

CITY OF LOS ALAMITOS
Council Chamber
3191 Katella Ave., Los Alamitos CA 90720

CITY COUNCIL AGENDA
ADJOURNED REGULAR MEETING

Monday, March 24, 2025 – 5:30 PM

NOTICE TO THE PUBLIC – This Agenda contains a brief general description of each item to be considered. Except as provided by law, action or discussion shall not be taken on any item not appearing on the agenda. Supporting documents, including staff reports, are available for review at City Hall in the City Clerk's Office or on the City's website at www.cityoflosalamitos.org once the agenda has been publicly posted.

Each matter on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "for information" or "for discussion" may also be the subject of an "action" taken by the City Council at the same meeting.

Agenda-related documents provided to a majority of the City Council after distribution of the City Council agenda packet (GC §54957.5) will be made available for public inspection at the meeting. Such documents will also be available at the City Clerk's office, 3191 Katella Ave., Los Alamitos, CA 90720.

In compliance with the Americans with Disabilities Act, Assistive Listening headphones are available and can be checked out from the City Clerk. If you need special assistance to participate in this meeting, please contact the City Clerk at (562) 431-3538, ext. 220. Notification at least 42 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102.35.104 ADA Title II]. Language translation services are available for this meeting by calling the City Clerk's Office least 42 hours in advance

If you are unable to attend this meeting in person, you may submit comments on any agenda item or on any item not on the agenda by email to cityclerk@cityoflosalamitos.org with the subject line "COUNCIL PUBLIC COMMENT". Comments received by 3:00 p.m. the day of the meeting will be compiled, provided to the City Council, and made available to the public before the start of the meeting. Staff will not read email comments at the meeting. You may also view the meeting live on local cable channel 3.

If, as an attendee, or a participant at this meeting, you will need special assistance beyond what is normally provided, please contact the City Clerk's Office at (562) 431-3538, extension 220, 48 hours prior to the meeting so that reasonable arrangements may be made.

1. CALL TO ORDER

2. ROLL CALL

Mayor Hasselbrink
Mayor Pro Tem Doby
Council Member Hibard
Council Member Loe
Council Member Nefulda

3. PLEDGE OF ALLEGIANCE

Council Member Hibard will lead the Pledge of Allegiance.

4. INVOCATION

Council Member Loe will give the Invocation.

5. CLOSED SESSION

A. Conference with Legal Counsel - Anticipated Litigation (Administration)

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9: (One potential case).

6. PRESENTATIONS

A. Presentation of Certificates to the Los Alamitos Football Club – 7th Grade Team

B. Presentation by Jenna Holcomb of Shining Light Social Media Regarding Discover Los Al

7. ORAL COMMUNICATIONS

At this time, any individual in the audience may come forward to speak on any item within the subject matter jurisdiction of the City Council. Remarks are to be limited to not more than five minutes per speaker.

8. UPDATES FROM THE MAYOR

At this time, the Mayor may report on items not specifically described on the Agenda that are of interest to the community, provided no action or discussion is taken.

9. UPDATES FROM THE CITY STAFF

At this time, City Staff may also report on items not specifically described on the Agenda that are of interest to the community, provided no action or discussion is taken except.

10. WARRANTS

A. Warrants (Finance)

The attached Warrant Register contains checks and electronic funds transfers for the period from February 1, 2025, to February 28, 2025.

Recommendation:

Ratify the Warrants from February 1, 2025, to February 28, 2025, for \$2,189,700.39.

Roll Call

Mayor Hasselbrink

Mayor Pro Tem Doby

Council Member Hibard

Council Member Loe

Council Member Nefulda

11. CONSENT CALENDAR

All Consent Calendar items may be acted upon by one motion unless a Council Member

requests separate action on a specific item.

A. Approval of Minutes (Administration)

Approve the City Council Regular Minutes of February 18, 2025.

B. Annual Comprehensive Financial Report for June 30, 2024 (Finance)

The fiscal year 2023-24 audit reports are presented for the Council's receipt and consideration.

Recommendation:

Receive and file the fiscal year 2023-24 audit reports.

C. Award Professional Services Agreement with Rogers, Anderson, Malody, & Scott, LLP for Auditing Services (Finance)

This report seeks consideration of a Professional Services Agreement with Rogers, Anderson, Malody & Scott (RAMS) for auditing services in the amount of \$61,860.

Recommendation:

Authorize the Mayor to enter into a Professional Services Agreement (PSA) with Rogers, Anderson, Malody & Scott, LLP, (RAMS) in an amount not to exceed \$61,860 for auditing services for a three-year contract for FY2024-25, 2025-26, and FY2026-27.

D. Resolution No. 2025-09 - 2025 Legislative Platform (Recreation)

The City of Los Alamitos' 2025 Legislative Platform provides program procedures for the City to effectively participate in the legislative process.

Recommendation:

Adopt Resolution No. 2025-09, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING THE CITY OF LOS ALAMITOS 2025 LEGISLATIVE PLATFORM."

E. Request for Additional Appropriation of Funds for Labourdette Park Project (CIP 24/25-02) (Development Services)

This item requests authorization to appropriate additional funds in the amount of \$650,000 for the Labourdette Park Project (CIP 24/25-02).

Recommendation:

Appropriate an additional \$650,000 to the Labourdette Park Project (CIP 24/25-02) from the General Fund, which will result in a project total of \$1,350,000.

F. Resolution No. 2025-07 - Caltrans Local Assistance Procedures Manual (Development Services)

This item recommends adopting Caltrans Local Assistance Procedures Manual (LAPM) Chapter 10 Consultant Selection - Section 10.1: Federally Funded Architectural and Engineering (A&E) Contracts.

Recommendation:

Adopt Resolution No. 2025-07, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ADOPTING CALTRANS LOCAL ASSISTANCE PROCEDURES MANUAL CHAPTER 10: CONSULTANT SELECTION."

G. Resolution No. 2025-08 - Standard Specifications and Engineering Standards for Construction (Development Services)

This item recommends adopting the 2024 Standard Specifications for Public Works Construction, commonly known as the "Green Book," as the City's Public Works construction standards.

Recommendation:

Approve Resolution No. 2025-08, entitled, "A RESOLUTION OF THE CITY COUNCIL OF LOS ALAMITOS, CALIFORNIA APPROVING STANDARD SPECIFICATIONS AND ENGINEERING STANDARDS FOR CONSTRUCTION."

H. Orange County Transit Authority Project V Extension (Development Services)

The City of Los Alamitos is requesting an extension for the Orange County Transit Authority (OCTA) Project V - Community-Based Transit Circulator Program Project.

Recommendation:

Authorize the City Manager to sign and submit a letter to the Orange County Transit Authority (OCTA) requesting an extension in the Project V - Community-Based Transit Circulator Project.

12. DISCUSSION ITEM

A. Resolution No. 2025-10 - Economic Development Strategic Plan (EDSP) (Development Services)

The City of Los Alamitos Economic Development Strategic Plan is a five-year (2025-2030) plan with four core goals. Included in the plan are strategic priorities, several sub-priorities, and actions that support these goals, and they were developed through the collaboration of City Council members, city staff, and community stakeholders. A draft Economic Development Strategic Plan report is provided.

Recommendation:

1. Receive the presentation of the Los Alamitos Economic Development Strategic Plan (EDSP); and,
2. Discuss the EDSP; and,
3. Provide comments and directions regarding any needed revisions to the EDSP; or,
4. If no revisions are required, adopt Resolution No. 2025-10, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS,

CALIFORNIA, ADOPTING THE CITY OF LOS ALAMITOS ECONOMIC DEVELOPMENT STRATEGIC PLAN DATED MARCH 24, 2025".

