to, or on behalf of the City of Brea, shall procure, and provide evidence of having so procured, the policies of insurance specified in Attachment "A" hereto. Such policies of insurance shall be maintained in full force and effect so long as any towing and storage service provider shall serve as an Official Provider to the City of Brea, and current certificates of insurance shall be filed with the City at all times

E. Any of the provisions of this Policy may be waived by the Chief of Police, upon the concurrence of the City Manager, where deemed necessary in order to protect the public health, safety or welfare from any threat of harm or risk of injury.

### **3. Application Requirements**

A. No towing and storage service company may serve as an Official Provider without filing and having approved an application therefor, as provided in this Policy. Each vehicle towing and storage service company desiring to become an Official Provider shall file an application with the Chief of Police, which application shall, among other things, set forth a list of all of the operating locations which will be utilized to serve calls from the City of Brea, including any back-up locations for the applicant's normal operating locations. The list shall describe each storage yard and shall specify the equipment and personnel stationed at each location, including a description of each tow truck it operates from each particular location, together with the State motor vehicle license number of each tow truck, a recent photograph of each tow truck, and a description of the two-way communications equipment in each tow truck. Any additions to or deletions from the tow truck fleet at any such location shall be forthwith reported to the Brea Police Department in writing, with similar descriptions and information. Any change in operating locations used to service calls from the City of Brea shall be reported in writing at least thirty (30) days prior to such change. Each applicant shall provide a list of telephone numbers to be called in order of priority, and forthwith upon any prospective change in said telephone numbers or in the priority thereof shall notify the Brea Police Department in writing with the effective date of the change.

B. Each applicant shall provide a schedule of rates proposed to be charged for the towing and storage of vehicles as an Official Provider. Rates will not exceed rates approved by the Santa Ana Area office of the California Highway Patrol. An Official Provider shall notify the

Brea Police Department of any change in this schedule at least thirty (30) calendar days in advance of the date the change is to become effective. Each Official Provider agrees that the rates so on file with the Brea Police Department shall constitute the maximum rates to be charged for the towing and storage of vehicles until the expiration of thirty (30) calendar days following the notification of any change in the schedule of rates as above provided, after which the changed schedule shall reflect the maximum rates until at least sixty (60) calendar days after a subsequent notification.

C. Each applicant shall provide the following information with respect to any person having any ten percent (10%) or greater ownership interest, any person having managerial responsibilities, and any person who will drive a tow truck or supervise a storage lot as part of services rendered as an Official Provider:

1. Full name, birthdate, and residential address;
2. California drivers license number;
3. Date and nature of any and all felony convictions, and any and all misdemeanor convictions occurring in connection with employment as a tow service employee, or in the rendering of services to the public, occurring within the previous ten (10) years;
4. The name of any and all other public entities to which the applicant has provided regular vehicle towing and/or storage services within the previous ten (10) years;
5. Whether or not the Applicant, or any owner of a ten percent (10%) or greater interest has ever had a permit or license to provide vehicle towing and/or storage services revoked, including the date and circumstances of any such revocations;
6. Whether or not any proposed driver has had a driver's license revoked within the previous ten (10) years, including the date, location, and circumstances surrounding any such revocation;
7. Full, true and correct copies of any and all licenses, certifications, or other approvals required by any county, state, or federal statutes, rules or regulations, in order to provide vehicle towing and/or storage services to the City of Brea.

D. Upon receipt of an application deemed to be complete, the Chief of Police may approve the application, or in his/her discretion, schedule a hearing to be conducted where circumstances so require. In the event a hearing is scheduled, it shall be conducted on an informal basis before the City Manager who shall consider whether or not the facts stated in the application are true and correct, and whether or not all requirements of this Policy have been satisfied.

Provided the Chief of Police, or the City Manager following a hearing, determines that all requirements of this Policy are satisfied by the applicant, the applicant shall be notified that it has been conditionally approved as an Official Provider, which approval shall remain conditional



until all facts stated in the application have been verified to the satisfaction of the Chief of Police. Upon verification, the conditionally approved Official Provider shall then be advised that the facts have been verified and that the Official Provider's status as an "official provider" shall remain in effect on an ongoing basis unless and until suspended or removed from the priority list as provided herein or until it is determined that there is insufficient need and necessity, or as otherwise provided by law. Upon receiving such approval, each Official Provider shall be advised of its position on the priority list. Unless otherwise advised in writing, a newly-approved Official Provider shall assume the lowest ranking on the priority list.

#### **4. Tow Truck Requirements**

A. Each tow truck and equipment contained therein shall be capable of providing emergency towing service for a passenger vehicle, small truck, trailer, or other similar equipment. Each Official Provider shall also own or have ready access to a sufficiently large tow truck and towing equipment adequate to handle large trucks, trailers, buses, tractors, or other similar heavy vehicles. The Official Provider may satisfy the foregoing requirements by having a sufficiently sized tow truck available for immediate use and capable of providing a response time to the required location of not less than 40 minutes from the time of notification by Brea Police Department of the type and approximate size of the vehicle required to be towed. Inspection of the vehicle to be towed by an employee or agent of the Official Provider prior to dispatching the larger tow vehicle is not acceptable.

B. Each tow truck must pass an initial and annual inspection of its mechanical condition and safety features and equipment and provide satisfactory written evidence thereof prior to being used for emergency towing service and annually thereafter. An official, annual inspection completed by the California Highway Patrol shall satisfy this requirement upon submittal of a completed, approved CHP234B form. Periodic inspections may be required thereafter as determined necessary by the Brea Police Department to insure the vehicle's continued good condition.

C. Each tow truck shall be maintained in good working order and in clean condition.

D. Each tow truck shall be equipped with a two-way business radio or other communications equipment acceptable to the Chief of Police. All dispatching of tow trucks shall be done by a radio dispatcher at the Official Provider's place of business or storage facility. Citizen's Band radios and cellular telephones are not acceptable.

E. Each tow truck shall be equipped with a cable winch of sufficient size and capacity to retrieve vehicles which have gone over embankments or off roadways into inundated areas of other inaccessible locations. At least one tow truck shall be equipped with at least two hundred and fifty (250) feet of one-half (1/2) inch cable.

F. Each tow truck shall carry equipment for use in the unlocking of locked vehicles.

G. Excepting only large capacity tow trucks utilized as required by Section 4.A, above, every tow truck utilized by an Official Provider shall bear a conspicuous logo or other marking clearly identifying the tow truck with the name of the Official Provider.

## **5. Storage Yard Requirements**

A. Each vehicle storage lot shall be properly fenced with a material acceptable to the Chief of Police, and such fence shall be at least six (6) feet in height. Said vehicle storage lot need not be located on the same property as the headquarters of the towing and storage service company; however, as to first call companies, it shall be situated within one mile of the corporate limits of the City of Brea, and in compliance with all zoning requirements. All other storage yards shall be located within five (5) miles of the corporate limits of the City of Brea.

B. Each vehicle storage lot shall be equipped to provide adequate lighting during the hours of darkness and with ample facilities for locking or otherwise securing said storage lot.

C. A building for the storage and impoundment of vehicles requiring special investigation (i.e., fingerprinting, photographing, searching, etc.) shall be provided at one or more of the storage lots operated by each Official Provider, and at no cost to the City of Brea. Said building shall be capable of being secured in a manner acceptable to the Brea Police Department. Vehicles impounded in said building shall not be moved, relocated, or touched by personnel of an Official Provider or any persons other than authorized employees or officials of the Brea Police Department, without the written approval of the Brea Police Department. For any vehicle impounded as evidence, the City shall pay 50% of the towing service rate. Storage fees for vehicles stored as evidence shall be the following:

- Storage per day for days one through five – 25% of current daily storage rate
- Storage per day for days six through thirty – 50% of current daily storage rate
- Storage per day for greater than thirty days – 8.5% of current daily storage rate

D. Official Providers shall not perform work, or contract to perform work, on a vehicle impounded or stored at the direction of the Brea Police Department until such vehicle has been released by the Brea Police Department.

E. It is the responsibility of each Official Provider to protect all vehicles, vehicle parts and/or accessories to vehicles stored pursuant to a request of the Brea Police Department, until such time as any vehicle has been released or disposed of in accordance with law. Vehicle parts and/or attached accessories may be removed for safe keeping by employees of an Official Provider from vehicles which have not been stored for evidentiary purposes provided a written record of such removal and safe keeping has been prepared, the Official Provider has in place a procedure whereby the owner of such parts or accessories is notified of the removal, such parts or accessories are stored in a safe and secure location pending release, and further provided that any part or accessory so removed is reinstalled and the vehicle is restored to its original condition at no cost to the owner unless the owner directs otherwise. Any delay in the release of a vehicle

necessitated by the reinstallation of any removed parts or accessories shall not be charged to the owner of the vehicle.

F. It is the responsibility of each Official Provider to safe-guard all personal property in stored or impounded vehicles. Each Official Provider shall maintain a written record of the identity of all persons who have entered a stored or impounded vehicle for purposes of accessing personal property. A written description of any property taken shall also be maintained. No Official Provider shall permit access to any vehicle which has been impounded for evidentiary purposes by anyone other than police personnel, unless otherwise authorized in writing by the Brea Police Department. No Official Provider shall permit access to any other stored vehicle to any person other than the vehicle's registered owner, or representative thereof possessing written authorization, or to a legal owner, or as otherwise may be permitted by law. No employee of an Official Provider shall access any locked area of a stored vehicle, including, but not limited, any glove box or trunk, except as authorized by law, by Brea Police Department personnel, or the registered owner of such vehicle.

G. Each Official Provider shall maintain full and complete records of any and all vehicles stored or impounded in its capacity as an Official Provider. Among other things, such records shall include, but shall not be limited to, the exact time and date that the vehicle was received at the storage yard. Each Official Provider shall, to the extent not done by police personnel, complete a vehicle inventory form listing, among other things, any and all personal property and accessories contained within, or attached to, the vehicle, exclusive of locked areas. Said records shall be available for inspection by Brea Police Department representatives during normal business hours. At the end of each month, each Official Provider shall provide a physical or electronic report to Brea Police Department listing each and every vehicle impounded and/or stored during such month, and the status of each such vehicle. Vehicle status includes all vehicles released, vehicles currently impounded and/or stored, and vehicles being held as evidence.

H. Towing charges shall not commence until the tow truck arrives at the assigned location, and shall terminate at the time the towed vehicle arrives at the storage facility. Storage charges shall not commence until a towed vehicle arrives at the storage facility. Storage charges imposed shall be in conformance with state law and with this Policy. However, when the release of a stored or impounded vehicle is authorized by the Brea Police Department and the registered owner or authorized representative of the vehicle owner presents such written authorization to an Official Provider within two (2) hours of the arrival of such vehicle at the storage yard, no storage fee shall be imposed.

I. Stored and impounded vehicles shall be available for release Monday through Friday, 8:00 AM – 6:00 PM, excepting days which fall upon official holidays of the City of Brea, or as otherwise provided by state law. Official City of Brea holidays are: New Year's Day, Martin Luther King Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, day after Thanksgiving Day, Christmas Eve, Christmas Day, and New Year's Eve. Any Official Provider may make vehicles available for release on any days additional to the foregoing designated days.

J. No vehicles stored or impounded by the Brea Police Department may be released without a written vehicle release form issued by the Police Department. Pursuant to applicable provisions of state law, payment of property storage fees may be made in cash or by major credit card. An Official Provider must accept these forms of payment, but is not prohibited from accepting other forms of payment.

#### **6. Driver and Attendant Requirements**

The full name, date of birth, and driver's license number of each person employed by an Official Provider who will drive a tow truck or supervise any vehicle storage facility on behalf of an Official Provider shall be provided to the Brea Police Department. In addition, proof shall be provided that all drivers are enrolled in the following:

- Drug/Alcohol quarterly testing per DOT requirements
- DMV Pull notice program
- LiveScan background check with arrest notifications

Each Official Provider shall immediately notify the Brea Police Department of any pull notices on any tow driver. All drivers shall comply with the following requirements:

A. Each driver shall have a California driver's license issued pursuant to California Vehicle Code Section 12804, together with any and all other licenses necessary to drive a tow truck on behalf of an Official Provider.

B. Have sufficient ability to speak, read and write English so as to enable basic communications between such person and any English speaking member of the public.

C. Wear a distinctive uniform while on duty, which shall be marked in such a manner as to clearly identify the Official Provider's official name, and the employee's' name.

D. Be free of any felony convictions for the previous ten (10) years, and/or any misdemeanor convictions for the previous ten (10) years which involve the rendering of services to the public including, but not limited to, crimes involving theft, dishonesty and/or fraud. With respect to drivers, such persons must not have been convicted of drunk driving (DUI), driving under the influence of drugs, reckless driving, possession of or being under the influence of narcotics, or violation of any law of any state which would constitute drunk driving, driving under the influence of drugs, reckless driving, or possession of or being under the influence of narcotics, under California law, during the previous five (5) years.

E. Abstain from consuming or possessing alcoholic beverages while on duty.

F. Abstain from unlawfully using or possessing narcotics or dangerous drugs at any time.

G. Be sufficiently skilled so as to competently provide towing services, including, but not limited to, having the ability to enter a locked vehicle as required by an authorized Brea Police Department representative, as is customary and usual in the towing business.

H. Comply at all times with the provisions of this Policy, including but not limited to, public relations requirements set forth in Section 7 hereof.

It shall be a violation of this Policy for any employee of an Official Provider to perform any services for the City of Brea, prior to satisfactory evidence being provided to the Chief of Police, that such employee is in full compliance with subsections A, B, D, and G of this Section 6. Not less than every twelve (12) months, each Official Provider shall provide satisfactory, written evidence to the Chief of Police that each and every driver employed by the Official Provider, is currently in compliance with subsections A, B, D, and G of this Section 6.

## **7. Public Relations Requirements**

### **A. Written Policy Required**

It shall be the responsibility of each Official Provider to establish a written policy to guide the conduct of all employees and officers of the Official Provider in dealing with members of the public. Such policy shall require, among other things, that each employee or officer dealing with the public be courteous at all times, avoid the use of vulgar or profane language and otherwise be as accommodating to the public as possible. Each employee and officer having contact with the public shall provide accurate information concerning the means by which a vehicle may be released, and no employee or officer shall in any manner mislead, provide incomplete information, or otherwise act in any manner which would tend to delay the release of a vehicle or the accrual of additional charges of any nature. A copy of the policy required to be adopted hereby shall be filed with the Brea Police Department and shall be provided to each employee or officer of an Official Provider having contact with the public, and a copy of the policy shall be available upon request to any member of the public.

### **B. Complaint Procedure Required**

It shall be the further responsibility of each Official Provider to establish and maintain a written citizen complaint procedure which shall include a process by which the Official Provider shall promptly review any written complaints received from any member of the public concerning services provided by the Official Provider, including complaints pertaining to the actions of any employee or officer thereof. An easily readable sign containing letters no less than one-half inch high shall be posted in a conspicuous location in the immediate area where storage/towing payments are received from members of the public stating words to the effect that any person

may file a written complaint concerning any towing or storage charge or actions of any employee with respect to vehicle towing or storage services. It shall be the responsibility of the Official Provider to investigate any and all written complaints received and to provide a written response to the person filing the complaint, within thirty (30) days of receipt thereof. Copies of all complaints and the written responses thereto shall be maintained by each Official Provider for no less than one (1) year following the date of complaint. Records of complaints and responses thereto shall be available for review by Brea Police Department representatives during normal business hours.