13. COUNCIL ANNOUNCEMENTS

At this time, Council Members may also report on items not specifically described on the Agenda that are of interest to the community, provided no action or discussion is taken except to provide Staff direction to report back or to place the item on a future Agenda.

14. ADJOURNMENT

The City Council will adjourn to Monday, April 28, 2025, at 6:00 p.m.

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted at the Los Alamitos City Hall, 3191 Katella Ave. and online at www.cityoflosalamitos.org not less than 72 hours prior to the meeting.

A handwritten signature in blue ink, appearing to read 'Windmera Quintanar', is written over a horizontal line.

Windmera Quintanar, MMC, City Clerk

Dated: March 20, 2025

City of Los Alamitos

CITY COUNCIL AGENDA REPORT

MEETING DATE: March 24, 2025

ITEM NUMBER: 10A

To: Mayor Shelley Hasselbrink & Members of the City Council

Presented By: Craig Koehler, Director of Finance

Subject: Warrants

SUMMARY

The attached Warrant Register contains checks and electronic funds transfers for the period from February 1, 2025, to February 28, 2025.

RECOMMENDATION

Ratify the Warrants from February 1, 2025, to February 28, 2025, for \$2,189,700.39.

BACKGROUND

The expenditures noted within this Warrant Register conform to the budget approved by the City Council.

DISCUSSION

The Director of Finance certifies the accuracy of the attached register and availability of monies for payment thereof.

FISCAL IMPACT

The total of \$2,189,700.39 represents checks and electronic funds transfers from February 1, 2025, to February 28, 2025.

Attachment: 1. Council Report 03.24.2025

CITY OF LOS ALAMITOS
A/P Warrants
March 24, 2025

To Ratify

Pages:				
1-14	\$	1,259,963.48	Warrants	02/01-28/2025
15	\$	10,561.89	Medical Retirees	02/01/2025
16	\$	261,449.40	Payroll	02/14/2025
17	\$	245,816.10	Benefits & Withholdings	02/14/2025
18	\$	272,418.73	Payroll	02/28/2025
19	\$	139,490.79	Benefits & Withholdings	02/28/2025
Grand Total		\$ 2,189,700.39		

The attached Warrant Register containing checks and electronic funds transfers for the period from February 1, 2025 to February 28, 2025, is being presented for ratification by the City Council. The expenditures noted within this Warrant Register conform to the budget approved by the City Council. The Director of Finance certifies to the accuracy of the attached register and to the availability of monies for payment thereof.

Statement:

I hereby certify that the claims or demands covered by the forgoing listed warrants have been audited as to accuracy and availability of funds for payment thereof.

Certified by Craig Koehler, Finance Director

Craig Koehler

this 4th day of March, 2025

WARRANTS 02/2025

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
ADAMSON POLICE PRODUCTS	PC1 & 2 VEHICLE PARTS & LA	GARAGE FUND	GARAGE	5,110.81
			TOTAL:	5,110.81
ADMSURE	WORKERS COMP ADMIN 12/24	SELF INSURANCE TRU	INSURANCE	531.94
			TOTAL:	531.94
AGILE OCCUPATIONAL MEDICINE PC	PRE EMPLOYMENT PHYSICAL 10	GENERAL FUND	NON-DEPARTMENTAL	1,365.00
	PRE-EMPLOYMENT PHYSICAL 12	GENERAL FUND	NON-DEPARTMENTAL	1,185.00
	PRE EMPLOYMENT PHYSICAL 01	GENERAL FUND	NON-DEPARTMENTAL	180.00
	PRE EMPLOYMENT PHYSICAL 01	GENERAL FUND	NON-DEPARTMENTAL	180.00
			TOTAL:	2,910.00
ALL AMERICAN SIGN COMPANY	PW PARK MAINT SUPPLIES	GENERAL FUND	PARK MAINTENANCE	565.37
			TOTAL:	565.37
ALL CITY MANAGEMENT SERVICES	CROSS GUARDS 12/08-12/21	GENERAL FUND	TRAFFIC	7,408.80
	CROSS GUARDS 01/05-18/25	GENERAL FUND	TRAFFIC	7,302.96
	CROSS GUARDS 01/19-02/01/	GENERAL FUND	TRAFFIC	6,667.92
			TOTAL:	21,379.68
ALLIANT INSURANCE SERVICES, INC.	2025 PROPERTY INSURANCE	SELF INSURANCE TRU	INSURANCE	1,996.00
			TOTAL:	1,996.00
ANIMAL PEST MANAGEMENT SERVICES	GOPHER CTRL PARKS 12/24	GENERAL FUND	PARK MAINTENANCE	490.00
			TOTAL:	490.00
ARROYO BACKGROUND INVESTIGATIO	PRE EMPLOYMENT BACKGROUND	GENERAL FUND	NON-DEPARTMENTAL	1,500.00
			TOTAL:	1,500.00
BARBARA BANNERMAN	YOGA CLASS 01/07/25	GENERAL FUND	SPECIAL CLASSES	9.75
	YOGA CLASS 01/14/25	GENERAL FUND	SPECIAL CLASSES	9.75
			TOTAL:	19.50
BASE HILL INC	JANITORIAL SVCS 12/24	GENERAL FUND	BUILDING MAINTENANCE	5,809.99
			TOTAL:	5,809.99
BEAR ELECTRICAL SOLUTIONS LLC	TRAFFIC SIG MAINT 11/24	GENERAL FUND	STREET MAINTENANCE	1,400.00
	TRAFFIC SIG SVCS 11/24	GENERAL FUND	STREET MAINTENANCE	5,075.00
			TOTAL:	6,475.00
BORDIN SEMMER, LLP	WILLIAM HOWARD VS CITY #7	SELF INSURANCE TRU	INSURANCE	1,492.88
	THOMAS PERRAULT VS CITY #1	SELF INSURANCE TRU	INSURANCE	3,004.38
			TOTAL:	4,497.26
BUENA PARK PLAQUE & TROPHY	STERNS PARK NEW PLAQUE	GENERAL FUND	PARK MAINTENANCE	2,236.69
			TOTAL:	2,236.69
CALIFORNIA FORENSIC PHLEBOTOMY, INC.	BLOOD DRAWS 12/24	GENERAL FUND	PATROL	173.46
			TOTAL:	173.46
CANON FINANCIAL SERVICES, INC.	PRINTER USAGE 12/24	GENERAL FUND	RECREATION ADMINISTRAT	760.75
			TOTAL:	760.75
CARRI FOX	LINE DANCE CLASS 12/04/24	GENERAL FUND	SPECIAL CLASSES	22.50
	LINE DANCE CLASS 01/08/25	GENERAL FUND	SPECIAL CLASSES	22.50
	LINE DANCE CLASS 01/15/25	GENERAL FUND	SPECIAL CLASSES	45.00