## **8. Performance Review, Re-ranking, and Removal from Priority List.**

### **A. Performance Review**

Following receipt of approval to serve as an Official Provider, the Brea Police Department may, in its discretion, periodically review the performance of such Official Provider to ensure compliance with all requirements of this Policy. In performing such review, the Brea Police Department may request, and any Official Provider shall provide, full, true and correct copies of any and all records required to be maintained by each Official Provider, including, but not limited to, copies of any and all citizen's complaints and/or records of response times.

### **B. Re-ranking**

In the event any Official Provider fails to maintain compliance with any requirement of this Policy, said Official Provider may be re-ranked on the priority list, depending upon the severity of the violation. In the case of a minor violation, the Brea Police Department reserves the right to provide a written warning to an Official Provider, together with a time by which such violation must be remedied. A failure to remedy a violation within a specified period may result in re-ranking, suspension or removal from the priority list.

Where the violation is deemed to be substantial, the Official Provider shall be given written notice of the Brea Police Department's intent to re-rank the Official

Provider as of a specified date. Such preliminary determination may be objected to by an Official Provider by filing with the City Manager a written objection, within ten (10) business days of the date of the written notice, therein specifying all grounds upon which the Official Provider believes the determination to be in error, and any relevant evidence in support of that contention. Upon receipt of a written objection, the City Manager shall receive relevant information from Police Department personnel upon which the determination to re-rank is based, and shall thereupon and with written findings sustain, modify, or reverse the determination, with or without conditions. The Official Provider shall be given written notice of the City Manager's decision which decision shall be final. Where no objection is timely filed, re-ranking shall become effective as of the date set forth in the written notice.

### **C. Suspension and Removal from Priority List**

Where a substantial and severe violation, or repeated violations, of this Policy has occurred, the Official Provider may be given written notice of the City's intent to suspend or remove the Official Provider from the priority list of Official Providers. Such suspension or removal shall become effective as of the date set forth in the notice unless such determination is appealed to the City Manager in writing within ten (10) business days of the date of the notice. Upon receipt of a timely written appeal, a public hearing shall be scheduled to be conducted before the City Manager in the manner described in Section B, above, with respect to re-ranking. The decision of the City Manager shall be final, unless appealed in writing to the City Council within ten (10) business days of the date of the decision. In the event the City Manager's decision is timely appealed, a public hearing before the City Council shall be scheduled and the Appellant shall be given written notice of the date and time of the hearing. Following the conclusion of the public hearing, the City Council may sustain, modify or reverse, with or without conditions, the decision of the City Manager. All decisions shall be made in writing, with findings, and shall be final.

- D. Notwithstanding any provision of this Policy, the Chief of Police, with the concurrence of the City Manager, may immediately suspend an Official

Provider from the priority list pending a hearing, where deemed necessary in order to protect the public health, safety or welfare from an immediate threat of harm or risk of injury.

- E. Any Official Provider which is removed from the priority list may not re-apply to be placed upon the list for at least six (6) months, unless otherwise provided by the City Council following appeal pursuant to sub-section C, above.

## City of Brea Insurance Requirements

### Professional Services

(Architects, engineers, consultants, counselors, medical professionals, hospitals, clinics, attorneys, accountants, asbestos/hazardous materials analysis, etc.)

The insurance requirements below summarize, but do not supersede, the insurance requirements addressed in the body of the Bid Specifications.

You are advised to refer to the bid specifications in addition to the information provided below. (Some projects may have different/additional requirements.)

It is highly recommended that you consult your insurance carrier(s) or broker(s) to determine in advance of bid submission the availability and cost of insurance as prescribed and provided herein. Failure to comply with the insurance requirements may result in your bid or proposal not being considered for award of contract. While unlikely to be granted, any proposed deviations from the standards listed below will require City pre-approval.

Type of Insurance Coverage	General Liability	Automobile Liability	Workers' Compensation	Professional Liability
Required by Contract?	Yes	Yes	Yes	Yes
Minimum Limits of Coverage	\$2,000,000 Combined  Single Limit Per Occurrence Minimum	\$2,000,000 Combined  Single Limit Per Occurrence Minimum	Workers' Compensation to Statutory Limits; \$1,000,000 Minimum Employers' Liability Limit	\$2,000,000 Combined  Single Limit Per Occurrence Minimum
Minimum A.M. Best's Guide Rating / Other Requirements	A / VII	A / VII	A / VII or State Compensation Insurance Fund	A / VII
Additional Insured Endorsement Required? Need ISO Form Numbered CG 20 10 11 85 (or similar)	Yes	Yes	No	NA
Waiver of Subrogation Endorsement Required?	Yes	Yes	Yes	NA
Comments		Unless contractor establishes that no vehicles will be used, except for delivery.	Not needed for sole proprietors or partnerships with no employees.	



## City of Brea Insurance Requirements

### Geo-Technical Projects

(Soils analysis and engineering)

### Hazardous Materials Projects

### Seismic Analysis

The insurance requirements below summarize, but do not supersede, the insurance requirements addressed in the body of the Bid Specifications. You are advised to refer to the bid specifications in addition to the information provided below. (Some projects may have different/additional requirements.)

It is highly recommended that you consult your insurance carrier(s) or broker(s) to determine in advance of bid submission the availability and cost of insurance as prescribed and provided herein. Failure to comply with the insurance requirements may result in your bid or proposal not being considered for award of contract. While unlikely to be granted, any proposed deviations from the standards listed below will require City pre-approval.

Type of Insurance Coverage	General Liability	Automobile Liability	Workers' Compensation	Professional Liability
Required by Contract?	Yes	Yes	Yes	Yes
Minimum Limits of Coverage	\$2,000,000 Combined Single Limit Per Occurrence Minimum	\$2,000,000 Combined Single Limit Per Occurrence Minimum	Workers' Compensation to Statutory Limits; \$1,000,000 Minimum Employers' Liability Limit	\$2,000,000 Combined Single Limit Per Occurrence Minimum
Minimum A.M. Best's Guide Rating / Other Requirements	A / VII	A / VII	A / VII or State Compensation Insurance Fund	A / VII
Additional Insured Endorsement Required? Need ISO Form Numbered CG 20 10 11 85 (or similar)	Yes	Yes	No	NA
Waiver of Subrogation Endorsement Required?	Yes	Yes	Yes	NA
Comments	Contract may require higher limits.  Any Haz Mat clean-up will require "Environmental Impairment Liability Insurance" as per contract specifications.	Unless contractor establishes that no vehicles will be used, except for delivery.	Not needed for sole proprietors or partnerships with no employees.	Contract may require higher limits.

## City of Brea Insurance Requirements

### Vendors & Suppliers

The insurance requirements below summarize, but do not supersede, the insurance requirements addressed in the body of the Bid Specifications. You are advised to refer to the bid specifications in addition to the information provided below. (Some projects may have different/additional requirements.)

It is highly recommended that you consult your insurance carrier(s) or broker(s) to determine in advance of bid submission the availability and cost of insurance as prescribed and provided herein. Failure to comply with the insurance requirements may result in your bid or proposal not being considered for award of contract. While unlikely to be granted, any proposed deviations from the standards listed below will require City pre-approval.

Type of Insurance Coverage	General Liability	Automobile Liability	Workers' Compensation
Required by Contract?	Yes	Yes	Depends
Minimum Limits of Coverage	\$2,000,000 Combined Single Limit Per Occurrence Minimum	\$2,000,000 Combined Single Limit Per Occurrence Minimum	Workers' Compensation to Statutory Limits; \$1,000,000 Minimum Employers' Liability Limit
Minimum A.M. Best's Guide Rating / Other Requirements	A / VII	A / VII	A / VII or State Compensation Insurance Fund
Additional Insured Endorsement Required? Need ISO Form Numbered CG 20 10 11 85 (or similar)	Yes	Yes	No
Waiver of Subrogation Endorsement Required?	Yes	Yes	Yes
Comments  Insurance not required for items simply purchased with no vendor involvement in delivery or set up.	Contract may require higher limits.	Unless contractor establishes that no vehicles will be used, except for delivery.	Only required when employees are involved in delivery or set-up. Not needed for sole proprietors or partnerships with no employees.

## City of Brea Insurance Requirements

### Construction Projects

(Capital improvement projects, other construction and remodeling, etc.)

### Asbestos Related Projects

(Abatement, removal, etc.)

The insurance requirements below summarize, but do not supersede, the insurance requirements addressed in the body of the Bid Specifications. You are advised to refer to the bid specifications in addition to the information provided below. (Some projects may have different/additional requirements.)

It is highly recommended that you consult your insurance carrier(s) or broker(s) to determine in advance of bid submission the availability and cost of insurance as prescribed and provided herein. Failure to comply with the insurance requirements may result in your bid or proposal not being considered for award of contract. While unlikely to be granted, any proposed deviations from the standards listed below will require City pre-approval.

Type of Insurance Coverage	General Liability	Automobile Liability	Workers' Compensation
Required by Contract?	Yes	Yes	Yes
Minimum Limits of Coverage	\$2,000,000 Combined Single Limit Per Occurrence Minimum	\$2,000,000 Combined Single Limit Per Occurrence Minimum	Workers' Compensation to Statutory Limits; \$1,000,000 Minimum Employers' Liability Limit
Minimum A.M. Best's Guide Rating / Other Requirements	A / VII	A / VII	A / VII or State Compensation Insurance Fund
Additional Insured Endorsement Required? Need ISO Form Numbered CG 20 10 11 85 (or similar)	Yes	Yes	No
Waiver of Subrogation Endorsement Required?	Yes	Yes	Yes
Comments	Contract may require higher limits.  Any asbestos clean-up will require "Environmental Impairment Liability Insurance" as per contract specifications.	Unless contractor establishes that no vehicles will be used, except for delivery.	Not needed for sole proprietors or partnerships with no employees.

# City of Brea Tow Policy

## Attachment A

### City of Brea Insurance Requirements

#### Services Contracts

(Janitorial service, movers, on-site equipment maintenance agreements, **tow service**, tree maintenance, road maintenance, welding, plumbing, painting, electrical work, etc.)

The insurance requirements below summarize, but do not supersede, the insurance requirements addressed in the body of the Bid Specifications. You are advised to refer to the bid specifications in addition to the information provided below. (Some projects may have different/additional requirements.)

It is highly recommended that you consult your insurance carrier(s) or broker(s) to determine in advance of bid submission the availability and cost of insurance as prescribed and provided herein. Failure to comply with the insurance requirements may result in your bid or proposal not being considered for award of contract. While unlikely to be granted, any proposed deviations from the standards listed below will require City pre-approval.

Type of Insurance Coverage	General Liability	Automobile Liability	Workers' Compensation
Required by Contract?	Yes	Yes	Yes
Minimum Limits of Coverage	\$2,000,000 Combined Single Limit Per Occurrence Minimum	\$2,000,000 Combined Single Limit Per Occurrence Minimum	Workers' Compensation to Statutory Limits; \$1,000,000 Minimum Employers' Liability Limit
Minimum A.M. Best's Guide Rating / Other Requirements	A / VII	A / VII	A / VII or State Compensation Insurance Fund
Additional Insured Endorsement Required? Need ISO Form Numbered CG 20 10 11 85 (or similar)	Yes	Yes	No
Waiver of Subrogation Endorsement Required?	Yes	Yes	Yes
Comments	Contract may require higher limits.	Unless contractor establishes that no vehicles will be used, except for delivery.	Not needed for sole proprietors or partnerships with no employees.



## City of Brea Insurance Requirements

### Temporary Use Permits, Film Permits, Community Events, General Temporary Use of City Property

(TUP's, Film Permits, Special Community Events involving use of City property, Temporary Use of City Property)

The insurance requirements below summarize, but do not supersede, the insurance requirements addressed in the body of the Bid Specifications. You are advised to refer to the bid specifications in addition to the information provided below. (Some projects may have different/additional requirements.)

It is highly recommended that you consult your insurance carrier(s) or broker(s) to determine in advance of bid submission the availability and cost of insurance as prescribed and provided herein. Failure to comply with the insurance requirements may result in your bid or proposal not being considered for award of contract. While unlikely to be granted, any proposed deviations from the standards listed below will require City pre-approval.

Type of Insurance Coverage	General Liability	Automobile Liability	Workers' Compensation
Required?	Yes	Depends - see below	Depends - see below
Minimum Limits of Coverage	\$2,000,000 Combined Single Limit Per Occurrence Minimum	\$2,000,000 Combined Single Limit Per Occurrence Minimum	Workers' Compensation to Statutory Limits; \$1,000,000 Minimum Employers' Liability Limit
Minimum A.M. Best's Guide Rating / Other Requirements	A / VII	A / VII	A / VII or State Compensation Insurance Fund
Additional Insured Endorsement Required? Need ISO Form Numbered CG 20 10 11 85 (or similar)	Yes	Yes - if autos are used on City property.	No
Waiver of Subrogation Endorsement Required?	Yes	Yes - if autos are used on City property.	Yes
Comments			Not needed for sole proprietors or partnerships with no employees or when only volunteers are used.

City of Brea

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**COUNCIL COMMUNICATION**

**FROM:** Bill Gallardo, City Manager  
**DATE:** 06/19/2018  
**SUBJECT:** June 8 and 15, 2018 City Check Registers

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**Attachments**

06-08-18 CC Check Register  
06-15-18 CC Check Register

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## City Check Register for: Jun 8, 2018

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
178120	A N N CONTRACTORS	06/08/2018	27437	290323215	17/18 CDBG 232 FIR ST	\$26,130.00
<b>A N N CONTRACTORS</b>					<b>Total Check Amount:</b>	<b>\$26,130.00</b>
178121	ALL AMERICAN ASPHALT	06/08/2018	1571	510707318	LAMBERT/KRAEMER FINAL	\$59,479.22
<b>ALL AMERICAN ASPHALT</b>					<b>Total Check Amount:</b>	<b>\$59,479.22</b>
178122	AMBASSADOR CHURCH	06/08/2018	27765	110	RENTAL DEPOSIT REFUND	\$500.00
<b>AMBASSADOR CHURCH</b>					<b>Total Check Amount:</b>	<b>\$500.00</b>
178123	AMERICAN INTEGRATED SERVICES INC.	06/08/2018	25207	510707873	TRACKS S4 PP#7 FEB18	\$265,209.88
<b>AMERICAN INTEGRATED SERVICES INC.</b>					<b>Total Check Amount:</b>	<b>\$265,209.88</b>
178124	AMERICAN INTEGRATED SERVICES INC.	06/08/2018	25207	510707873	TRACKS S4 PP#8 MAR18	\$74,117.65
<b>AMERICAN INTEGRATED SERVICES INC.</b>					<b>Total Check Amount:</b>	<b>\$74,117.65</b>
178125	ARTS IMPACT FOUNDATION	06/08/2018	27761	110	RENTAL DEPOSIT REFUND	\$300.00
<b>ARTS IMPACT FOUNDATION</b>					<b>Total Check Amount:</b>	<b>\$300.00</b>
178126	ARTS OC/OC DOCENT LEAGUE	06/08/2018	18730	110404311	2018 MEMBERSHIP	\$15.00
<b>ARTS OC/OC DOCENT LEAGUE</b>					<b>Total Check Amount:</b>	<b>\$15.00</b>
178127	BREA OFFICE II LLC	06/08/2018	27769	420000000	CLOSED WATER ACCOUNT	\$123.94
<b>BREA OFFICE II LLC</b>					<b>Total Check Amount:</b>	<b>\$123.94</b>
178128	BUDGET RENT A CAR OF NORWALK	06/08/2018	25483	480515161	CM VEH RNTL 3/19-5/16	\$2,972.72
<b>BUDGET RENT A CAR OF NORWALK</b>					<b>Total Check Amount:</b>	<b>\$2,972.72</b>
178131	BUSINESS CARD	06/08/2018	18749	110	BSCARD CS 052318	(\$16.63)
		06/08/2018	18749	110	BSCARD CS II 052318	(\$257.22)
		06/08/2018	18749	110	BSCARD FIRE 052318	(\$1.55)
		06/08/2018	18749	110	BSCARD PD ADM 052318	\$398.32
		06/08/2018	18749	110111143	BSCARD HR 052318	\$0.10
		06/08/2018	18749	110141481	BSCARD HR 052318	\$1,882.26
		06/08/2018	18749	110141481	BSCARD PD ADM 052318	\$43.95
		06/08/2018	18749	110212111	BSCARD PD ADM 052318	\$381.11
		06/08/2018	18749	110212111	BSCARD PD TRNG 052318	\$995.00
		06/08/2018	18749	110212121	BSCARD PD ADM 052318	\$107.75
		06/08/2018	18749	110212121	BSCARD PD INV 052318	\$978.05
		06/08/2018	18749	110222212	BSCARD FIRE 052318	\$28.75
		06/08/2018	18749	110222223	BSCARD FIRE 052318	\$119.62
		06/08/2018	18749	110222231	BSCARD FIRE 052318	\$20.00
		06/08/2018	18749	110404154	BSCARD CS II 052318	\$80.60
		06/08/2018	18749	110404211	BSCARD CS II 052318	\$1,289.43
		06/08/2018	18749	110404213	BSCARD CS II 052318	\$2,000.00
		06/08/2018	18749	110404217	BSCARD CS 052318	\$24.76
		06/08/2018	18749	110404420	BSCARD CS II 052318	\$500.00
		06/08/2018	18749	110404428	BSCARD CS 052318	\$2,334.55
		06/08/2018	18749	110404429	BSCARD CS 052318	\$31.73

## City Check Register for: Jun 8, 2018

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
178131	BUSINESS CARD	06/08/2018	18749	110404523	BSCARD CS 052318	\$1,235.84
		06/08/2018	18749	110515141	BSCARD PARKS 042318	(\$38.50)
		06/08/2018	18749	110515148	BSCARD PARKS 042318	\$38.50
		06/08/2018	18749	420515131	BSCARD WATER 042318	\$0.00
		06/08/2018	18749	420515131	BSCARD WATER 052318	\$253.80
		06/08/2018	18749	510707946	BSCARD ENG'G 052318	\$2,280.75
		06/08/2018	18749	950000000	ILJAOC BSCARD JM 0518	\$10.98
		06/08/2018	18749	950000000	ILJAOC BSCARD MJ 0518	\$116.36
<b>BUSINESS CARD</b>					<b>Total Check Amount:</b>	<b>\$14,838.31</b>
178132	CALIFORNIA BUILDING OFFICIALS	06/08/2018	26696	110323241	CALBO MEMBERSHIP	\$695.00
		06/08/2018	26696	110323241	TRAINING	\$585.00
<b>CALIFORNIA BUILDING OFFICIALS</b>					<b>Total Check Amount:</b>	<b>\$1,280.00</b>
178133	VICTOR CEBREROS	06/08/2018	27770	420000000	CLOSED WATER ACCOUNT	\$32.44
<b>VICTOR CEBREROS</b>					<b>Total Check Amount:</b>	<b>\$32.44</b>
178134	CHARLES TAN & ASSOCIATES, INC.	06/08/2018	26706	110000000	PROF SVCS THRU 5/1/18	\$800.00
<b>CHARLES TAN &amp; ASSOCIATES, INC.</b>					<b>Total Check Amount:</b>	<b>\$800.00</b>
178135	BRIANNE CHAVEZ AND/OR KYLE ABNEY	06/08/2018	27768	420000000	CLOSED WATER ACCOUNT	\$91.22
<b>BRIANNE CHAVEZ AND/OR KYLE ABNEY</b>					<b>Total Check Amount:</b>	<b>\$91.22</b>
178136	WENDY CHEN	06/08/2018	27776	420000000	CLOSED WATER ACCOUNT	\$29.01
<b>WENDY CHEN</b>					<b>Total Check Amount:</b>	<b>\$29.01</b>
178137	HAEJA CHEUNG	06/08/2018	27775	420000000	CLOSED WATER ACCOUNT	\$150.00
<b>HAEJA CHEUNG</b>					<b>Total Check Amount:</b>	<b>\$150.00</b>
178138	HYE CHUNG	06/08/2018	27774	420000000	CLOSED WATER ACCOUNT	\$20.26
<b>HYE CHUNG</b>					<b>Total Check Amount:</b>	<b>\$20.26</b>
178139	CINTAS	06/08/2018	24347	110404211	FIRSTAID SUPPLIES BCC	\$66.40
<b>CINTAS</b>					<b>Total Check Amount:</b>	<b>\$66.40</b>
178140	CORELOGIC	06/08/2018	25542	280323215	REAL EST LISTNG APR18	\$185.00
<b>CORELOGIC</b>					<b>Total Check Amount:</b>	<b>\$185.00</b>
178141	COUNTY OF ORANGE	06/08/2018	4799	110212122	PRKNG CITATIONS APR18	\$12,732.00
<b>COUNTY OF ORANGE</b>					<b>Total Check Amount:</b>	<b>\$12,732.00</b>
178142	CPR IT WORKS, LLC	06/08/2018	27778	110404426	FIRST AID COURSE 6/9	\$200.00
<b>CPR IT WORKS, LLC</b>					<b>Total Check Amount:</b>	<b>\$200.00</b>
178143	CSULB FOUNDATION	06/08/2018	10182	110212111	TITLE 15-SUPV COURSE	\$95.00
<b>CSULB FOUNDATION</b>					<b>Total Check Amount:</b>	<b>\$95.00</b>
178144	PIOTR CZARNECKI AND/OR HANCHING CHU	06/08/2018	27773	420000000	CLOSED WATER ACCOUNT	\$84.91
<b>PIOTR CZARNECKI AND/OR HANCHING CHU</b>					<b>Total Check Amount:</b>	<b>\$84.91</b>
178145	EDISON CO	06/08/2018	3343	110515125	ELECTRICITY MAR-MAY18	\$4,078.68
		06/08/2018	3343	110515148	ELECTRICITY MAR-MAY18	\$1,269.24



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178145	EDISON CO	06/08/2018	3343	420515131	ELECTRICITY MAR-MAY18	\$15,475.92
EDISON CO					Total Check Amount:	\$20,823.84
178146	EDISON CO	06/08/2018	3343	110515121	ELECTRICITY APR/MAY18	\$3,412.10
EDISON CO					Total Check Amount:	\$3,412.10
178147	EQUITY OFFICE	06/08/2018	18581	110000000	DEVELOPER FEE REFUND	\$484.79
EQUITY OFFICE					Total Check Amount:	\$484.79
178148	HAZ PARTY RENTALS	06/08/2018	24146	420515131	RENT HELIUM TANK	\$171.32
HAZ PARTY RENTALS					Total Check Amount:	\$171.32
178149	INSTITUTE FOR LOCAL GOVERNMENT	06/08/2018	27744	110111143	2018 TIERS LRNING LAB	\$700.00
		06/08/2018	27744	110141414	2018 TIERS LRNING LAB	\$700.00
		06/08/2018	27744	110323231	2018 TIERS LRNING LAB	\$700.00
		06/08/2018	27744	110404311	2018 TIERS LRNING LAB	\$1,400.00
INSTITUTE FOR LOCAL GOVERNMENT					Total Check Amount:	\$3,500.00
178150	LAKEMAN CHASSIS	06/08/2018	12885	110515141	RPR CITY HALL PARK RR	\$20.00
LAKEMAN CHASSIS					Total Check Amount:	\$20.00
178151	LAW OFFICES OF JONES & MAYER	06/08/2018	12144	110111112	LEGAL:CODE ENF APR18	\$2,533.00
LAW OFFICES OF JONES & MAYER					Total Check Amount:	\$2,533.00
178152	LIMBACH COMPANY LP	06/08/2018	21671	490515151	REPL GAS VALVE,RAYPAK	\$1,680.00
LIMBACH COMPANY LP					Total Check Amount:	\$1,680.00
178153	MUSIC THEATRE INTERNATIONAL	06/08/2018	1321	110404542	37817 SEUSSICAL	\$400.00
MUSIC THEATRE INTERNATIONAL					Total Check Amount:	\$400.00
178154	ORANGE COUNTY CHILDREN'S THEATRE	06/08/2018	27764	110	RENTAL DEPOSIT REFUND	\$500.00
ORANGE COUNTY CHILDREN'S THEATRE					Total Check Amount:	\$500.00
178155	PLUMBING WHOLESALE OUTLET, INC.	06/08/2018	18392	490515151	SR CTR RR PARTS	\$156.50
PLUMBING WHOLESALE OUTLET, INC.					Total Check Amount:	\$156.50
178156	REGENCY CHRISTIAN CENTER	06/08/2018	27762	110	RENTAL DEPOSIT REFUND	\$300.00
REGENCY CHRISTIAN CENTER					Total Check Amount:	\$300.00
178157	SOUTH COAST AQMD	06/08/2018	10871	480515161	EMISSIONS:545 N BERRY	\$131.79
		06/08/2018	10871	480515161	RENEWAL:545 N BERRY	\$3,088.05
SOUTH COAST AQMD					Total Check Amount:	\$3,219.84
178158	THE STANDARD INSURANCE COMPANY	06/08/2018	27270	110	643015 OPT INS JUN18	\$2,060.25
THE STANDARD INSURANCE COMPANY					Total Check Amount:	\$2,060.25
178159	STATE COMPENSATION INSURANCE FUND	06/08/2018	23177	950000000	ILJAOC 033117-033118	\$484.78
STATE COMPENSATION INSURANCE FUND					Total Check Amount:	\$484.78
178160	STEVE CHOI-CROSSWAY CHURCH	06/08/2018	27763	110	RENTAL DEPOSIT REFUND	\$500.00
STEVE CHOI-CROSSWAY CHURCH					Total Check Amount:	\$500.00
178161	TREECO ARBORIST, INC.	06/08/2018	3838	110515144	PLANTER MIX	\$55.21
TREECO ARBORIST, INC.					Total Check Amount:	\$55.21

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178162	UNION BANK	06/08/2018	27766	110	RENTAL DEPOSIT REFUND	\$500.00
<b>UNION BANK</b>					<b>Total Check Amount:</b>	<b>\$500.00</b>
178163	VILLAGE NURSERIES	06/08/2018	7110	110515141	TREE FOR ARBOR DAY	\$355.58
		06/08/2018	7110	110515148	TREE FOR TRACKS SEG 3	\$210.11
<b>VILLAGE NURSERIES</b>					<b>Total Check Amount:</b>	<b>\$565.69</b>
178164	DR. ROBERT L. WILKINSON	06/08/2018	19024	110141481	DOT PHYSICALS APR/MAY	\$205.00
<b>DR. ROBERT L. WILKINSON</b>					<b>Total Check Amount:</b>	<b>\$205.00</b>
178165	WOODSBORO PTA	06/08/2018	27767	110	RENTAL DEPOSIT REFUND	\$500.00
<b>WOODSBORO PTA</b>					<b>Total Check Amount:</b>	<b>\$500.00</b>
<b>Check Subtotal</b>						<b>\$501,525.28</b>
V28618	ABBA TERMITE & PEST CONTROL	06/08/2018	15614	110515148	TREAT BEE HIVE @SEG 4	\$490.00
<b>ABBA TERMITE &amp; PEST CONTROL</b>					<b>Total Check Amount:</b>	<b>\$490.00</b>
V28619	ARC IMAGING RESOURCES	06/08/2018	23273	110404211	PLOTTER SUPPLIES	\$1,806.27
<b>ARC IMAGING RESOURCES</b>					<b>Total Check Amount:</b>	<b>\$1,806.27</b>
V28620	BASTANCHURY PLUMBING INC.	06/08/2018	18765	490515151	VALVE REPL:PLUNGE RR	\$3,750.00
<b>BASTANCHURY PLUMBING INC.</b>					<b>Total Check Amount:</b>	<b>\$3,750.00</b>
V28621	SHANNON BUCKELS	06/08/2018	12046	110212134	CRISS/HOSTAGE NEGOTTN	\$24.00
<b>SHANNON BUCKELS</b>					<b>Total Check Amount:</b>	<b>\$24.00</b>
V28622	BYRNE SOFTWARE TECHNOLOGIES, INC.	06/08/2018	27471	110323241	ACCELA IMPL 5/12-5/18	\$110.00
<b>BYRNE SOFTWARE TECHNOLOGIES, INC.</b>					<b>Total Check Amount:</b>	<b>\$110.00</b>
V28623	CANNINGS ACE HARDWARE	06/08/2018	15828	110515141	JANITORIAL SUPPLIES	\$39.99
		06/08/2018	15828	110515141	SCREWS/GLUE/BONDO	\$29.77
<b>CANNINGS ACE HARDWARE</b>					<b>Total Check Amount:</b>	<b>\$69.76</b>
V28624	JASON CELMER	06/08/2018	11286	110212111	FLD SBRIETY TEST TRNG	\$24.00
<b>JASON CELMER</b>					<b>Total Check Amount:</b>	<b>\$24.00</b>
V28625	CINTAS CORPORATION #640	06/08/2018	25884	110212131	UNIFORM SVCS MAY 2018	\$100.05
		06/08/2018	25884	110515121	UNIFORM SVCS MAY 2018	\$43.60
		06/08/2018	25884	110515125	UNIFORM SVCS MAY 2018	\$88.79
		06/08/2018	25884	110515141	UNIFORM SVCS MAY 2018	\$210.90
		06/08/2018	25884	110515143	UNIFORM SVCS MAY 2018	\$35.34
		06/08/2018	25884	110515144	UNIFORM SVCS MAY 2018	\$140.20
		06/08/2018	25884	420515131	UNIFORM SVCS MAY 2018	\$192.55
		06/08/2018	25884	430515123	UNIFORM SVCS MAY 2018	\$85.40
		06/08/2018	25884	440515126	UNIFORM SVCS MAY 2018	\$40.00
		06/08/2018	25884	480515161	UNIFORM SVCS MAY 2018	\$247.30
		06/08/2018	25884	490515151	UNIFORM SVCS MAY 2018	\$478.53
<b>CINTAS CORPORATION #640</b>					<b>Total Check Amount:</b>	<b>\$1,662.66</b>
V28626	COMLOCK SECURITY-GROUP	06/08/2018	13625	360515145	DEAD BOLT LOCKS	\$492.90