WARRANTS 02/2025

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
			TOTAL:	90.00
CHARLES ABBOTT ASSOCIATES, INC.	BLDG & SAFETY CITY SOFTWA	GENERAL FUND	BUILDING INSPECTION	20,000.00
	BLDG & SAFETY SVCS 12/24	GENERAL FUND	BUILDING INSPECTION	28,118.38
	BLDG & SAFETY 01/25	GENERAL FUND	BUILDING INSPECTION	35,669.60
			TOTAL:	83,787.98
CHARTER COMMUNICATIONS	CITY INTERNET 12/24-01/25	GENERAL FUND	NON-DEPARTMENTAL	3,468.00
	CITY PHONE LINES 12/24-01/	GENERAL FUND	NON-DEPARTMENTAL	954.94
			TOTAL:	4,422.94
CINTAS CORPORATION NO. 2	FIRST AID REFILL SVCS 02/2	GENERAL FUND	BUILDING MAINTENANCE	2,117.43
			TOTAL:	2,117.43
CITY CLERKS ASSOCIATION OF CALIFORNIA	OUK CCAOC TRAINING	GENERAL FUND	COMMUNITY DEVEL ADMIN	250.00
			TOTAL:	250.00
CITY GREEN CONSULTING LLC	ED CONSULT SVCS 07-10/24	GENERAL FUND	COMMUNITY DEVEL ADMIN	6,562.50
			TOTAL:	6,562.50
CITY OF CYPRESS	MOBILE COMMAND POST 06-12/	GENERAL FUND	EMERGENCY PREPAREDNESS	429.42
			TOTAL:	429.42
CITY OF TUSTIN	OCHRC MEMBERSHIP 2025	GENERAL FUND	ADMINISTRATION	250.00
			TOTAL:	250.00
CLINICAL COUNSELING WITH TSELANE	SOUND BATH 01/10	GENERAL FUND	SPECIAL CLASSES	13.65
	SOUND BATH 01/10	GENERAL FUND	SPECIAL CLASSES	122.85
			TOTAL:	136.50
COLE PRO MEDIA CORP	MEDIA CONSULT SVCS 02/25	GENERAL FUND	ADMINISTRATION	3,000.00
			TOTAL:	3,000.00
COLORADO FAMILY SUPPORT REGISTRY	ID# 12634200	POOL CLEARING FUND	NON-DEPARTMENTAL	230.76
	ID# 12634200	POOL CLEARING FUND	NON-DEPARTMENTAL	230.76
			TOTAL:	461.52
COUNTY OF ORANGE TREASURER-TAX	AFIS SYSTEM 12/24	GENERAL FUND	COMMUNICATIONS TECHNOL	363.00
	OCATS 11/24	GENERAL FUND	COMMUNICATIONS TECHNOL	1,273.33
	COST ALLOCATION Q3	GENERAL FUND	COMMUNICATIONS TECHNOL	7,362.63
			TOTAL:	8,998.96
DANIELS TIRE SERVICE	PD 48-7 TIRE SVCS 10/24	GARAGE FUND	GARAGE	493.70
	PC-1 TIRE SVCS 01/30/25	GARAGE FUND	GARAGE	458.22
	PC-2 TIRE SVCS 01/30/25	GARAGE FUND	GARAGE	589.73
			TOTAL:	1,541.65
DARSHINI AITHAL	WATER COLOR 01/06-02/03/24	GENERAL FUND	SPECIAL CLASSES	222.95
	WATERCOLOR 01/11-02/01/24	GENERAL FUND	SPECIAL CLASSES	449.15
			TOTAL:	672.10
DATA TICKET, INC.	CITATION PROCESSING 12/24	GENERAL FUND	TRAFFIC	1,087.77
			TOTAL:	1,087.77
DELL MARKETING L.P.	COMPUTER SUPPLIES	TECHNOLOGY REPLACE	ADMINISTRATIVE SERVICE	98.65
			TOTAL:	98.65

WARRANTS 02/2025

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
DOOLEY ENTERPRISES, INC.	AMMO PURCHASE	GENERAL FUND	PATROL	1,276.84
	AMMO PURCHASE	GENERAL FUND	PATROL	1,276.84
			TOTAL:	2,553.68
ECOFERT, INC.	FERTIGATION SVCS 01/25	GENERAL FUND	PARK MAINTENANCE	921.00
			TOTAL:	921.00
ENTERPRISE FM TRUST	VEHICLE LEASES 02/25	GARAGE FUND	GARAGE	27,046.87
			TOTAL:	27,046.87
EVENT NEWS ENTERPRISE	ORDINANCE 202-02 02/05/25	GENERAL FUND	ADMINISTRATION	270.00
	ORDINANCE 2025-03 02/05/25	GENERAL FUND	ADMINISTRATION	270.00
	ORDINANCE 2025-04 02/05/25	GENERAL FUND	ADMINISTRATION	140.00
	ORDINANCE 2025-01 02/05/25	GENERAL FUND	ADMINISTRATION	140.00
	CIP 24/25-07 ADVERTISING	GENERAL FUND	COMMUNITY DEVEL ADMIN	560.00
			TOTAL:	1,380.00
EWING	PW LANDSCAPE SUPPLIES 12/2	GENERAL FUND	PARK MAINTENANCE	3,193.33
	IRRIGATION REPAIR MAINT 01	GENERAL FUND	PARK MAINTENANCE	313.07
			TOTAL:	3,506.40
FACILITRON INC	ADULT SPORTS FIELD RENTAL	GENERAL FUND	SPORTS	6,679.98
			TOTAL:	6,679.98
FRED GUY'S AUTO BODY & PAINT FACILITY	DODGE DURANGO PAINT	GARAGE FUND	GARAGE	5,303.79
			TOTAL:	5,303.79
GANAHL LUMBER COMPANY	WATER HEATER REPAIR SUPPLI	GENERAL FUND	STREET MAINTENANCE	133.18
	TREE MARKING PAINT SUPPLIE	GENERAL FUND	STREET MAINTENANCE	19.64
	CHANNEL MAINT SUPPLIES 01/	GENERAL FUND	STREET MAINTENANCE	29.44
	PAINT SUPPLIES	GENERAL FUND	STREET MAINTENANCE	80.79
	CHANNEL MAINT SUPPLIES	GENERAL FUND	STREET MAINTENANCE	332.74
	STREET SIGNS MAINT SUPPLIE	GENERAL FUND	STREET MAINTENANCE	40.91
	PADLOCK MAINT 01/08/25	GENERAL FUND	PARK MAINTENANCE	29.46
	CABLE CLAMP SUPPLIES	GENERAL FUND	BUILDING MAINTENANCE	13.69
	CH1 MAINT SUPPLIES 12/21/2	GENERAL FUND	BUILDING MAINTENANCE	177.21
	PACKING SUPPLIES 01/07/25	GENERAL FUND	BUILDING MAINTENANCE	93.93
			TOTAL:	950.99
GEORGE HILLS COMPANY, INC.	LIABILITY SVC FEE 01/25	SELF INSURANCE TRU	INSURANCE	1,458.33
			TOTAL:	1,458.33
GM FINANCIAL	CM VEHICLE LEASE PYMT 12	GARAGE FUND	GARAGE	1,858.68
			TOTAL:	1,858.68
GOLDEN STATE WATER COMPANY	WATER BILL 12/24-01/25	GENERAL FUND	STREET MAINTENANCE	8,427.59
	WATER BILL 12/24-01/25	GENERAL FUND	PARK MAINTENANCE	6,689.16
	WATER BILL 12/24-01/25	GENERAL FUND	BUILDING MAINTENANCE	674.46
			TOTAL:	15,791.21
GRANITE CONSTRUCTION COMPANY	POT HOLE REPAIR SUPPLIES	GENERAL FUND	STREET MAINTENANCE	1,767.67
			TOTAL:	1,767.67
GRIFFIN STRUCTURES INC	PRGM MGMT SVCS 11/24	GENERAL FUND	CAPITAL PROJECTS	5,050.00
	PRGM MGMT SVCS 12/24	GENERAL FUND	CAPITAL PROJECTS	5,050.00
			TOTAL:	10,100.00