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<b>COMLOCK SECURITY-GROUP</b>					<b>Total Check Amount:</b>	<b>\$492.90</b>
V28627	JEFFREY COVER	06/08/2018	25721	110212111	TRAFFIC COLL INVSTGTN	\$24.00
<b>JEFFREY COVER</b>					<b>Total Check Amount:</b>	<b>\$24.00</b>
V28628	DE LAGE LANDEN FINANCIAL SERVICES	06/08/2018	23311	110141441	DISPATCH MAY/JUN18	\$238.50
		06/08/2018	23311	110141441	FIRE STN 1 MAY/JUN18	\$88.13
		06/08/2018	23311	110141441	FIRE STN 2 MAY/JUN18	\$255.06
		06/08/2018	23311	110141441	FIRE STN 4 MAY/JUN18	\$88.13
		06/08/2018	23311	110141441	SR CTR MAY/JUN18	\$238.51
<b>DE LAGE LANDEN FINANCIAL SERVICES</b>					<b>Total Check Amount:</b>	<b>\$908.33</b>
V28629	DOG DEALERS, INC	06/08/2018	3573	110404145	DOG OBEDIENCE TRNG	\$294.00
<b>DOG DEALERS, INC</b>					<b>Total Check Amount:</b>	<b>\$294.00</b>
V28630	EEC ENVIRONMENTAL	06/08/2018	25778	110515111	PROF SVCS 3/1-4/30	\$3,690.63
<b>EEC ENVIRONMENTAL</b>					<b>Total Check Amount:</b>	<b>\$3,690.63</b>
V28631	EMERSON BRAN MANAGEMENT	06/08/2018	25725	110404542	JAZZ ONTHE LATIN SIDE	\$2,750.00
<b>EMERSON BRAN MANAGEMENT</b>					<b>Total Check Amount:</b>	<b>\$2,750.00</b>
V28632	EQUIPMENT DIRECT INC	06/08/2018	4522	110515141	GAS CAN/FUNNEL	\$45.91
		06/08/2018	4522	110515141	LEATHER GLOVES	\$53.16
		06/08/2018	4522	110515144	LEATHER GLOVES	\$53.15
<b>EQUIPMENT DIRECT INC</b>					<b>Total Check Amount:</b>	<b>\$152.22</b>
V28633	EXTERMINETICS OF SO CALIF INC	06/08/2018	3298	110515125	PEST CONTROL APR 2018	\$240.00
		06/08/2018	3298	110515141	PEST CONTROL APR 2018	\$180.00
		06/08/2018	3298	420515131	PEST CONTROL APR 2018	\$100.00
		06/08/2018	3298	490515151	PEST CONTROL APR 2018	\$1,090.00
<b>EXTERMINETICS OF SO CALIF INC</b>					<b>Total Check Amount:</b>	<b>\$1,610.00</b>
V28634	FIBRETECH INSTALLATIONS	06/08/2018	9576	475141471	FIBER CABLE-OUTDR SGN	\$263.44
<b>FIBRETECH INSTALLATIONS</b>					<b>Total Check Amount:</b>	<b>\$263.44</b>
V28635	FIDELITY SECURITY LIFE INSURANCE	06/08/2018	23035	110	9727288 RETRO MAY18	\$16.75
		06/08/2018	23035	110	9827288 VISION JUN18	\$2,593.26
<b>FIDELITY SECURITY LIFE INSURANCE</b>					<b>Total Check Amount:</b>	<b>\$2,610.01</b>
V28636	FUN WITH HORSES	06/08/2018	15171	110404145	HORSE FUN CLASSES	\$196.88
<b>FUN WITH HORSES</b>					<b>Total Check Amount:</b>	<b>\$196.88</b>
V28637	GALE SUPPLY COMPANY	06/08/2018	21090	110515141	JANITORIAL SUPPLIES	\$118.74
		06/08/2018	21090	110515144	JANITORIAL SUPPLIES	\$194.38
		06/08/2018	21090	360515145	JANITORIAL SUPPLIES	\$118.74
<b>GALE SUPPLY COMPANY</b>					<b>Total Check Amount:</b>	<b>\$431.86</b>
V28638	RYAN GRECO	06/08/2018	27772	110222222	THOMAS FIRE STRIKE TM	\$82.50
<b>RYAN GRECO</b>					<b>Total Check Amount:</b>	<b>\$82.50</b>
V28639	TERRANCE GREEN	06/08/2018	12103	110212111	FLD SBRIETY TEST TRNG	\$24.00
<b>TERRANCE GREEN</b>					<b>Total Check Amount:</b>	<b>\$24.00</b>

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V28640	CHRISTOPHER HARVEY	06/08/2018	10364	110212111	MILEAGE REIMBURSEMENT	\$13.68
<b>CHRISTOPHER HARVEY</b>					<b>Total Check Amount:</b>	<b>\$13.68</b>
V28641	HORIZON MECHANICAL CONTRACTORS	06/08/2018	27728	490515151	ANNUAL BOILER SVC:BCC	\$2,620.00
		06/08/2018	27728	490515151	DESCALE BOILERS @ BCC	\$2,734.00
<b>HORIZON MECHANICAL CONTRACTORS</b>					<b>Total Check Amount:</b>	<b>\$5,354.00</b>
V28642	JAMES LEE HOWE	06/08/2018	5953	110404145	GOLF CLASSES	\$220.00
<b>JAMES LEE HOWE</b>					<b>Total Check Amount:</b>	<b>\$220.00</b>
V28643	IMPRESSIVE SCREENWORKS	06/08/2018	1815	110111143	EMPL SHIRTS/JACKETS	\$275.84
		06/08/2018	1815	110111143	EMPLOYEE SHIRTS	\$65.73
		06/08/2018	1815	110141411	EMPL SHIRTS/JACKETS	\$67.88
		06/08/2018	1815	110141411	EMPLOYEE SHIRTS	\$44.18
<b>IMPRESSIVE SCREENWORKS</b>					<b>Total Check Amount:</b>	<b>\$453.63</b>
V28644	INFOSEND, INC.	06/08/2018	19016	110404422	INSERT:PLUNGE-2 PAGES	\$110.54
		06/08/2018	19016	110404542	INSERT:JOHNNY CASH	\$55.27
		06/08/2018	19016	420141421	WATER:APR18 POSTAGE	\$4,220.53
		06/08/2018	19016	420141421	WATER:APR18 PRNT/MAIL	\$1,520.00
		06/08/2018	19016	420515131	INSERT:PW/FD OPEN HSE	\$55.27
<b>INFOSEND, INC.</b>					<b>Total Check Amount:</b>	<b>\$5,961.61</b>
V28645	IPARQ	06/08/2018	21583	110323241	PERMIT FEES APR 2018	\$2,296.79
<b>IPARQ</b>					<b>Total Check Amount:</b>	<b>\$2,296.79</b>
V28646	KEYSER MARSTON ASSOCIATES, INC.	06/08/2018	25482	110000000	PROF SVCS APR 2018	\$405.00
<b>KEYSER MARSTON ASSOCIATES, INC.</b>					<b>Total Check Amount:</b>	<b>\$405.00</b>
V28647	LINCOLN AQUATICS	06/08/2018	17902	490515151	CHEMICAL PUMP @ POOL	\$546.02
		06/08/2018	17902	490515151	REPL FLOW METER @POOL	\$355.18
<b>LINCOLN AQUATICS</b>					<b>Total Check Amount:</b>	<b>\$901.20</b>
V28648	LUCAS BUILDERS, INC.	06/08/2018	26671	510707929	LAGOS DE MORENO MAR18	\$77,781.25
<b>LUCAS BUILDERS, INC.</b>					<b>Total Check Amount:</b>	<b>\$77,781.25</b>
V28649	MODULAR SPACE CORPORATION	06/08/2018	27090	510707929	TRAILER RENTAL LDM	\$478.54
<b>MODULAR SPACE CORPORATION</b>					<b>Total Check Amount:</b>	<b>\$478.54</b>
V28650	MANUEL OLIVEIRA	06/08/2018	27760	420515131	SWCRB:D3 CERT RENEWAL	\$120.00
<b>MANUEL OLIVEIRA</b>					<b>Total Check Amount:</b>	<b>\$120.00</b>
V28652	ONWARD ENGINEERING	06/08/2018	22106	110000000	180 S BREA BLVD APR18	\$891.75
		06/08/2018	22106	110000000	390W CNTRL/DENOVA APR	\$304.50
		06/08/2018	22106	110000000	AT&T:1700 E LMBRT APR	\$87.00
		06/08/2018	22106	110000000	AT&T:1804/1855RVNCRST	\$217.50
		06/08/2018	22106	110000000	AT&T:183 M GLORY APR	\$43.50
		06/08/2018	22106	110000000	AT&T:1901 RVNCRST APR	\$65.25
		06/08/2018	22106	110000000	AT&T:200S ASSOC APR18	\$1,392.00
		06/08/2018	22106	110000000	AT&T:219 LNGBRNCH APR	\$87.00

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V28652	ONWARD ENGINEERING	06/08/2018	22106	110000000	AT&T:220 S BREA APR18	\$435.00
		06/08/2018	22106	110000000	AT&T:243 LNGBRNCH APR	\$43.50
		06/08/2018	22106	110000000	AT&T:2440 FOOHLL APR	\$652.50
		06/08/2018	22106	110000000	AT&T:424/434 GRNBRIAR	\$174.00
		06/08/2018	22106	110000000	AT&T:815 AVOCADO APR	\$174.00
		06/08/2018	22106	110000000	AT&T:949 OAKCREST APR	\$65.25
		06/08/2018	22106	110000000	AT&T:BIRCH/RANDOLPH	\$174.00
		06/08/2018	22106	110000000	LA FL PA1/2/2N/2S APR	\$1,457.25
		06/08/2018	22106	110000000	LA FLOR PA12B APR18	\$43.50
		06/08/2018	22106	110000000	LA FLORESTA PA1 APR18	\$239.25
		06/08/2018	22106	110000000	LA FLORESTA PA5 APR18	\$391.50
		06/08/2018	22106	110000000	SCE RULE20 PROJ APR18	\$261.00
		06/08/2018	22106	110000000	SCE:162 FLWR HILL APR	\$500.25
		06/08/2018	22106	110000000	TWC:260 N PALM APR18	\$239.25
		06/08/2018	22106	110000000	TWC:541 TAMARACK APR	\$326.25
		06/08/2018	22106	110000000	TWC:800 COLUMBIA APR	\$217.50
		06/08/2018	22106	110000000	TWC:802 E ALDER APR18	\$87.00
		06/08/2018	22106	110515171	INSP:MISC PERMITS APR	\$12,027.75
		06/08/2018	22106	510707929	LAGOS DE MORENO APR18	\$10,928.00
<b>ONWARD ENGINEERING</b>					<b>Total Check Amount:</b>	<b>\$31,525.25</b>
V28653	CHARLES ROBERT	06/08/2018	24585	110404145	YOUTH KUNG FU	\$25.00
<b>CHARLES ROBERT</b>					<b>Total Check Amount:</b>	<b>\$25.00</b>
V28654	ALFRED RODRIGUEZ	06/08/2018	27489	110212111	MILEAGE REIMBURSEMENT	\$90.25
<b>ALFRED RODRIGUEZ</b>					<b>Total Check Amount:</b>	<b>\$90.25</b>
V28655	TODD SCHMALTZ	06/08/2018	26048	110212111	FLD SBRIETY TEST TRNG	\$24.00
<b>TODD SCHMALTZ</b>					<b>Total Check Amount:</b>	<b>\$24.00</b>
V28656	SIGN-A-RAMA	06/08/2018	12440	110515148	TRACKS DIRCTIONL SGNS	\$183.12
		06/08/2018	12440	510707946	TRACKS MEETING SIGNS	\$73.08
<b>SIGN-A-RAMA</b>					<b>Total Check Amount:</b>	<b>\$256.20</b>
V28657	SITEONE LANDSCAPE SUPPLY, LLC	06/08/2018	25942	110515141	IRRIGATION PARTS	\$34.37
		06/08/2018	25942	110515141	TREE TIES/IRRIG PARTS	\$60.66
		06/08/2018	25942	110515143	TREE TIES/IRRIG PARTS	\$480.46
		06/08/2018	25942	510707873	INSTALL IRRIG BOXES	\$3,841.58
<b>SITEONE LANDSCAPE SUPPLY, LLC</b>					<b>Total Check Amount:</b>	<b>\$4,417.07</b>
V28658	DONNA SMITH	06/08/2018	26136	110404145	CTRY WSTRN LINE DANCE	\$330.00
<b>DONNA SMITH</b>					<b>Total Check Amount:</b>	<b>\$330.00</b>
V28659	STAGELIGHT FAMILY PRODUCTIONS	06/08/2018	7825	110404542	BYT:PETER PAN 2018 #2	\$8,424.45
<b>STAGELIGHT FAMILY PRODUCTIONS</b>					<b>Total Check Amount:</b>	<b>\$8,424.45</b>

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V28660	SUPERION, LLC	06/08/2018	26879	420141421	WRK ORDR/MTR INV TRNG	\$1,200.00
		06/08/2018	26879	475141471	ASP BACKUP SVC JUN18	\$1,817.42
<b>SUPERION, LLC</b>					<b>Total Check Amount:</b>	<b>\$3,017.42</b>
V28661	TENNIS ANYONE ACADEMY	06/08/2018	12688	110404145	TENNIS CLASSES	\$2,048.00
<b>TENNIS ANYONE ACADEMY</b>					<b>Total Check Amount:</b>	<b>\$2,048.00</b>
V28662	THOMSON REUTERS - WEST	06/08/2018	22020	110111112	431851 CHGS APR 2018	\$439.88
<b>THOMSON REUTERS - WEST</b>					<b>Total Check Amount:</b>	<b>\$439.88</b>
V28663	TROPICAL PLAZA NURSERY, INC	06/08/2018	2062	110515141	OLINDA MSM CLEAN-UP	\$600.00
		06/08/2018	2062	110515143	CITY LANDSCAPE MAY18	\$12,143.09
		06/08/2018	2062	110515143	TRCKS S5 LNDSCP APR18	\$18.74
		06/08/2018	2062	110515143	TRCKS S5 LNDSCP MAR18	\$18.74
		06/08/2018	2062	110515143	TRCKS S5 LNDSCP MAY18	\$18.74
		06/08/2018	2062	110515148	RECL TRCKS S5 TO 5143	(\$37.48)
		06/08/2018	2062	110515148	TRCKS S3 LNDSCP MAY18	\$2,333.30
		06/08/2018	2062	110515148	WEED CONTROL TRCKS S2	\$400.00
		06/08/2018	2062	110515148	WEED CONTROL TRCKS S3	\$700.00
		06/08/2018	2062	341515112	DISTRICT 1 MAY 2018	\$1,746.34
		06/08/2018	2062	343515112	DISTRICT 3 MAY 2018	\$1,925.98
		06/08/2018	2062	345515112	DISTRICT 5 MAY 2018	\$2,312.54
		06/08/2018	2062	346515112	DISTRICT 6 MAY 2018	\$6,257.03
		06/08/2018	2062	346515112	TREE BRANCH REMOVAL	\$75.00
		06/08/2018	2062	347515112	DISTRICT 7 MAY 2018	\$1,019.00
		06/08/2018	2062	880515113	GATEWAY CTR MAY 2018	\$1,171.85
<b>TROPICAL PLAZA NURSERY, INC</b>					<b>Total Check Amount:</b>	<b>\$30,702.87</b>
V28664	UNITED ROTARY BRUSH CORPORATION	06/08/2018	16649	480515161	SWEEPER BROOM	\$105.22
		06/08/2018	16649	480515161	SWEEPER BROOMS (2)	\$210.44
		06/08/2018	16649	480515161	SWEEPER BROOMS (3)	\$315.65
<b>UNITED ROTARY BRUSH CORPORATION</b>					<b>Total Check Amount:</b>	<b>\$631.31</b>
V28665	WAXIE SANITARY SUPPLY	06/08/2018	3332	110515141	JANITORIAL SUPPLIES	\$454.48
		06/08/2018	3332	110515144	JANITORIAL SUPPLIES	\$181.80
		06/08/2018	3332	360515145	JANITORIAL SUPPLIES	\$181.80
<b>WAXIE SANITARY SUPPLY</b>					<b>Total Check Amount:</b>	<b>\$818.08</b>
V28666	WEBBY DANCE COMPANY	06/08/2018	25323	110404214	TUMBLING CLASSES	\$360.00
<b>WEBBY DANCE COMPANY</b>					<b>Total Check Amount:</b>	<b>\$360.00</b>
V28667	CANDACE WEIDMAN	06/08/2018	4009	110404214	PREBALLET/TAP CLASSES	\$279.00
<b>CANDACE WEIDMAN</b>					<b>Total Check Amount:</b>	<b>\$279.00</b>
V28668	YOUNG REMBRANDTS	06/08/2018	15831	110404214	DRAWING CLASSES	\$456.00
<b>YOUNG REMBRANDTS</b>					<b>Total Check Amount:</b>	<b>\$456.00</b>

## City Check Register for: Jun 8, 2018

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
Voucher Subtotal						\$199,297.94
TOTAL						\$700,823.22

## City Check Register for: Jun 15, 2018

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
178166	ACCURATE CONCRETE SAWING INC.	06/15/2018	25487	420515131	SAW CUT	\$690.00
ACCURATE CONCRETE SAWING INC.					Total Check Amount:	\$690.00
178167	JAIDE AGUIRRE	06/15/2018	27804	420000000	CLOSED WATER ACCOUNT	\$44.34
JAIDE AGUIRRE					Total Check Amount:	\$44.34
178168	AT&T	06/15/2018	22390	475141471	7149110022 2277 5/14	\$223.30
AT&T					Total Check Amount:	\$223.30
178169	AT&T CALNET	06/15/2018	20391	475141471	9391011962	\$20.27
		06/15/2018	20391	475141471	9391011970	\$78.31
AT&T CALNET					Total Check Amount:	\$98.58
178170	TIMOTHY BAKTHY	06/15/2018	27792	110404541	33RD MICA:THIRD PLACE	\$250.00
TIMOTHY BAKTHY					Total Check Amount:	\$250.00
178171	THE BANK OF NEW YORK MELLON	06/15/2018	16062	890141431	2005 SPEC TAXREF BNDS	\$2,226.00
		06/15/2018	16062	890141431	REV BONDS 2005 SER A	\$2,332.00
THE BANK OF NEW YORK MELLON					Total Check Amount:	\$4,558.00
178172	BREA OFFICE II LLC	06/15/2018	27769	420000000	CLOSED WATER ACCOUNT	\$12.61
BREA OFFICE II LLC					Total Check Amount:	\$12.61
178173	CALIF FORENSIC PHLEBOTOMY INC.	06/15/2018	4488	110212131	BLOOD TESTS MAY 2018	\$2,996.00
CALIF FORENSIC PHLEBOTOMY INC.					Total Check Amount:	\$2,996.00
178174	CALIFORNIA NEWSPAPER PARTNERSHIP	06/15/2018	26287	110323231	LEGAL NOTICE 4/12/18	\$258.00
CALIFORNIA NEWSPAPER PARTNERSHIP					Total Check Amount:	\$258.00
178175	KARLA CASTRO	06/15/2018	27787	110	RENTAL DEPOSIT REFUND	\$1,000.00
KARLA CASTRO					Total Check Amount:	\$1,000.00
178176	VICTOR CEBREROS	06/15/2018	27770	420000000	CLOSED WATER ACCOUNT	\$56.72
VICTOR CEBREROS					Total Check Amount:	\$56.72
178177	CHARLES TAN & ASSOCIATES, INC.	06/15/2018	26706	110000000	PROF SVCS THRU 5/30	\$800.00
CHARLES TAN & ASSOCIATES, INC.					Total Check Amount:	\$800.00
178178	WENDY CHEN	06/15/2018	27776	420000000	CLOSED WATER ACCOUNT	\$114.53
WENDY CHEN					Total Check Amount:	\$114.53
178179	ROSLAND CHU AND/OR KARL GAUGEL	06/15/2018	27805	420000000	CLOSED WATER ACCOUNT	\$100.00
ROSLAND CHU AND/OR KARL GAUGEL					Total Check Amount:	\$100.00
178180	COUNTY OF ORANGE	06/15/2018	4799	172212133	OCSD/COMM BR0 APR-JUN	\$22,666.00
COUNTY OF ORANGE					Total Check Amount:	\$22,666.00
178181	JENNIFER AND/OR BRIAN DE JESSE	06/15/2018	27798	420000000	CLOSED WATER ACCOUNT	\$147.44
JENNIFER AND/OR BRIAN DE JESSE					Total Check Amount:	\$147.44
178182	DAN DICKMAN	06/15/2018	27788	110404541	WATERCOLOR WKSHP 6/2	\$470.25
DAN DICKMAN					Total Check Amount:	\$470.25
178183	DJS PLUS	06/15/2018	8022	110404224	FTHR-DGHTR DANCE 6/15	\$500.00
DJS PLUS					Total Check Amount:	\$500.00
178184	HONGYEN DONG	06/15/2018	27801	420000000	CLOSED WATER ACCOUNT	\$26.15



## City Check Register for: Jun 15, 2018

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
<b>HONGYEN DONG</b>					<b>Total Check Amount:</b>	<b>\$26.15</b>
178185	EDISON CO	06/15/2018	3343	110515121	MAY-JUNE ELECTRICITY	\$12,152.11
		06/15/2018	3343	110515125	MAY-JUNE ELECTRICITY	\$25.63
		06/15/2018	3343	110515141	MAY-JUNE ELECTRICITY	\$2,085.57
		06/15/2018	3343	110515143	MAY-JUNE ELECTRICITY	\$781.52
		06/15/2018	3343	110515144	MAY-JUNE ELECTRICITY	\$1,679.76
		06/15/2018	3343	360515145	MAY-JUNE ELECTRICITY	\$574.49
		06/15/2018	3343	420515131	MAY-JUNE ELECTRICITY	\$3,715.56
		06/15/2018	3343	430515123	MAY-JUNE ELECTRICITY	\$30.35
		06/15/2018	3343	490515151	MAY-JUNE ELECTRICITY	\$19,306.82
<b>EDISON CO</b>					<b>Total Check Amount:</b>	<b>\$40,351.81</b>
178186	EDISON CO	06/15/2018	3343	341515112	ELECTRICITY MAY-JUN18	\$171.95
		06/15/2018	3343	343515112	ELECTRICITY MAY-JUN18	\$132.03
		06/15/2018	3343	345515112	ELECTRICITY MAY-JUN18	\$99.13
		06/15/2018	3343	346515112	ELECTRICITY MAY-JUN18	\$298.24
		06/15/2018	3343	880515113	ELECTRICITY MAY-JUN18	\$24.89
<b>EDISON CO</b>					<b>Total Check Amount:</b>	<b>\$726.24</b>
178187	EDISON CO	06/15/2018	3343	110515121	ELECTRICITY MAY/JUN18	\$2,195.23
		06/15/2018	3343	110515148	ELECTRICITY MAY/JUN18	\$42.77
		06/15/2018	3343	430515123	ELECTRICITY MAY/JUN18	\$460.35
		06/15/2018	3343	490515151	ELECTRICITY MAY/JUN18	\$3,958.47
<b>EDISON CO</b>					<b>Total Check Amount:</b>	<b>\$6,656.82</b>
178188	FRANCHISE TAX BOARD	06/15/2018	13287	110	CD912245780 060818	\$206.34
<b>FRANCHISE TAX BOARD</b>					<b>Total Check Amount:</b>	<b>\$206.34</b>
178189	FRONTIER COMMUNICATIONS	06/15/2018	26183	420515131	562 1821220 5/28-6/27	\$189.51
<b>FRONTIER COMMUNICATIONS</b>					<b>Total Check Amount:</b>	<b>\$189.51</b>
178190	ANGEL GALINDO	06/15/2018	24821	110404224	FOOD DAD/DGHTR DANCE	\$1,000.00
<b>ANGEL GALINDO</b>					<b>Total Check Amount:</b>	<b>\$1,000.00</b>
178191	THE GAS COMPANY	06/15/2018	3749	420515131	GAS MAY/JUN 2018	\$15.29
<b>THE GAS COMPANY</b>					<b>Total Check Amount:</b>	<b>\$15.29</b>
178192	XIAOHANG GUO	06/15/2018	27797	420000000	CLOSED WATER ACCOUNT	\$7.60
<b>XIAOHANG GUO</b>					<b>Total Check Amount:</b>	<b>\$7.60</b>
178193	IN TIME SERVICES INC.	06/15/2018	20876	950000000	ILJAOC ISELINK MAY18	\$3,983.28
<b>IN TIME SERVICES INC.</b>					<b>Total Check Amount:</b>	<b>\$3,983.28</b>
178194	STEPHEN JAUREGUI	06/15/2018	27786	110	RENTAL DEPOSIT REFUND	\$1,000.00
<b>STEPHEN JAUREGUI</b>					<b>Total Check Amount:</b>	<b>\$1,000.00</b>
178195	JASON ROBERT JENN	06/15/2018	27790	110404541	33RD MICA:MAYORS PICK	\$100.00
<b>JASON ROBERT JENN</b>					<b>Total Check Amount:</b>	<b>\$100.00</b>
178196	JEFF JORDAN	06/15/2018	27177	420000000	CLOSED WATER ACCOUNT	\$85.00

## City Check Register for: Jun 15, 2018

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
JEFF JORDAN					Total Check Amount:	\$85.00
178197	KABBARA ENGINEERING	06/15/2018	23694	510707310	CENTRAL/TMRCK 4/9/18	\$1,350.00
KABBARA ENGINEERING					Total Check Amount:	\$1,350.00
178198	WILLIAM LARSON	06/15/2018	24326	420000000	CLOSED WATER ACCOUNT	\$73.80
WILLIAM LARSON					Total Check Amount:	\$73.80
178199	LIFECORE FITNESS, INC.	06/15/2018	27408	110222223	ASSLT FTNSS AIRRUNNER	\$3,985.67
LIFECORE FITNESS, INC.					Total Check Amount:	\$3,985.67
178200	TIMOTHY MARTIN	06/15/2018	27803	420000000	CLOSED WATER ACCOUNT	\$67.86
TIMOTHY MARTIN					Total Check Amount:	\$67.86
178201	CRYSTAL MARTINEZ	06/15/2018	27800	420000000	CLOSED WATER ACCOUNT	\$43.75
CRYSTAL MARTINEZ					Total Check Amount:	\$43.75
178202	JO-ANNE MATSUBA	06/15/2018	27054	110404521	ZUMBA GOLD SR CTR	\$150.00
JO-ANNE MATSUBA					Total Check Amount:	\$150.00
178203	LAUREN MENDELSON-BASS	06/15/2018	27793	110404541	33RD MICA:DIR CHOICE	\$200.00
LAUREN MENDELSON-BASS					Total Check Amount:	\$200.00
178204	RACHELLE MENDEZ	06/15/2018	27785	110404541	33RD MICA:SOLO SHOW	\$350.00
RACHELLE MENDEZ					Total Check Amount:	\$350.00
178205	MNH ENTERPRISE, INC.	06/15/2018	27796	420000000	CLOSED WATER ACCOUNT	\$66.88
MNH ENTERPRISE, INC.					Total Check Amount:	\$66.88
178206	OFFICE DEPOT, INC	06/15/2018	4743	110141481	TONERS/INK	\$486.60
		06/15/2018	4743	110404211	OFFICE SUPPLIES	\$191.60
OFFICE DEPOT, INC					Total Check Amount:	\$678.20
178207	PM SOUTH	06/15/2018	27799	420000000	CLOSED WATER ACCOUNT	\$111.22
PM SOUTH					Total Check Amount:	\$111.22
178208	ROBERTO ROMERO	06/15/2018	26175	110404541	33RD MICA:STAFF PICK	\$100.00
ROBERTO ROMERO					Total Check Amount:	\$100.00
178209	SHAW INDUSTRIES, INC	06/15/2018	22730	510707937	REPL CARPET @ GALLERY	\$1,557.95
SHAW INDUSTRIES, INC					Total Check Amount:	\$1,557.95
178210	SARUPA SIDAARTH	06/15/2018	27789	110404541	33RD MICA:FIRST PLACE	\$750.00
SARUPA SIDAARTH					Total Check Amount:	\$750.00
178211	SOUTH COAST AQMD	06/15/2018	10871	480515161	HOT SPTS:3895 IMP HWY	\$128.61
		06/15/2018	10871	480515161	HOTSPTS:715 TNR RIDGE	\$128.61
SOUTH COAST AQMD					Total Check Amount:	\$257.22
178212	SPARKLETTS	06/15/2018	3001	110111161	042718 COUNCL MTG WTR	\$31.14
		06/15/2018	3001	110111161	052718 COUNCL MTG WTR	\$10.38
SPARKLETTS					Total Check Amount:	\$41.52
178213	JUNG HWA SUNG	06/15/2018	27806	420000000	CLOSED WATER ACCOUNT	\$103.33
JUNG HWA SUNG					Total Check Amount:	\$103.33
178214	TIME WARNER CABLE	06/15/2018	19304	110111143	CABLE CHGS 6/2-7/1	\$28.78