WARRANTS 02/2025

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
HARRIS STEEL FENCE CO INC	RFP 2024-02 RETENTION	GENERAL FUND	NON-DEPARTMENTAL	4,659.00
			TOTAL:	4,659.00
HI-WAY SAFETY, INC.	BIKE PATH SIGN MAINT	GENERAL FUND	STREET MAINTENANCE	85.44
			TOTAL:	85.44
HINDERLITER, DE LLAMAS & ASSOCIATES	TRANS TAX SVCS Q2	GENERAL FUND	FINANCE	600.00
			TOTAL:	600.00
HIRSCH & ASSOCIATES, INC.	CC POOL DESIGN STUDY	GENERAL FUND	COMMUNITY DEVEL ADMIN	6,848.00
	CC POOL DESIGN STUDY	GENERAL FUND	COMMUNITY DEVEL ADMIN	14,652.00
	LABOURDETTE DESIGN SVCS	GENERAL FUND	CAPITAL PROJECTS	6,015.00
	CIP 24/25-08 PB#3 SOROPTI	GENERAL FUND	CAPITAL PROJECTS	14,053.00
	CIP 24/25-08 SOROPTIMIST	GENERAL FUND	CAPITAL PROJECTS	16,682.50
			TOTAL:	58,250.50
HEMLOCK EDGE BASKETBALL LLC	HCE DROP IN 12/03/24	GENERAL FUND	SPECIAL CLASSES	96.00
	HCE DROP IN 12/08/24	GENERAL FUND	SPECIAL CLASSES	176.00
	HCE DROP IN 12/05/24	GENERAL FUND	SPECIAL CLASSES	64.00
	HCE DROP IN 12/10/24	GENERAL FUND	SPECIAL CLASSES	96.00
	HCE DROP IN 12/15/24	GENERAL FUND	SPECIAL CLASSES	64.00
	HCE DROP IN 12/13/24	GENERAL FUND	SPECIAL CLASSES	48.00
	HCE DROP IN 01/07/25	GENERAL FUND	SPECIAL CLASSES	48.00
	HCE DROP IN 01/14/25	GENERAL FUND	SPECIAL CLASSES	80.00
	HCE TRAVEL 11/05-12/12/24	GENERAL FUND	SPECIAL CLASSES	1,144.00
	HCE SHOOTING STARS 01/09-0	GENERAL FUND	SPECIAL CLASSES	244.00
	HCE BALL HANDLE 01/07-01/2	GENERAL FUND	SPECIAL CLASSES	328.00
	HCE TRIPLE 01/05-01/30/25	GENERAL FUND	SPECIAL CLASSES	184.00
	HCE TRAVEL 01/07-01/30	GENERAL FUND	SPECIAL CLASSES	164.00
	HCE TRAVEL 01/07-01/30/25	GENERAL FUND	SPECIAL CLASSES	980.00
	HCE SHOOT & HANDLE 01/07-0	GENERAL FUND	SPECIAL CLASSES	524.00
	HCE TOTAL ATTACK 01/05-01/	GENERAL FUND	SPECIAL CLASSES	136.00
			TOTAL:	4,376.00
IBE DIGITAL	PRINTER PLOTTER SUPPLIES	GENERAL FUND	COMMUNITY DEVEL ADMIN	1,385.28
			TOTAL:	1,385.28
IRVING MONTENEGRO JR.	FA24 TUITION REIMBURSEMENT	GENERAL FUND	COMMUNITY DEVEL ADMIN	2,208.00
			TOTAL:	2,208.00
JHM SUPPLY INC	IRRIGATION MAINT 01/14/25	GENERAL FUND	PARK MAINTENANCE	796.30
			TOTAL:	796.30
KIDZ TALENT ACADEMY	KIDDIE GYM 01/08-01/29	GENERAL FUND	SPECIAL CLASSES	594.10
	GYMNASTICS 01/08-01/29/25	GENERAL FUND	SPECIAL CLASSES	150.15
			TOTAL:	744.25
KONICA MINOLTA	PD COPIER LEASE 01/25-02/2	GENERAL FUND	POLICE ADMINISTRATION	460.62
			TOTAL:	460.62
KONICA MINOLTA BUSINESS SOLUTIONS U.S.	PD COPIER MAINT 01/25	GENERAL FUND	POLICE ADMINISTRATION	249.99
			TOTAL:	249.99
KONICA MINOLTA PREMIER FINANCE	COPIER LEASE 02/20-03/19/2	GENERAL FUND	NON-DEPARTMENTAL	1,048.46
			TOTAL:	1,048.46

WARRANTS 02/2025

VENDOR NAME		DESCRIPTION	FUND	DEPARTMENT	AMOUNT
KYA SERVICES LLC		CIP# 23/24-06 ROOF REPAIR	GENERAL FUND	NON-DEPARTMENTAL	6,985.65-
		CIP# 23/24-06 ROOF REPAIR	FACILITY CAPITAL E	CAPITAL PROJECTS	139,713.58
		TOTAL:		132,727.93	
LA HERRADURA MOBIL DETAIL		PD CAR WASHES 01/13/25	GARAGE FUND	GARAGE	495.00
		PW CAR WASHES 01/13/25	GARAGE FUND	GARAGE	180.00
		REC CAR WASHES 01/13/25	GARAGE FUND	GARAGE	90.00
		PD CAR WASHES 01/21/25	GARAGE FUND	GARAGE	735.00
		PD CAR WASHES 01/27/25	GARAGE FUND	GARAGE	270.00
		PW CAR WASHES 01/27/25	GARAGE FUND	GARAGE	195.00
		REC CAR WASHES 01/27/25	GARAGE FUND	GARAGE	135.00
		PD CAR WASHES 01/03/25	GARAGE FUND	GARAGE	695.00
		TOTAL:		2,795.00	
LANCE, SOLL & LUNGARD LLP		2023 NONPROFIT TAX RETURN	GENERAL FUND	FINANCE	1,600.00
		TOTAL:		1,600.00	
LIEBERT CASSIDY WHITMORE		GENERAL SVCS 12/24	GENERAL FUND	CITY ATTORNEY	1,276.00
		INVESTIGATION SVCS 12/24	GENERAL FUND	CITY ATTORNEY	9,870.00
		TOTAL:		11,146.00	
LONG BEACH SOCCER REFEREE ASSOCIATION		ADULT SOCCER REFEREE FEES	GENERAL FUND	SPORTS	734.00
		TOTAL:		734.00	
LOS ALAMITOS AREA CHAMBER OF COMMERCE		ACOSTA 01/25 CHAMBER BREAK	GENERAL FUND	POLICE ADMINISTRATION	30.00
		TOTAL:		30.00	
LOS ALTOS TROPHY		LOE NAME PLATE 01/20/25	GENERAL FUND	ADMINISTRATION	21.41
		HASSELBRINK NAME BADGE 01/	GENERAL FUND	ADMINISTRATION	11.80
		COUNCIL NAMEPLATES 01/22/2	GENERAL FUND	POLICE ADMINISTRATION	60.80
		COUNCIL NAME PLATES 01/20/	GENERAL FUND	RECREATION ADMINISTRAT	78.81
		NAME PLATE HOLDERS 01/20/2	GENERAL FUND	RECREATION ADMINISTRAT	63.11
		TOTAL:		235.93	
LOWE'S		COUNCIL CHAMBERS SUPPLIES	GENERAL FUND	COMMUNITY DEVEL ADMIN	104.52
		TOTAL:		104.52	
MAC'S LIFT GATE, INC		PORTABLE STAGE LIFT	GENERAL FUND	ECONOMIC DEVELOPMENT	17,122.99
		TOTAL:		17,122.99	
METROPOLITAN WATER DISTRICT OF SO CAL		STANSBURY PARK LEASE 03/25	GENERAL FUND	PARK MAINTENANCE	1,136.42
		TOTAL:		1,136.42	
MIKE RAAHAUGES SHOOTING ENTERPRISES		PISTOLE RANGE 12/19/24	GENERAL FUND	PATROL	50.00
		TOTAL:		50.00	
MISC. VENDOR	CAROL HANAKI	CAROL HANAKI:REFUND	GENERAL FUND	NON-DEPARTMENTAL	76.00
	SEYMOUR HELLIGAR	SEYMOUR HELLIGAR:REFUND	GENERAL FUND	NON-DEPARTMENTAL	600.00
	NICOLE MARTINI	NICOLE MARTINI:REFUND	GENERAL FUND	NON-DEPARTMENTAL	54.00
	WYNDY NICHOLS	WYNDY NICHOLS:REFUND	GENERAL FUND	NON-DEPARTMENTAL	39.00
	ERIKA CANELA	ERIKA CANELA:REFUND	GENERAL FUND	NON-DEPARTMENTAL	210.00
	CAROL HANAKI	CAROL HANAKI:REFUND	GENERAL FUND	NON-DEPARTMENTAL	54.00
	CAROL HANAKI	CAROL HANAKI:REFUND	GENERAL FUND	NON-DEPARTMENTAL	75.00

WARRANTS 02/2025

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
CAROL HANAKI	CAROL HANAKI:REFUND	GENERAL FUND	NON-DEPARTMENTAL	65.00
SUZANNE HELEGAND	SUZANNE HELEGAND:REFUND	GENERAL FUND	NON-DEPARTMENTAL	637.00
CLAIRE GONZALES	CLAIRE GONZALES:REFUND	GENERAL FUND	NON-DEPARTMENTAL	51.00
GRACE COMMUNITY CHURCH	GRACE COMMUNITY CHURCH:REF	GENERAL FUND	NON-DEPARTMENTAL	150.00
VERONICA WILSON	VERONICA WILSON:TRAVEL REI	GENERAL FUND	POLICE ADMINISTRATION	16.35
JAIMIE GUTIERREZ	JAIMIE GUTIERREZ:TUITION R	GENERAL FUND	COMMUNITY DEVEL ADMIN	300.00
			TOTAL:	2,327.35
MOLLY H. KNOX	BAL & FIT 11/24	GENERAL FUND	SPECIAL CLASSES	210.00
	BAL & FIT 12/24	GENERAL FUND	SPECIAL CLASSES	140.00
	BAL & FIT 01/07-01/28/25	GENERAL FUND	SPECIAL CLASSES	210.00
			TOTAL:	560.00
MV CHENG ASSOCIATES, INC.	CLERK ASST SVCS 01/25	GENERAL FUND	FINANCE	2,896.25
	OFFICE CLERK SVCS 12/24	GENERAL FUND	FINANCE	525.00
			TOTAL:	3,421.25
NEWPORT EXTERMINATING	PEST/RODENT CTRL SVCS	GENERAL FUND	BUILDING MAINTENANCE	270.00
	CC2 BAIT STATIONS 12/31/2	GENERAL FUND	BUILDING MAINTENANCE	75.00
	BEE REMOVAL SVCS 12/06/24	GENERAL FUND	BUILDING MAINTENANCE	175.00
	PEST CTRL SVCS 01/28/25	GENERAL FUND	BUILDING MAINTENANCE	270.00
	PEST CTRL SVCS 01/28/25	GENERAL FUND	BUILDING MAINTENANCE	75.00
			TOTAL:	865.00
NORM'S AUTO COLLISION CENTER, INC.	PD 48-2 VEHICLE SVCS 12/24	GARAGE FUND	GARAGE	1,562.16
			TOTAL:	1,562.16
NORM'S AUTOMOTIVE CENTER, INC.	PW-2 VEHICLE SVCS	GARAGE FUND	GARAGE	168.88
	PW-4 VEHICLE SVCS	GARAGE FUND	GARAGE	49.50
	PW-8 VEHICLE SVCS	GARAGE FUND	GARAGE	129.95
	PW-2 SMOG CHECK	GARAGE FUND	GARAGE	54.95
	PW-1 VEHICLE SVCS	GARAGE FUND	GARAGE	54.95
	PD 48-3 PD VEHICLE SVCS	GARAGE FUND	GARAGE	54.95
	PD 48-4 VEHICLE SVCS 02/25	GARAGE FUND	GARAGE	653.29
			TOTAL:	1,166.47
OUTDOOR SHADE CONCEPTS	PD VEHICLE CANOPY #3	GENERAL FUND	CAPITAL PROJECTS	28,572.00
			TOTAL:	28,572.00
PAPER RECYCLING SPECIALISTS	SHREDDING SVCS 02/05/25	GENERAL FUND	NON-DEPARTMENTAL	117.00
			TOTAL:	117.00
PAUL BUTLER PRESENTATIONS LLC	LEADERSHIP TRAINING 01/25	GENERAL FUND	POLICE ADMINISTRATION	10,000.00
	TRAVEL REIMBURSEMENT	GENERAL FUND	POLICE ADMINISTRATION	1,214.77
			TOTAL:	11,214.77
PENINSULA SEPTIC SERVICE, INC.	PUMP SEPTIC TANK 01/03/25	GENERAL FUND	PARK MAINTENANCE	600.00
	PUMP SEPTIC TANK 01/16/25	GENERAL FUND	PARK MAINTENANCE	600.00
			TOTAL:	1,200.00
PERFORMA LABS INC	PD VEHICLE PURSUIT COURSE	GENERAL FUND	PATROL	180.00
			TOTAL:	180.00
PIRATE'S DINNER ADVENTURE	DAY CAMP FIELD TRIP	GENERAL FUND	DAY CAMP	1,245.30
			TOTAL:	1,245.30

WARRANTS 02/2025

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
POWERTRIP RENTALS, LLC	LIGHT TOWER PARKLET SUPPLI	GENERAL FUND	ECONOMIC DEVELOPMENT	740.38
	LIGHT TOWER PARKLET SUPPLI	GENERAL FUND	ECONOMIC DEVELOPMENT	820.38
	LIGHT TOWER PARKLET SUPPLI	GENERAL FUND	ECONOMIC DEVELOPMENT	798.88
	TOTAL:			2,359.64
PROFORMA SURF CITY PROMO	COINS 2025	GENERAL FUND	ADMINISTRATION	777.78
			TOTAL:	777.78
PTS COMMUNICATIONS	PAYPHONE SVCS 01/25	TECHNOLOGY REPLACE	ADMINISTRATIVE SERVICE	43.00
			TOTAL:	43.00
PUBLIC AGENCY RETIREMENT SERVICES AND	PAYMENT 14 PARS TRUST	GENERAL FUND	NON-DEPARTMENTAL	50,000.00
			TOTAL:	50,000.00
QUADIENT FINANCE USA, INC	CITYWIDE POSTAGE REFILL	GENERAL FUND	NON-DEPARTMENTAL	1,315.81
			TOTAL:	1,315.81
RCA INVESTMENTS INC	PD MOTORCYCLE SVCS 02/03/2	GARAGE FUND	GARAGE	419.58
			TOTAL:	419.58
REDFLEX TRAFFIC SYSTEMS, INC.	CAMERA SYSTEM 12/24	GENERAL FUND	TRAFFIC	31,072.83
			TOTAL:	31,072.83
RICH MURRIETTA FIRE PROTECTION	LOS AL BLVD BACKFLOW REPAI	GENERAL FUND	STREET MAINTENANCE	225.00
			TOTAL:	225.00
ROTARY CLUB OF LOS ALAMITOS/CYPRESS/SE	MADERA MEALS FOR VETERANS	GENERAL FUND	ADMINISTRATION	100.00
			TOTAL:	100.00
RPW SERVICES	HERBICIDE TREATMENT 12/24	GENERAL FUND	STREET MAINTENANCE	3,000.00
			TOTAL:	3,000.00
SCA OF CA LLC	STREET SWEEPING 12/24	GENERAL FUND	STREET MAINTENANCE	9,463.99
	STREET SWEEPING 01/25	GENERAL FUND	STREET MAINTENANCE	9,463.99
	TOTAL:			18,927.98
SIR SPEEDY PRINTING, SIGNS, MARKETING	WEEKEND OF ART SUPPLIES	GENERAL FUND	NON-DEPARTMENTAL	152.76
	WEEKEND OF ART SUPPLIES	GENERAL FUND	NON-DEPARTMENTAL	140.53
	GELA SUPPLIES	GENERAL FUND	ECONOMIC DEVELOPMENT	3,080.13
	CITY BANNER SUPPLIES	GENERAL FUND	ECONOMIC DEVELOPMENT	109.25
	GELA SUPPLIES	GENERAL FUND	ECONOMIC DEVELOPMENT	26.22
	GELA SUPPLIES	GENERAL FUND	ECONOMIC DEVELOPMENT	27.31
	GELA SUPPLIES	GENERAL FUND	ECONOMIC DEVELOPMENT	136.56
	YOUTH TRACK & FIELD BANNER	GENERAL FUND	SPORTS	381.14
	TOTAL:			4,053.90
SITEONE LANDSCAPE SUPPLY	LABOURDETTE SOIL MAINT	GENERAL FUND	PARK MAINTENANCE	57.76
			TOTAL:	57.76
SOUTHERN CALIFORNIA EDISON	TRAFFIC LIGHTS 12/24-01/25	GENERAL FUND	STREET MAINTENANCE	18,919.27
	PARKS 12/24-01/25	GENERAL FUND	PARK MAINTENANCE	168.65
	MCAULIFFE PARK 12/24-01/25	GENERAL FUND	PARK MAINTENANCE	92.67
	PUMP STATIONS 12/24-01/25	GENERAL FUND	BUILDING MAINTENANCE	40.05
	CITY HALL 12/24-01/25	GENERAL FUND	BUILDING MAINTENANCE	2,280.71
	POLICE STATION 12/24-01/25	GENERAL FUND	BUILDING MAINTENANCE	4,362.00
	TOTAL:			25,863.35