## City Check Register for: Jun 15, 2018

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
178214	TIME WARNER CABLE	06/15/2018	19304	110111151	CABLE CHGS 6/2-7/1	\$57.55
		06/15/2018	19304	110111161	CABLE CHGS 6/2-7/1	\$18.74
		06/15/2018	19304	110141411	CABLE CHGS 6/2-7/1	\$37.47
		06/15/2018	19304	110141481	CABLE CHGS 6/2-7/1	\$18.74
		06/15/2018	19304	110212111	CABLE CHGS 6/2-7/1	\$322.52
		06/15/2018	19304	110222211	CABLE CHGS 6/2-7/1	\$74.94
		06/15/2018	19304	110323212	CABLE CHGS 6/2-7/1	\$76.29
		06/15/2018	19304	110404211	CABLE 6/2-7/1 40955	\$100.74
		06/15/2018	19304	110404311	CABLE CHGS 6/2-7/1	\$18.71
		06/15/2018	19304	110404521	CABLE 6/2-7/1 15759	\$25.62
		06/15/2018	19304	420515131	CABLE 6/2-7/1 20981	\$113.79
		06/15/2018	19304	420515131	CABLE 6/2-7/1 49861	\$73.91
		06/15/2018	19304	490515151	CABLE CHGS 6/2-7/1	\$18.71
<b>TIME WARNER CABLE</b>					<b>Total Check Amount:</b>	<b>\$986.51</b>
178215	VERIZON WIRELESS	06/15/2018	21122	110515171	9807991457 4/27-5/26	\$159.05
		06/15/2018	21122	420515131	9807991457 4/27-5/26	\$1,503.84
		06/15/2018	21122	430515123	9807991457 4/27-5/26	\$1,310.32
<b>VERIZON WIRELESS</b>					<b>Total Check Amount:</b>	<b>\$2,973.21</b>
178217	VERIZON WIRELESS	06/15/2018	21122	110111111	9807695786 4/23-5/22	\$229.37
		06/15/2018	21122	110111143	9807695786 4/23-5/22	\$146.01
		06/15/2018	21122	110111151	9807695786 4/23-5/22	\$108.25
		06/15/2018	21122	110111161	9807695786 4/23-5/22	\$54.00
		06/15/2018	21122	110141411	9807695786 4/23-5/22	\$38.01
		06/15/2018	21122	110141424	9807695786 4/23-5/22	\$56.93
		06/15/2018	21122	110141441	9807695786 4/23-5/22	\$54.00
		06/15/2018	21122	110141481	9807695786 4/23-5/22	\$54.00
		06/15/2018	21122	110212121	9807695786 4/23-5/22	\$4,870.21
		06/15/2018	21122	110222222	9807695786 4/23-5/22	\$532.14
		06/15/2018	21122	110222223	9807695786 4/23-5/22	\$1,128.47
		06/15/2018	21122	110323212	9807695786 4/23-5/22	\$54.00
		06/15/2018	21122	110323214	9807695786 4/23-5/22	\$54.00
		06/15/2018	21122	110323231	9807695786 4/23-5/22	\$627.61
		06/15/2018	21122	110323241	9807695786 4/23-5/22	\$54.00
		06/15/2018	21122	110323242	9807695786 4/23-5/22	\$54.11
		06/15/2018	21122	110323243	9807695786 4/23-5/22	\$54.00
		06/15/2018	21122	110404311	9807695786 4/23-5/22	\$472.02
		06/15/2018	21122	110404525	9807695786 4/23-5/22	\$198.80
		06/15/2018	21122	460141474	9807695786 4/23-5/22	\$388.00

## City Check Register for: Jun 15, 2018

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
178217	VERIZON WIRELESS	06/15/2018	21122	475141471	9807695786 4/23-5/22	\$644.47
<b>VERIZON WIRELESS</b>						<b>Total Check Amount: \$9,872.40</b>
178218	VERIZON WIRELESS	06/15/2018	21122	420515131	9807999232 4/27-5/26	\$38.01
<b>VERIZON WIRELESS</b>						<b>Total Check Amount: \$38.01</b>
178219	IBEN GRENANDER VESTERGAARD	06/15/2018	27791	110404541	33RD MICA:SECND PLACE	\$500.00
<b>IBEN GRENANDER VESTERGAARD</b>						<b>Total Check Amount: \$500.00</b>
178220	LYNN WELKER	06/15/2018	27795	110404541	33RD MICA:STAFF PICK	\$100.00
<b>LYNN WELKER</b>						<b>Total Check Amount: \$100.00</b>
178221	INGRID V. WELLS	06/15/2018	27794	110404541	33RD MICA:STAFF PICK	\$100.00
<b>INGRID V. WELLS</b>						<b>Total Check Amount: \$100.00</b>
178222	JOONG AND/OR YOUNG CHAN YEUN	06/15/2018	27802	420000000	CLOSED WATER ACCOUNT	\$28.56
<b>JOONG AND/OR YOUNG CHAN YEUN</b>						<b>Total Check Amount: \$28.56</b>
<b>Check Subtotal</b>						<b>\$113,819.90</b>
V28669	ADMINISTRATIVE & PROF	06/15/2018	3344	110	DED:4010 APEA DUES	\$516.00
<b>ADMINISTRATIVE &amp; PROF</b>						<b>Total Check Amount: \$516.00</b>
V28670	ALBERT GROVER & ASSOCIATES	06/15/2018	23588	510707709	BIRCH STREET TSSP	\$2,950.00
<b>ALBERT GROVER &amp; ASSOCIATES</b>						<b>Total Check Amount: \$2,950.00</b>
V28671	JUDY ALLEN	06/15/2018	20447	110404215	FITNESS INSTRUCTOR	\$342.00
<b>JUDY ALLEN</b>						<b>Total Check Amount: \$342.00</b>
V28672	ALTA LANGUAGE SERVICES, INC	06/15/2018	25953	110141481	BILINGUAL EXAM	\$50.00
<b>ALTA LANGUAGE SERVICES, INC</b>						<b>Total Check Amount: \$50.00</b>
V28673	ANAHEIM ICE MANAGEMENT	06/15/2018	15170	110404145	ICE SKATNG INSTRUCTOR	\$44.00
<b>ANAHEIM ICE MANAGEMENT</b>						<b>Total Check Amount: \$44.00</b>
V28674	BABCOCK LABORATORIES, INC.	06/15/2018	27172	510707932	WASTEWATER SAMPLING	\$1,130.00
<b>BABCOCK LABORATORIES, INC.</b>						<b>Total Check Amount: \$1,130.00</b>
V28675	JANET BIRCH	06/15/2018	25982	110404215	YOGA INSTRUCTOR	\$23.00
<b>JANET BIRCH</b>						<b>Total Check Amount: \$23.00</b>
V28676	CHRISTINE BOATNER	06/15/2018	18460	110404215	BECKMAN ADMIN	\$637.50
		06/15/2018	18460	110404215	BECKMAN FITNESS	\$104.00
		06/15/2018	18460	110404215	FITNESS CLASS INSTR	\$490.00
<b>CHRISTINE BOATNER</b>						<b>Total Check Amount: \$1,231.50</b>
V28677	BPSEA MEMORIAL FOUNDATION	06/15/2018	14990	110	DED:4050 MEMORIAL	\$251.00
<b>BPSEA MEMORIAL FOUNDATION</b>						<b>Total Check Amount: \$251.00</b>
V28678	BREA CITY EMPLOYEES ASSOCIATION	06/15/2018	3236	110	DED:4005 BCEA DUES	\$630.00
<b>BREA CITY EMPLOYEES ASSOCIATION</b>						<b>Total Check Amount: \$630.00</b>
V28679	BREA DISPOSAL, INC	06/15/2018	3330	440515122	REFUSE COLLECTN MAY18	\$145,797.88
<b>BREA DISPOSAL, INC</b>						<b>Total Check Amount: \$145,797.88</b>
V28680	BREA FIREFIGHTERS ASSOCIATION	06/15/2018	3237	110	DED:4016 ASSOC DUES	\$2,517.00
<b>BREA FIREFIGHTERS ASSOCIATION</b>						<b>Total Check Amount: \$2,517.00</b>

## City Check Register for: Jun 15, 2018

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V28681	BREA POLICE ASSOCIATION	06/15/2018	3769	110	DED:4030 BPA REG	\$3,450.00
BREA POLICE ASSOCIATION					Total Check Amount:	\$3,450.00
V28682	BREA POLICE ATHLETIC LEAGUE	06/15/2018	1068	110	DED:5010 B.P.A.L.	\$102.50
BREA POLICE ATHLETIC LEAGUE					Total Check Amount:	\$102.50
V28683	BREA POLICE MANAGEMENT ASSOCIATION	06/15/2018	21189	110	DED:4019 LDF DUES	\$14.50
		06/15/2018	21189	110	DED:4020 ASSOC DUES	\$227.50
BREA POLICE MANAGEMENT ASSOCIATION					Total Check Amount:	\$242.00
V28684	BREA/ORANGE COUNTY PLUMBING	06/15/2018	3781	490515151	REPL GAS LINE @ POOL	\$1,592.48
		06/15/2018	3781	490515151	RPR TANKLSS HTR @POOL	\$180.00
BREA/ORANGE COUNTY PLUMBING					Total Check Amount:	\$1,772.48
V28685	OMAR BRIOSO	06/15/2018	15737	110212121	SIMUNITION INSTR/CERT	\$24.00
OMAR BRIOSO					Total Check Amount:	\$24.00
V28686	BUTLER CHEMICALS, INC.	06/15/2018	6515	490515151	SR CTR DW SVC APR18	\$167.01
BUTLER CHEMICALS, INC.					Total Check Amount:	\$167.01
V28687	C.WELLS PIPELINE MATERIALS INC	06/15/2018	13055	420515131	PLUMBING SUPPLIES	\$608.79
C.WELLS PIPELINE MATERIALS INC					Total Check Amount:	\$608.79
V28688	CALIFORNIA DOMESTIC WATER CO	06/15/2018	3388	420515131	WTR CONSUMPTION MAY18	\$109,476.03
CALIFORNIA DOMESTIC WATER CO					Total Check Amount:	\$109,476.03
V28689	CALIFORNIA HEALTH & SAFETY INC.	06/15/2018	15491	110222223	COMPRESSOR MAINT	\$2,554.41
CALIFORNIA HEALTH & SAFETY INC.					Total Check Amount:	\$2,554.41
V28690	ARLINDA CANTU	06/15/2018	26312	110404215	FITNESS INSTRUCTOR	\$1,011.43
ARLINDA CANTU					Total Check Amount:	\$1,011.43
V28691	CAROLLO ENGINEERS, INC.	06/15/2018	26313	420515131	RCLMD WTR FSBLTY 3/31	\$4,296.68
		06/15/2018	26313	420515131	RCLMD WTR FSBLTY 4/30	\$3,536.78
CAROLLO ENGINEERS, INC.					Total Check Amount:	\$7,833.46
V28692	CHANDLER ASSET MANAGEMENT, INC.	06/15/2018	4375	110000000	INV MGMT - CITY MAY18	\$18.56
		06/15/2018	4375	420141424	INV MGMT - CITY MAY18	\$230.81
		06/15/2018	4375	890000000	INV MGMT - CITY MAY18	\$32.24
		06/15/2018	4375	930000000	INV MGMT - CITY MAY18	\$4,108.47
CHANDLER ASSET MANAGEMENT, INC.					Total Check Amount:	\$4,390.08
V28693	COMLOCK SECURITY-GROUP	06/15/2018	13625	490515151	LOCK RPR @ CITY YARD	\$134.75
COMLOCK SECURITY-GROUP					Total Check Amount:	\$134.75
V28694	CORE & MAIN LP	06/15/2018	27049	420515131	ENCODERS (4)	\$880.01
		06/15/2018	27049	420515131	WATER METERS	\$5,198.50
CORE & MAIN LP					Total Check Amount:	\$6,078.51
V28695	CSG CONSULTANTS	06/15/2018	25540	110323241	TECH SVCS 3/31-4/27	\$5,362.50
CSG CONSULTANTS					Total Check Amount:	\$5,362.50
V28696	JIMMY DAO	06/15/2018	19002	475141471	MILEAGE:OCGIS UG	\$29.43
JIMMY DAO					Total Check Amount:	\$29.43

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V28697	DENNIS GRUBB & ASSOCIATES, LLC.	06/15/2018	25568	110222231	PLANCHECK SVCS DS8956	\$352.50
<b>DENNIS GRUBB &amp; ASSOCIATES, LLC.</b>					<b>Total Check Amount:</b>	<b>\$352.50</b>
V28698	SANDRA LEE DULANEY	06/15/2018	22866	110404215	STEP CLASS INSTRUCTOR	\$100.00
<b>SANDRA LEE DULANEY</b>					<b>Total Check Amount:</b>	<b>\$100.00</b>
V28699	MICHAEL DURALDE	06/15/2018	25228	110404215	BECKMAN FITNESS	\$234.00
		06/15/2018	25228	110404215	BEGINNERS FITNESS	\$309.00
		06/15/2018	25228	110404215	BOOT CAMP INSTRUCTOR	\$1,058.40
		06/15/2018	25228	110404215	FITNESS CLASS INSTR	\$390.00
		06/15/2018	25228	110404215	PERSONAL TRAINER BCC	\$925.50
<b>MICHAEL DURALDE</b>					<b>Total Check Amount:</b>	<b>\$2,916.90</b>
V28700	MYRA DUVALL	06/15/2018	18083	110404215	YOGA INSTRUCTOR	\$300.00
<b>MYRA DUVALL</b>					<b>Total Check Amount:</b>	<b>\$300.00</b>
V28701	ECONOLITE SYSTEMS, INC.	06/15/2018	27147	110515121	EXTRAORD SGNL MNT MAY	\$6,467.51
		06/15/2018	27147	110515121	MO. SIGNAL MNT MAY18	\$2,925.94
<b>ECONOLITE SYSTEMS, INC.</b>					<b>Total Check Amount:</b>	<b>\$9,393.45</b>
V28702	EMERSON BRAN MANAGEMENT	06/15/2018	25725	110404542	JAZZ ONTHE LATIN SIDE	\$2,750.00
<b>EMERSON BRAN MANAGEMENT</b>					<b>Total Check Amount:</b>	<b>\$2,750.00</b>
V28703	ENTERPRISE FM TRUST	06/15/2018	15895	110212121	LEASE CH TAHOE MAY18	\$697.97
<b>ENTERPRISE FM TRUST</b>					<b>Total Check Amount:</b>	<b>\$697.97</b>
V28704	EQUIPMENT DIRECT INC	06/15/2018	4522	420515131	SAFETY VEST	\$14.62
		06/15/2018	4522	420515131	SAFETY VEST, GLOVES	\$134.15
		06/15/2018	4522	430515123	NITRILE GLOVES	\$93.10
<b>EQUIPMENT DIRECT INC</b>					<b>Total Check Amount:</b>	<b>\$241.87</b>
V28705	JOSIE FORBES	06/15/2018	27007	110404215	ZUMBA INSTRUCTOR	\$30.00
<b>JOSIE FORBES</b>					<b>Total Check Amount:</b>	<b>\$30.00</b>
V28706	FUSCOE ENGINEERING, INC.	06/15/2018	18052	110000000	CVS WQMP APR 2018	\$135.00
		06/15/2018	18052	410515132	NPDES SVCS MAY 2018	\$1,046.00
		06/15/2018	18052	510707903	BREA SPRBLCK WQMP APR	\$54.00
<b>FUSCOE ENGINEERING, INC.</b>					<b>Total Check Amount:</b>	<b>\$1,235.00</b>
V28707	MELISSA GIFFORD	06/15/2018	10645	110404215	BODY PUMP CLASSES	\$175.00
<b>MELISSA GIFFORD</b>					<b>Total Check Amount:</b>	<b>\$175.00</b>
V28708	MARTHA H. GODLASKY	06/15/2018	26983	110404524	COUNSELING SVCS MAY18	\$587.50
<b>MARTHA H. GODLASKY</b>					<b>Total Check Amount:</b>	<b>\$587.50</b>
V28709	DON GOLDEN	06/15/2018	10729	110000000	INSP SVCS 5/24-6/6	\$4,205.82
		06/15/2018	10729	110323242	INSP SVCS 5/24-6/6	\$343.97
<b>DON GOLDEN</b>					<b>Total Check Amount:</b>	<b>\$4,549.79</b>
V28710	GRAINGER	06/15/2018	13634	420515131	PLUMBING SUPPLIES	\$2,970.71
<b>GRAINGER</b>					<b>Total Check Amount:</b>	<b>\$2,970.71</b>
V28711	MONA HERNANDEZ	06/15/2018	23114	110404215	MASSAGE THERAPIST	\$305.00