WARRANTS 02/2025

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
SPARKLETTS DRINKING WATER	DRINKING WATER 01/25	GENERAL FUND	BUILDING MAINTENANCE	509.96
			TOTAL:	509.96
SPOT LIGHTING SUPPLIES, INC.	SPOTLIGHT REPLACEMENT	GENERAL FUND	BUILDING MAINTENANCE	239.74
			TOTAL:	239.74
ST. NICK'S	QTRLY BANNER INSTALLATION	GENERAL FUND	ECONOMIC DEVELOPMENT	2,922.44
	QTRLY BANNER INSTALLATION	GENERAL FUND	ECONOMIC DEVELOPMENT	14,256.00
			TOTAL:	17,178.44
STANFORD SOUND AND STAGE	WEEKEND OF ART STAGE & SOU	GENERAL FUND	NON-DEPARTMENTAL	1,997.31
			TOTAL:	1,997.31
STATEWIDE TRAFFIC SAFETY & SIGNS, INC.	SIGN REPAIR EQUIPMENT MAIN	GENERAL FUND	STREET MAINTENANCE	415.15
			TOTAL:	415.15
STUDIO CREDIT LLC	SUPERVISOR UNIFORM	GENERAL FUND	STREET MAINTENANCE	80.81
			TOTAL:	80.81
SUNSET SIGNS AND PRINTING INC	CC LOGO WALL SIGN FINAL	GENERAL FUND	NON-DEPARTMENTAL	728.02
			TOTAL:	728.02
SUZANNE ROADY-ROSS	TAI CHI 01/06-02/10/25	GENERAL FUND	SPECIAL CLASSES	162.50
			TOTAL:	162.50
TANYA DOBY	DOBY CAL CITIES 2025 REIMB	GENERAL FUND	CITY COUNCIL	165.00
			TOTAL:	165.00
THE BREW KITCHEN ALEHOUSE	GELA CATERING EVENT	GENERAL FUND	ECONOMIC DEVELOPMENT	2,101.71
			TOTAL:	2,101.71
THE FAMILY PLUMBER	PD RESTROOM MAINT	GENERAL FUND	BUILDING MAINTENANCE	2,130.00
			TOTAL:	2,130.00
THE RINKS - LAKEWOOD ICE	LEARN TO SKATE 01/08-01/29	GENERAL FUND	SPECIAL CLASSES	211.90
	LEARN TO SKATE 01/09-01/30	GENERAL FUND	SPECIAL CLASSES	218.40
	LEARN TO SKATE 01/11-02/01	GENERAL FUND	SPECIAL CLASSES	157.30
	LEARN TO SKATE 01/11-02/01	GENERAL FUND	SPECIAL CLASSES	208.65
			TOTAL:	796.25
THOMSON REUTERS - WEST	DETECTIVE SOFTWARE 01/25	TECHNOLOGY REPLACE	ADMINISTRATIVE SERVICE	375.42
			TOTAL:	375.42
TOWNSEND PUBLIC AFFAIRS, INC.	GRANT WRITING SVCS 01/25	GENERAL FUND	ADMINISTRATION	2,000.00
			TOTAL:	2,000.00
TRACY MILLER CONSULTING, INC.	CONSULT SVCS 01/25	GENERAL FUND	ADMINISTRATION	5,500.00
			TOTAL:	5,500.00
TRIEPEI, SMITH & ASSOCIATES, INC	VIDEO PRODUCTION 01/25	GENERAL FUND	NON-DEPARTMENTAL	1,306.00
			TOTAL:	1,306.00
U.S. BANK	ADAPTIVE PRGMS	GENERAL FUND	NON-DEPARTMENTAL	57.48
	ADAPTIVE PRGMS	GENERAL FUND	NON-DEPARTMENTAL	16.30
	ADAPTIVE PRGM SUPPLIES	GENERAL FUND	NON-DEPARTMENTAL	17.72
	ADAPTIVE PRGM SUPPLIES	GENERAL FUND	NON-DEPARTMENTAL	50.34

WARRANTS 02/2025

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
	ADAPTIVE PRGM SUPPLIES	GENERAL FUND	NON-DEPARTMENTAL	26.20
	DINE & DOUGH PRGM	GENERAL FUND	NON-DEPARTMENTAL	132.00
	DINE & DOUGH PRGM	GENERAL FUND	NON-DEPARTMENTAL	1.99
	DINE & DOUGH PRGM	GENERAL FUND	NON-DEPARTMENTAL	57.00
	DINE & DOUGH PRGM	GENERAL FUND	NON-DEPARTMENTAL	17.96
	DINE & DOUGH PRGM	GENERAL FUND	NON-DEPARTMENTAL	91.51
	DINE & DOUGH PRGM	GENERAL FUND	NON-DEPARTMENTAL	214.39
	OFFICE SUPPLIES	GENERAL FUND	NON-DEPARTMENTAL	264.51
	DOBY POLICY MTG	GENERAL FUND	CITY COUNCIL	50.02
	HASSELBRINK LOCC MTG	GENERAL FUND	CITY COUNCIL	226.96
	DOBY POLICY MTG	GENERAL FUND	CITY COUNCIL	147.36
	HASSELBRINK LAEF NIGHT OUT	GENERAL FUND	CITY COUNCIL	125.00
	DOBY LAEF NIGHT OUT	GENERAL FUND	CITY COUNCIL	250.00
	HIBARD LAEF NIGHT OUT	GENERAL FUND	CITY COUNCIL	125.00
	HIBARD NEW COUNCIL EVENT	GENERAL FUND	CITY COUNCIL	150.00
	DOBY CPRS EVENT	GENERAL FUND	CITY COUNCIL	65.00
	LOE CPRS EVENT	GENERAL FUND	CITY COUNCIL	65.00
	HASSELBRINK CPRS EVENT	GENERAL FUND	CITY COUNCIL	65.00
	LAEF NIGHT OUT	GENERAL FUND	CITY COUNCIL	125.00
	LAEF NIGHT OUT	GENERAL FUND	CITY COUNCIL	125.00
	LAEF NIGHT OUT	GENERAL FUND	CITY COUNCIL	125.00
	LAEF NIGHT OUT	GENERAL FUND	CITY COUNCIL	125.00
	HIBARD CPRS EVENT	GENERAL FUND	CITY COUNCIL	65.00
	ADOBE SUBSCRIPTION 01/2025	GENERAL FUND	ADMINISTRATION	61.98
	OC REGISTER SUBSCRIPTION	GENERAL FUND	ADMINISTRATION	34.00
	COUNCIL OC REGISTER	GENERAL FUND	ADMINISTRATION	26.00
	REFUND: OFFICE SUPPLIES	GENERAL FUND	ADMINISTRATION	95.66-
	ADMIN OFFICE SUPPLIES	GENERAL FUND	ADMINISTRATION	217.58
	EOQ NAME PLATES	GENERAL FUND	ADMINISTRATION	138.25
	ROTARY LUNCHEON	GENERAL FUND	ADMINISTRATION	350.00
	EOQ WINTER 2024 PLAQUE	GENERAL FUND	ADMINISTRATION	35.85
	LUNCH & LEARN SUPPLIES	GENERAL FUND	ADMINISTRATION	39.32
	LUNCH & LEARN SUPPLIES	GENERAL FUND	ADMINISTRATION	372.51
	EOQ WINTER 2024 PHOTO	GENERAL FUND	ADMINISTRATION	3.27
	ADMIN SUPPLIES	GENERAL FUND	ADMINISTRATION	47.99
	REFUND: SUPPLIES	GENERAL FUND	ADMINISTRATION	19.18-
	SIMMONS OCMA DINNER	GENERAL FUND	ADMINISTRATION	90.00
	OFFICE SUPPLIES	GENERAL FUND	ADMINISTRATION	23.14
	COUNCIL CHAMBER DRINKS	GENERAL FUND	ADMINISTRATION	27.83
	TRAVEL & TRAINING	GENERAL FUND	ADMINISTRATION	51.43
	TRAVEL & TRAINING OCCOG	GENERAL FUND	ADMINISTRATION	424.00
	ADMIN LAEF NIGHT OUT	GENERAL FUND	ADMINISTRATION	350.00
	OFFICE SUPPLIES	GENERAL FUND	FINANCE	48.27
	TRAINING PKG 01/09/25	GENERAL FUND	FINANCE	20.00
	TRAINING PKG 01/10/25	GENERAL FUND	FINANCE	20.00
	TAX FORMS	GENERAL FUND	FINANCE	144.78
	DUES & SUBSCRIPTION 01/25	GENERAL FUND	FINANCE	4.00
	STORAGE SUBSCRIPTION	GENERAL FUND	FINANCE	0.99
	OFFICE SUPPLIES	GENERAL FUND	FINANCE	33.38
	AUTHORIZE.NET SUBSCRIPTION	GENERAL FUND	FINANCE	10.00
	OFFICE SUPPLIES	GENERAL FUND	FINANCE	57.36
	OFFICE SUPPLIES	GENERAL FUND	FINANCE	54.53
	OFFICE SUPPLIES	GENERAL FUND	FINANCE	31.53
	OFFICE SUPPLIES	GENERAL FUND	FINANCE	43.00
	OFFICE SUPPLIES	GENERAL FUND	FINANCE	31.06
	OFFICE SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	26.63

WARRANTS 02/2025

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
	ONSTAR SUBSCRIPTION TAHOE	GENERAL FUND	POLICE ADMINISTRATION	15.00
	ONSTAR SUBSCRIPTION TAHOE	GENERAL FUND	POLICE ADMINISTRATION	9.99
	TRAINING SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	453.39
	FINGERPRINT CARDS	GENERAL FUND	POLICE ADMINISTRATION	180.00
	MONTHLY SUBSCRIPTION	GENERAL FUND	POLICE ADMINISTRATION	44.00
	KITCHEN SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	518.59
	POSTAGE SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	9.68
	TRAINING SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	453.39
	AST COURSE	GENERAL FUND	POLICE ADMINISTRATION	338.96
	KITCHEN SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	7.56
	KITCHEN SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	25.43
	OFFICE SUPPLIES	GENERAL FUND	POLICE ADMINISTRATION	10.16
	TRAVEL & TRAINING OCCOG	GENERAL FUND	POLICE ADMINISTRATION	212.00
	PD LAEF NIGHT OUT	GENERAL FUND	POLICE ADMINISTRATION	525.00
	D KIM TRAINING	GENERAL FUND	PATROL	399.00
	REFUND SWAT SUPPLIES	GENERAL FUND	PATROL	116.42-
	ACADEMY SUPPLIES	GENERAL FUND	PATROL	94.94
	ACADEMY SUPPLIES	GENERAL FUND	PATROL	153.48
	ACADEMY SUPPLIES	GENERAL FUND	PATROL	158.77
	ACADEMY SUPPLIES	GENERAL FUND	PATROL	94.94-
	PD CAR WASHES	GENERAL FUND	PATROL	798.40
	ACADEMY SUPPLIES	GENERAL FUND	PATROL	72.16
	ACADEMY SUPPLIES	GENERAL FUND	PATROL	43.65
	ACADEMY SUPPLIES	GENERAL FUND	PATROL	39.50
	SOCIAL MEDIA SUPPLIES	GENERAL FUND	PATROL	41.51
	ACADEMY SUPPLIES	GENERAL FUND	PATROL	8.36
	STEINGHAUSER TRAINING	GENERAL FUND	INVESTIGATION	339.90
	B ROMAN TRAINING	GENERAL FUND	RECORDS	159.00
	OFFICE SUPPLIES	GENERAL FUND	RECORDS	35.64
	EVIDENCE RM SUPPLIES	GENERAL FUND	RECORDS	42.58
	CITATION SUPPLIES	GENERAL FUND	TRAFFIC	91.27
	EMERGENCY FIRST AID KITS	GENERAL FUND	EMERGENCY PREPAREDNESS	1,668.31
	CERT DRILL SUPPLIES	GENERAL FUND	EMERGENCY PREPAREDNESS	237.98
	CERT DRILL SUPPLIES	GENERAL FUND	EMERGENCY PREPAREDNESS	93.15
	OFFICE SUPPLIES	GENERAL FUND	EMERGENCY PREPAREDNESS	79.05
	K-9 FOOD	GENERAL FUND	K-9 Unit	102.07
	K-9 FOOD	GENERAL FUND	K-9 Unit	105.76
	K-9 SUPPLIES	GENERAL FUND	K-9 Unit	168.67
	K-9 SUPPLIES	GENERAL FUND	K-9 Unit	29.65
	K-9 SUPPLIES	GENERAL FUND	K-9 Unit	25.71
	K-9 FOOD	GENERAL FUND	K-9 Unit	102.07
	MEDIA SUPPLIES	GENERAL FUND	COMMUNITY DEVEL ADMIN	16.30
	MONTHLY DATA STORAGE	GENERAL FUND	COMMUNITY DEVEL ADMIN	9.99
	COMMISSION DINNER SUPPLIES	GENERAL FUND	COMMUNITY DEVEL ADMIN	35.70
	COMMISSION DINNER SUPPLIES	GENERAL FUND	COMMUNITY DEVEL ADMIN	84.63
	MARKING ROSSMOOR AD	GENERAL FUND	COMMUNITY DEVEL ADMIN	825.00
	YOUTUBE TV SUBSCRIPTION	GENERAL FUND	COMMUNITY DEVEL ADMIN	72.99
	JANUARY OFFICE SUPPLIES	GENERAL FUND	COMMUNITY DEVEL ADMIN	804.74
	RIBBON CUTTING SUPPLIES	GENERAL FUND	COMMUNITY DEVEL ADMIN	19.64
	DS CHAMBER BREAKFAST	GENERAL FUND	COMMUNITY DEVEL ADMIN	60.00
	CCAC MEMBERSHIP DUES	GENERAL FUND	COMMUNITY DEVEL ADMIN	250.00
	NITES ON PINE ADVERTISEMEN	GENERAL FUND	COMMUNITY DEVEL ADMIN	515.00
	DS OFFICE SUPPLIES	GENERAL FUND	COMMUNITY DEVEL ADMIN	43.69
	SUPPLIES ESPRESSO	GENERAL FUND	COMMUNITY DEVEL ADMIN	1,092.49
	NODA OCMA DINNER	GENERAL FUND	COMMUNITY DEVEL ADMIN	90.00
	DS OFFICE SUPPLIES	GENERAL FUND	COMMUNITY DEVEL ADMIN	30.91