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<b>MONA HERNANDEZ</b>						<b>Total Check Amount: \$305.00</b>
V28712	HOUSING PROGRAMS	06/15/2018	26542	280323215	HSG REHAB 5/11-5/31	\$1,225.00
<b>HOUSING PROGRAMS</b>						<b>Total Check Amount: \$1,225.00</b>
V28713	KAREN KIESS	06/15/2018	21414	110404215	FITNESS INSTRUCTOR	\$96.00
<b>KAREN KIESS</b>						<b>Total Check Amount: \$96.00</b>
V28714	MARSHALL KING	06/15/2018	20807	110404215	PERSONAL TRAINER BCC	\$112.50
<b>MARSHALL KING</b>						<b>Total Check Amount: \$112.50</b>
V28715	FRANCESCO LA TORRE	06/15/2018	24398	110404521	MAY 2018 MILEAGE	\$30.52
<b>FRANCESCO LA TORRE</b>						<b>Total Check Amount: \$30.52</b>
V28716	DOLLY LAI	06/15/2018	18084	110404215	YOGA INSTRUCTOR	\$75.00
<b>DOLLY LAI</b>						<b>Total Check Amount: \$75.00</b>
V28717	RENEE F. LAVACOT	06/15/2018	6754	110404215	ZUMBA INSTRUCTOR	\$350.00
<b>RENEE F. LAVACOT</b>						<b>Total Check Amount: \$350.00</b>
V28718	ANNE LITTLER-BROWN	06/15/2018	20109	110404541	CONSIGNMENT SALES	\$12.60
<b>ANNE LITTLER-BROWN</b>						<b>Total Check Amount: \$12.60</b>
V28719	NATHANAEL LONKY	06/15/2018	27014	110404215	MASSAGE THERAPIST	\$322.50
<b>NATHANAEL LONKY</b>						<b>Total Check Amount: \$322.50</b>
V28720	LOS ANGELES PERCUSSION RENTALS, LLC	06/15/2018	25242	110404542	BACKLINE - LATIN JAZZ	\$915.00
<b>LOS ANGELES PERCUSSION RENTALS, LLC</b>						<b>Total Check Amount: \$915.00</b>
V28721	TANYA LOSCUTOFF	06/15/2018	22092	110404215	CYCLE&SCULPT@BECKMAN	\$182.00
		06/15/2018	22092	110404215	PERSONAL TRAINER	\$680.00
		06/15/2018	22092	110404215	POWER TRAINING INSTR	\$234.00
<b>TANYA LOSCUTOFF</b>						<b>Total Check Amount: \$1,096.00</b>
V28722	STACY MABRY	06/15/2018	7026	110404215	LOW-IMPACT INSTRUCTOR	\$135.00
<b>STACY MABRY</b>						<b>Total Check Amount: \$135.00</b>
V28723	MAKE IT "PERSONAL"	06/15/2018	19203	110212131	NAME PLATES	\$16.16
<b>MAKE IT "PERSONAL"</b>						<b>Total Check Amount: \$16.16</b>
V28724	SUSAN MARTIN	06/15/2018	23655	110404524	COUNSELING SUPV APR18	\$1,540.00
		06/15/2018	23655	110404524	COUNSELING SUPV MAY18	\$2,520.00
<b>SUSAN MARTIN</b>						<b>Total Check Amount: \$4,060.00</b>
V28725	KRIS MARUMOTO	06/15/2018	17803	110404215	BECKMAN-YOGA CLASS	\$52.00
		06/15/2018	17803	110404215	YOGA INSTRUCTOR	\$250.00
<b>KRIS MARUMOTO</b>						<b>Total Check Amount: \$302.00</b>
V28726	JENNIFER MCDUGAL	06/15/2018	22244	110404541	REIMB:DISPLAY ITEMS	\$20.00
<b>JENNIFER MCDUGAL</b>						<b>Total Check Amount: \$20.00</b>
V28727	ANDREA MCGRANAHAN	06/15/2018	26046	110404215	BECKMAN-CLASS INSTR	\$208.00
		06/15/2018	26046	110404215	FITNESS INSTRUCTOR	\$1,382.56
<b>ANDREA MCGRANAHAN</b>						<b>Total Check Amount: \$1,590.56</b>
V28728	KELLY MILLER	06/15/2018	27118	110404215	BECKMAN FITNESS CLASS	\$120.00



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<b>KELLY MILLER</b>						<b>Total Check Amount: \$120.00</b>
V28729	JENNIFER MONZON-SCROFINI	06/15/2018	20158	110404215	FITNESS INSTRUCTOR	\$225.00
<b>JENNIFER MONZON-SCROFINI</b>						<b>Total Check Amount: \$225.00</b>
V28730	NATASHA MOORE	06/15/2018	10711	110404215	BODY PUMP@BECKMAN	\$50.00
<b>NATASHA MOORE</b>						<b>Total Check Amount: \$50.00</b>
V28731	MULTIQUIP INC.	06/15/2018	27541	110515121	CONCRETE MIXER	\$1,749.54
		06/15/2018	27541	420515131	CONCRETE MIXER	\$1,749.54
<b>MULTIQUIP INC.</b>						<b>Total Check Amount: \$3,499.08</b>
V28732	MARY J NESFIELD	06/15/2018	22255	110404541	CONSIGNMENT SALES	\$15.40
<b>MARY J NESFIELD</b>						<b>Total Check Amount: \$15.40</b>
V28733	ONWARD ENGINEERING	06/15/2018	22106	510707621	INSP:RNDLPH/IMP SEWER	\$108.75
		06/15/2018	22106	510707903	PKG STR:235 S ORANGE	\$174.00
<b>ONWARD ENGINEERING</b>						<b>Total Check Amount: \$282.75</b>
V28734	ORANGE COUNTY UNITED WAY	06/15/2018	3451	110	DED:5005 UNITED WAY	\$17.40
<b>ORANGE COUNTY UNITED WAY</b>						<b>Total Check Amount: \$17.40</b>
V28735	SHAUN OSHANN	06/15/2018	25949	460141474	MAY 2018 MILEAGE	\$702.67
<b>SHAUN OSHANN</b>						<b>Total Check Amount: \$702.67</b>
V28736	PARACLETE FIRE AND SAFETY, INC.	06/15/2018	17760	110515125	FIRE EXT SVC @DT PS1	\$108.73
<b>PARACLETE FIRE AND SAFETY, INC.</b>						<b>Total Check Amount: \$108.73</b>
V28737	PIERRE PASA	06/15/2018	11096	110404215	CARDIOKICK INSTRUCTOR	\$310.00
<b>PIERRE PASA</b>						<b>Total Check Amount: \$310.00</b>
V28738	PENHALL COMPANY	06/15/2018	18399	420515131	SAW CUT	\$570.00
<b>PENHALL COMPANY</b>						<b>Total Check Amount: \$570.00</b>
V28739	HERMAN PERDOMO JR,	06/15/2018	20265	110404215	BODY PUMP INSTRUCTOR	\$100.00
<b>HERMAN PERDOMO JR,</b>						<b>Total Check Amount: \$100.00</b>
V28740	IRACEMA PERDOMO	06/15/2018	14135	110404215	BODY PUMP INSTRUCTOR	\$150.00
<b>IRACEMA PERDOMO</b>						<b>Total Check Amount: \$150.00</b>
V28741	PLACEWORKS, INC.	06/15/2018	26720	110000000	DT HOTEL PROJ 4/30/18	\$107.88
<b>PLACEWORKS, INC.</b>						<b>Total Check Amount: \$107.88</b>
V28742	PRIME SYSTEMS INDUSTRIAL AUTOMATION	06/15/2018	27059	490515151	GENERATOR TESTING	\$802.87
<b>PRIME SYSTEMS INDUSTRIAL AUTOMATION</b>						<b>Total Check Amount: \$802.87</b>
V28743	R.J. NOBLE COMPANY	06/15/2018	1076	420515131	ASPHALT	\$1,116.12
<b>R.J. NOBLE COMPANY</b>						<b>Total Check Amount: \$1,116.12</b>
V28744	READWRITE EDUCATIONAL, INC.	06/15/2018	3444	110404145	READWRITE ED. INSTR	\$51.00
<b>READWRITE EDUCATIONAL, INC.</b>						<b>Total Check Amount: \$51.00</b>
V28745	KEVIN REBHAN	06/15/2018	27350	110404215	BECKMAN ADMIN	\$272.00
		06/15/2018	27350	110404215	BECKMAN FITNESS	\$200.00
		06/15/2018	27350	110404215	PERSONAL TRAINER BCC	\$362.52
<b>KEVIN REBHAN</b>						<b>Total Check Amount: \$834.52</b>



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V28746	RED HAWK FIRE & SECURITY	06/15/2018	24636	475141471	SEMIANNUAL HALON INSP	\$508.01
RED HAWK FIRE & SECURITY					Total Check Amount:	\$508.01
V28747	ROAD WORKS, INC.	06/15/2018	8574	510707312	ST CRACK SEAL/SLURRY	\$39,750.00
ROAD WORKS, INC.					Total Check Amount:	\$39,750.00
V28748	BRANDICE ROGERS	06/15/2018	26780	110404215	CIRCUIT SPORT INSTR	\$92.00
BRANDICE ROGERS					Total Check Amount:	\$92.00
V28749	CARL ROWE	06/15/2018	23677	110404542	PIANO TUNING:STEINWAY	\$125.00
CARL ROWE					Total Check Amount:	\$125.00
V28750	MICHAEL RYAN	06/15/2018	12856	460141474	MAY 2018 MILEAGE	\$102.46
MICHAEL RYAN					Total Check Amount:	\$102.46
V28751	SAFETY DRIVERS ED	06/15/2018	19906	110404145	DRIVERS ED INSTRUCTOR	\$163.80
SAFETY DRIVERS ED					Total Check Amount:	\$163.80
V28752	SAGECREST PLANNING & ENVIRONMENTAL	06/15/2018	27578	110000000	CONSULTING SVCS APR18	\$1,225.00
		06/15/2018	27578	110323231	CONSULTING SVCS APR18	\$10,605.00
SAGECREST PLANNING & ENVIRONMENTAL					Total Check Amount:	\$11,830.00
V28753	ANTHONY SANCHEZ	06/15/2018	20625	460141474	MAY 2018 MILEAGE	\$20.17
ANTHONY SANCHEZ					Total Check Amount:	\$20.17
V28754	JOSHUA SAZDANOFF	06/15/2018	21272	110404215	PERSONAL TRAINER BCC	\$204.00
JOSHUA SAZDANOFF					Total Check Amount:	\$204.00
V28755	BRANDI SCHUMACHER	06/15/2018	26514	110404215	BECKMAN-YOGA CLASS	\$130.00
BRANDI SCHUMACHER					Total Check Amount:	\$130.00
V28756	SIERRA-CEDAR, INC	06/15/2018	23086	950000000	ILJAOC CONSULT MAY18	\$1,687.50
SIERRA-CEDAR, INC					Total Check Amount:	\$1,687.50
V28757	ISMAEL O SILVA	06/15/2018	24370	110404215	ZUMBA INSTRUCTOR	\$420.00
ISMAEL O SILVA					Total Check Amount:	\$420.00
V28758	SITEONE LANDSCAPE SUPPLY, LLC	06/15/2018	25942	110515141	TRASHERS/PVC PARTS	\$86.10
SITEONE LANDSCAPE SUPPLY, LLC					Total Check Amount:	\$86.10
V28759	SO CALIFORNIA ACADEMY OF MUSIC	06/15/2018	19969	110404214	MUSIC CLASS INSTRCTOR	\$561.00
SO CALIFORNIA ACADEMY OF MUSIC					Total Check Amount:	\$561.00
V28760	WHITNEY SOLENBERGER	06/15/2018	26744	110404215	YOGA CLASS INSTRUCTOR	\$144.00
WHITNEY SOLENBERGER					Total Check Amount:	\$144.00
V28761	SPECTRUM GAS PRODUCTS, INC.	06/15/2018	16060	110222221	SCBA TESTING	\$162.50
		06/15/2018	16060	110222222	OXYGEN	\$53.00
SPECTRUM GAS PRODUCTS, INC.					Total Check Amount:	\$215.50
V28762	STAGELIGHT PERFORMING ARTS	06/15/2018	25172	110404145	PERFORMING ARTS INSTR	\$30.00
STAGELIGHT PERFORMING ARTS					Total Check Amount:	\$30.00
V28763	SUPERIOR PAVEMENT MARKINGS	06/15/2018	26443	110515121	RESTRIPE PED XNG@TRKS	\$524.08
SUPERIOR PAVEMENT MARKINGS					Total Check Amount:	\$524.08
V28764	THYSSENKRUPP ELEVATOR	06/15/2018	10308	110515125	ELEVATOR RPR @ DT PS	\$540.24

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<b>THYSSENKRUPP ELEVATOR</b>						<b>Total Check Amount: \$540.24</b>
V28765	TOTAL ADMINISTRATIVE SERVICE CORP.	06/15/2018	26017	110	DED:808B FSA DEPCAR	\$2,125.48
		06/15/2018	26017	110	DED:808C FSA UR MED	\$4,639.53
<b>TOTAL ADMINISTRATIVE SERVICE CORP.</b>						<b>Total Check Amount: \$6,765.01</b>
V28766	TROPICAL PLAZA NURSERY, INC	06/15/2018	2062	420515131	CITY RESERVOIRS MAY18	\$1,316.50
<b>TROPICAL PLAZA NURSERY, INC</b>						<b>Total Check Amount: \$1,316.50</b>
V28767	LETICIA TRUJILLO	06/15/2018	22054	110404215	FITNESS INSTRUCTOR	\$48.00
<b>LETICIA TRUJILLO</b>						<b>Total Check Amount: \$48.00</b>
V28768	TURBO DATA SYSTEMS, INC.	06/15/2018	1472	110212132	HH LEASE TPM APR 2018	\$258.60
<b>TURBO DATA SYSTEMS, INC.</b>						<b>Total Check Amount: \$258.60</b>
V28769	EDEN TURNER	06/15/2018	21951	110404215	BODY PUMP INSTRUCTOR	\$264.00
<b>EDEN TURNER</b>						<b>Total Check Amount: \$264.00</b>
V28770	ULTIMATE STAFFING SERVICES	06/15/2018	27579	110515171	TEMP STAFF 5/21-5/27	\$391.30
		06/15/2018	27579	110515171	TEMP STAFF 5/7-5/13	\$293.47
		06/15/2018	27579	510515171	TEMP STAFF 5/21-5/27	\$391.30
		06/15/2018	27579	510515171	TEMP STAFF 5/7-5/13	\$293.48
<b>ULTIMATE STAFFING SERVICES</b>						<b>Total Check Amount: \$1,369.55</b>
V28771	UNDERGROUND SERVICE ALERT/SC	06/15/2018	4537	420515131	UNDERGRND TCKTS MAY18	\$191.50
<b>UNDERGROUND SERVICE ALERT/SC</b>						<b>Total Check Amount: \$191.50</b>
V28772	US BANK XX0338 CITY MGR	06/15/2018	24704	110111111	CAL CARDS MGMT 052218	\$1,790.78
		06/15/2018	24704	110111143	CAL CARDS MGMT 052218	\$662.12
		06/15/2018	24704	110111151	CAL CARDS MGMT 052218	\$40.00
		06/15/2018	24704	110141481	CAL CARDS MGMT 052218	\$262.88
		06/15/2018	24704	480515161	CAL CARDS MGMT 052218	\$474.36
<b>US BANK XX0338 CITY MGR</b>						<b>Total Check Amount: \$3,230.14</b>
V28773	US BANK XX0312 HR	06/15/2018	24776	110	TAX:CALCRDS 052218 HR	(\$0.38)
		06/15/2018	24776	110141481	CAL CARDS HR 052218	\$225.21
		06/15/2018	24776	110141483	CAL CARDS HR 052218	\$5.37
		06/15/2018	24776	470141483	CAL CARDS HR 052218	\$188.65
<b>US BANK XX0312 HR</b>						<b>Total Check Amount: \$418.85</b>
V28776	US BANK XX0593 COMM SVC	06/15/2018	24777	110	CAL CARDS CS 052218	(\$411.43)
		06/15/2018	24777	110111143	CALCARD-CH-05/22/18	\$37.71
		06/15/2018	24777	110111143	CALCARD-MM-05/22/18	\$310.30
		06/15/2018	24777	110404154	CALCARD-MD-05/22/18	\$44.33
		06/15/2018	24777	110404211	CALCARD-BH-05/22/18	\$53.86
		06/15/2018	24777	110404211	CALCARD-RF-05/22/18	\$280.95
		06/15/2018	24777	110404212	CALCARD-RF-05/22/18	\$742.87
		06/15/2018	24777	110404213	CALCARD-MD-05/22/18	\$64.63
		06/15/2018	24777	110404215	CALCARD-BH-05/22/18	\$180.00

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V28776	US BANK XX0593 COMM SVC	06/15/2018	24777	110404215	CALCARD-CC-05/22/18	\$616.01
		06/15/2018	24777	110404215	CALCARD-DA-05/22/18	\$550.94
		06/15/2018	24777	110404215	CALCARD-JS-05/22/18	\$263.00
		06/15/2018	24777	110404217	CALCARD-PK-05/22/18	\$546.94
		06/15/2018	24777	110404223	CALCARD-GA-05/22/18	\$221.71
		06/15/2018	24777	110404224	CALCARD-MM-05/22/18	\$241.67
		06/15/2018	24777	110404224	CALCARD-SS-05/22/18	\$106.92
		06/15/2018	24777	110404311	CALCARD-JM-05/22/18	\$1,675.55
		06/15/2018	24777	110404311	CALCARD-LS-05/22/18	\$99.63
		06/15/2018	24777	110404311	CALCARD-RF-05/22/18	\$264.94
		06/15/2018	24777	110404311	CALCARD-SM-05/22/18	\$180.00
		06/15/2018	24777	110404420	CALCARD-GA-05/22/18	\$1,000.00
		06/15/2018	24777	110404420	CALCARD-KS-05/22/18	\$42.37
		06/15/2018	24777	110404420	CALCARD-PK-05/22/18	\$238.67
		06/15/2018	24777	110404420	CALCARD-RF-05/22/18	\$528.33
		06/15/2018	24777	110404420	CALCARD-TN-05/22/18	\$129.79
		06/15/2018	24777	110404424	CALCARD-BK-05/22/18	\$819.46
		06/15/2018	24777	110404425	CALCARD-MM-05/22/18	\$63.45
		06/15/2018	24777	110404425	CALCARD-SS-05/22/18	\$819.10
		06/15/2018	24777	110404428	CALCARD-PK-05/22/18	\$241.47
		06/15/2018	24777	110404429	CALCARD-MM-05/22/18	\$7.54
		06/15/2018	24777	110404429	CALCARD-PK-05/22/18	\$640.05
		06/15/2018	24777	110404521	CALCARD-FL-05/22/18	\$894.43
		06/15/2018	24777	110404521	CALCARD-NG-05/22/18	\$410.98
		06/15/2018	24777	110404521	CALCARD-SK-05/22/18	\$970.95
		06/15/2018	24777	110404521	CALCARD-TT-05/22/18	\$4,487.98
		06/15/2018	24777	110404523	CALCARD-CP-05/22/18	\$4,650.75
		06/15/2018	24777	110404523	CALCARD-JM-05/22/18	\$84.36
		06/15/2018	24777	110404523	CALCARD-MM-05/22/18	\$130.97
		06/15/2018	24777	110404525	CALCARD-TT-05/22/18	\$95.81
		06/15/2018	24777	110404541	CALCARD-AF-05/22/18	\$123.17
		06/15/2018	24777	110404541	CALCARD-HB-05/22/18	\$329.99
		06/15/2018	24777	110404542	CALCARD-EF-05/22/18	\$256.26
		06/15/2018	24777	110404542	CALCARD-KK-05/22/18	\$742.91
		06/15/2018	24777	181	CAL CARDS CS 052218	(\$13.94)
		06/15/2018	24777	181404250	CALCARD-BH-05/22/18	\$829.09
		06/15/2018	24777	181404250	CALCARD-DA-05/22/18	\$996.57
<b>US BANK XX0593 COMM SVC</b>					<b>Total Check Amount:</b>	<b>\$25,591.04</b>

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V28777	US BANK XX0502 COMM & MKTG	06/15/2018	24778	110111151	CAL CARDS COMM 052218	\$96.97
		06/15/2018	24778	110111152	CAL CARDS COMM 052218	\$53.99
		06/15/2018	24778	110111153	CAL CARDS COMM 052218	\$1,686.28
<b>US BANK XX0502 COMM &amp; MKTG</b>					<b>Total Check Amount:</b>	<b>\$1,837.24</b>
V28778	US BANK XX0353 COMM DEV	06/15/2018	24779	110	CALCARDS CD/PL 052218	\$29.76
		06/15/2018	24779	110111143	CALCARDS CD/PL 052218	\$112.44
		06/15/2018	24779	110141414	CALCARDS CD/PL 052218	\$112.44
		06/15/2018	24779	110323212	CALCARDS CD/PL 052218	\$1,049.33
		06/15/2018	24779	110323214	CALCARDS CD/PL 052218	\$185.38
		06/15/2018	24779	110323231	CALCARDS CD/PL 052218	\$2,577.59
		06/15/2018	24779	110323241	CALCARDS CD/PL 052218	\$712.46
		06/15/2018	24779	110323243	CALCARDS CD/PL 052218	(\$14.95)
		06/15/2018	24779	110404311	CALCARDS CD/PL 052218	\$337.32
<b>US BANK XX0353 COMM DEV</b>					<b>Total Check Amount:</b>	<b>\$5,101.77</b>
V28779	US BANK XX0270 ADMIN SVCS	06/15/2018	24781	110111161	CAL CARDS CC 052218	\$743.22
		06/15/2018	24781	110141411	CAL CARDS FIN 052218	\$197.15
		06/15/2018	24781	110141424	CAL CARDS FIN 052218	\$647.52
		06/15/2018	24781	110141441	CAL CARDS FIN 052218	\$248.79
		06/15/2018	24781	490515151	CAL CARDS FIN 052218	\$2,745.87
<b>US BANK XX0270 ADMIN SVCS</b>					<b>Total Check Amount:</b>	<b>\$4,582.55</b>
V28780	US BANK XX0650 FIRE	06/15/2018	24782	110	TAX CALCRDS FIRE 0518	(\$45.17)
		06/15/2018	24782	110111143	CAL CARDS FIRE 052218	\$27.92
		06/15/2018	24782	110222211	CAL CARDS FIRE 052218	\$376.67
		06/15/2018	24782	110222212	CAL CARDS FIRE 052218	\$613.22
		06/15/2018	24782	110222213	CAL CARDS FIRE 052218	\$142.93
		06/15/2018	24782	110222221	CAL CARDS FIRE 052218	\$157.55
		06/15/2018	24782	110222222	CAL CARDS FIRE 052218	\$979.48
		06/15/2018	24782	110222223	CAL CARDS FIRE 052218	\$3,455.34
		06/15/2018	24782	110222231	CAL CARDS FIRE 052218	\$498.30
<b>US BANK XX0650 FIRE</b>					<b>Total Check Amount:</b>	<b>\$6,206.24</b>
V28781	US BANK XX0346 IT	06/15/2018	24783	110141411	CAL CARDS IT 052218	\$24.61
		06/15/2018	24783	110141481	CAL CARDS IT 052218	\$20.47
		06/15/2018	24783	110404213	CAL CARDS IT 052218	\$37.83
		06/15/2018	24783	110515125	CAL CARDS IT 052218	\$79.33
		06/15/2018	24783	280323215	CAL CARDS IT 052218	\$9.95
		06/15/2018	24783	460141474	CAL CARDS IT 052218	\$2,229.06
		06/15/2018	24783	475141471	CAL CARDS IT 052218	\$388.15
<b>US BANK XX0346 IT</b>					<b>Total Check Amount:</b>	<b>\$2,789.40</b>

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V28783	US BANK XX0221 PW	06/15/2018	24784	110	CAL CARDS PW 052218	\$555.50
		06/15/2018	24784	110515121	CAL CARDS PW 052218	\$56.98
		06/15/2018	24784	110515125	CAL CARDS PW 052218	\$25.76
		06/15/2018	24784	110515143	CAL CARDS PW 052218	\$31.22
		06/15/2018	24784	110515144	CAL CARDS PW 052218	\$156.21
		06/15/2018	24784	341515112	CAL CARDS PW 052218	\$8.51
		06/15/2018	24784	343515112	CAL CARDS PW 052218	\$64.53
		06/15/2018	24784	360515145	CAL CARDS PW 052218	\$8.51
		06/15/2018	24784	420515131	CAL CARDS PW 052218	\$865.37
		06/15/2018	24784	480	CAL CARDS PW 052218	(\$1.62)
		06/15/2018	24784	480515161	CAL CARDS PW 052218	\$838.27
		06/15/2018	24784	490	CAL CARDS PW 052218	(\$0.44)
		06/15/2018	24784	490515151	CAL CARDS PW 052218	\$2,088.56
		06/15/2018	24784	490515152	CAL CARDS PW 052218	\$522.17
<b>US BANK XX0221 PW</b>					<b>Total Check Amount:</b>	<b>\$5,219.53</b>
V28785	US BANK XX0544 POLICE	06/15/2018	24785	110	CAL CARDS PD 052218	(\$763.03)
		06/15/2018	24785	110212111	CAL CARDS PD 052218	\$3.44
		06/15/2018	24785	110212111	CAL CARDS PD 5/22/18	\$647.71
		06/15/2018	24785	110212121	CAL CARDS PD 052218	\$9.59
		06/15/2018	24785	110212121	CAL CARDS PD 5/22/18	\$491.20
		06/15/2018	24785	110212122	CAL CARDS PD 5/22/18	\$26.22
		06/15/2018	24785	110212131	CAL CARDS PD 5/22/18	\$230.70
		06/15/2018	24785	110212134	CAL CARDS PD 5/22/18	\$945.90
		06/15/2018	24785	480515161	CAL CARDS PD 5/22/18	\$837.03
<b>US BANK XX0544 POLICE</b>					<b>Total Check Amount:</b>	<b>\$2,428.76</b>
V28786	US BANK XX3401 PW- ADMIN	06/15/2018	24786	110	CALCRDS PW ADM 052218	(\$0.06)
		06/15/2018	24786	110515111	CALCRDS PW ADM 052218	\$30.00
		06/15/2018	24786	110515171	CALCRDS PW ADM 052218	\$113.74
		06/15/2018	24786	410515132	CALCRDS PW ADM 052218	\$1,250.07
		06/15/2018	24786	420515131	CALCRDS PW ADM 052218	\$136.00
<b>US BANK XX3401 PW- ADMIN</b>					<b>Total Check Amount:</b>	<b>\$1,529.75</b>
V28787	JUANA VENTURA	06/15/2018	17752	110404215	BECKMAN-CYCLE CLASS	\$182.00
		06/15/2018	17752	110404215	CYCLE CLASS INSTRCTOR	\$125.00
<b>JUANA VENTURA</b>					<b>Total Check Amount:</b>	<b>\$307.00</b>
V28788	VIRTUAL PROJECT MANAGER	06/15/2018	23508	510707621	SYS MGT/BACK UP MAY18	\$166.68
		06/15/2018	23508	510707873	SYS MGT/BACK UP MAY18	\$166.66
		06/15/2018	23508	510707929	SYS MGT/BACK UP MAY18	\$166.66
<b>VIRTUAL PROJECT MANAGER</b>					<b>Total Check Amount:</b>	<b>\$500.00</b>

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V28789	LINDA WATSON	06/15/2018	11871	110404215	YOGA CLASS INSTRUCTOR	\$240.00
<b>LINDA WATSON</b>						<b>Total Check Amount: \$240.00</b>
V28790	WEBBY DANCE COMPANY	06/15/2018	25323	110404214	DANCE CLASS INSTRCTOR	\$414.00
<b>WEBBY DANCE COMPANY</b>						<b>Total Check Amount: \$414.00</b>
V28791	KAREN WELCH	06/15/2018	27434	110404215	PILATES INSTRUCTOR	\$150.00
<b>KAREN WELCH</b>						<b>Total Check Amount: \$150.00</b>
V28792	WEST COAST ARBORISTS, INC.	06/15/2018	1556	345515112	TREE TRIMMNG/PLANTING	\$3,052.92
<b>WEST COAST ARBORISTS, INC.</b>						<b>Total Check Amount: \$3,052.92</b>
V28793	WEST COAST SAND & GRAVEL, INC.	06/15/2018	11519	420515131	SAND	\$424.83
<b>WEST COAST SAND &amp; GRAVEL, INC.</b>						<b>Total Check Amount: \$424.83</b>
V28794	WEST-LITE SUPPLY CO., INC.	06/15/2018	5192	490515152	LED PANEL LITES @ CCC	\$875.24
<b>WEST-LITE SUPPLY CO., INC.</b>						<b>Total Check Amount: \$875.24</b>
V28795	SARA WOODWARD	06/15/2018	26083	110212122	MAY 2018 MILEAGE	\$115.49
<b>SARA WOODWARD</b>						<b>Total Check Amount: \$115.49</b>
<b>Voucher Subtotal</b>						<b>\$477,109.48</b>

**TOTAL \$590,929.38**