WARRANTS 02/2025

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
	DS OFFICE SUPPLIES	GENERAL FUND	COMMUNITY DEVEL ADMIN	67.97
	DS OFFICE SUPPLIES	GENERAL FUND	COMMUNITY DEVEL ADMIN	13.97
	DS OFFICE SUPPLIES	GENERAL FUND	COMMUNITY DEVEL ADMIN	25.40
	TRAVEL & TRAINING OCCOG	GENERAL FUND	COMMUNITY DEVEL ADMIN	424.00
	DS LAEF NIGHT OUT	GENERAL FUND	COMMUNITY DEVEL ADMIN	175.00
	OCCOG CONFERENCE	GENERAL FUND	PLANNING	1,060.00
	TRAILER SUPPLIES	GENERAL FUND	STREET MAINTENANCE	122.81
	PW TRUCK CHARGERS	GENERAL FUND	STREET MAINTENANCE	221.66
	WATER FOUNTAIN SUPPLIES	GENERAL FUND	PARK MAINTENANCE	37.51
	PARK SIGNAGE	GENERAL FUND	PARK MAINTENANCE	305.80
	DOG WASTE BAGS	GENERAL FUND	PARK MAINTENANCE	564.35
	PW SUPPLIES	GENERAL FUND	PARK MAINTENANCE	76.37
	REFUND:SUPPLIES	GENERAL FUND	BUILDING MAINTENANCE	7.64-
	WINTER DAY CAMP SUPPLIES	GENERAL FUND	BUILDING MAINTENANCE	104.94
	PD POD PICK UP	GENERAL FUND	BUILDING MAINTENANCE	130.02
	GELA SUPPLIES	GENERAL FUND	ECONOMIC DEVELOPMENT	104.87
	REFUND: GELA SUPPLIES	GENERAL FUND	ECONOMIC DEVELOPMENT	17.52-
	GELA SUPPLIES	GENERAL FUND	ECONOMIC DEVELOPMENT	111.15
	GELA SUPPLIES	GENERAL FUND	ECONOMIC DEVELOPMENT	163.67
	FOOD HANDLER CERT	GENERAL FUND	RECREATION ADMINISTRAT	9.99
	FOOD HANDLER CERT	GENERAL FUND	RECREATION ADMINISTRAT	9.99
	STAFF ADMIN IN SERVICES	GENERAL FUND	RECREATION ADMINISTRAT	254.80
	STAFF ADMIN IN SERVICES	GENERAL FUND	RECREATION ADMINISTRAT	254.80
	AQUATIC TRAINING	GENERAL FUND	RECREATION ADMINISTRAT	515.00
	CANVA SUBSCRIPTION	GENERAL FUND	RECREATION ADMINISTRAT	35.75
	DIRECT TV EOC	GENERAL FUND	RECREATION ADMINISTRAT	65.99
	SPOTIFY SUBSCRIPTION	GENERAL FUND	RECREATION ADMINISTRAT	19.99
	OFFICE SUPPLIES	GENERAL FUND	RECREATION ADMINISTRAT	35.89
	NODA, E CHAMBER BREAKFAST	GENERAL FUND	RECREATION ADMINISTRAT	30.00
	OFFICE SUPPLIES	GENERAL FUND	RECREATION ADMINISTRAT	10.91
	CPRS AGENCY & NODA, E RENE	GENERAL FUND	RECREATION ADMINISTRAT	570.00
	OFFICE SUPPLIES	GENERAL FUND	RECREATION ADMINISTRAT	1.09
	OFFICE SUPPLIES	GENERAL FUND	RECREATION ADMINISTRAT	37.50
	OFFICE SUPPLIES	GENERAL FUND	RECREATION ADMINISTRAT	116.75
	OFFICE SUPPLIES	GENERAL FUND	RECREATION ADMINISTRAT	28.06
	CPRS TRAINING	GENERAL FUND	RECREATION ADMINISTRAT	35.00
	CPRS TRAINING	GENERAL FUND	RECREATION ADMINISTRAT	140.00
	OFFICE SUPPLIES	GENERAL FUND	RECREATION ADMINISTRAT	6.04
	OFFICE SUPPLIES	GENERAL FUND	RECREATION ADMINISTRAT	32.74
	DATA STORAGE SUBSCRIPTION	GENERAL FUND	RECREATION ADMINISTRAT	9.99
	GLOBAL MUSIC LICENSE FEE	GENERAL FUND	RECREATION ADMINISTRAT	850.00
	REFUND TRAVEL & TRAINING	GENERAL FUND	RECREATION ADMINISTRAT	268.97-
	REFUND TRAVEL & TRAINING	GENERAL FUND	RECREATION ADMINISTRAT	30.00-
	TRAVEL & TRAINING CONFEREN	GENERAL FUND	RECREATION ADMINISTRAT	30.00
	TRAVEL & TRAINING OCCOG	GENERAL FUND	RECREATION ADMINISTRAT	268.97
	TRAVEL & TRAINING OCCOG	GENERAL FUND	RECREATION ADMINISTRAT	636.00
	CONSTANT CONTACT SUB	GENERAL FUND	RECREATION ADMINISTRAT	369.55
	ADMIN IN SERVICE DEPOSIT	GENERAL FUND	RECREATION ADMINISTRAT	200.00
	REC LAEF NIGHT OUT	GENERAL FUND	RECREATION ADMINISTRAT	350.00
	AQUATICS SUPPLIES	GENERAL FUND	AQUATICS	7.63
	PARTY PACKAGE SUPPLIES	GENERAL FUND	COMMUNITY SERVICES	15.98
	PARTY PACKAGE SUPPLIES	GENERAL FUND	COMMUNITY SERVICES	29.64
	PARTY PACKAGE SUPPLIES	GENERAL FUND	COMMUNITY SERVICES	55.68
	PARTY PACKAGE SUPPLIES	GENERAL FUND	COMMUNITY SERVICES	300.00
	PARTY PACKAGE SUPPLIES	GENERAL FUND	COMMUNITY SERVICES	92.76
	PARTY PACKAGE SUPPLIES	GENERAL FUND	COMMUNITY SERVICES	44.29

WARRANTS 02/2025

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
	PARTY PACKAGE SUPPLIES	GENERAL FUND	COMMUNITY SERVICES	255.00
	PRESCHOOL SUPPLIES	GENERAL FUND	COMMUNITY SERVICES	20.62
	PRESCHOOL SUPPLIES	GENERAL FUND	COMMUNITY SERVICES	8.88
	PRESCHOOL SUPPLIES	GENERAL FUND	COMMUNITY SERVICES	111.36
	PRESCHOOL SUPPLIES	GENERAL FUND	DAY CAMP	38.20
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	60.87
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	26.93
	DAY CAMP SUPPLIES	GENERAL FUND	DAY CAMP	64.23
	BASKETBALL SUPPLIES	GENERAL FUND	SPORTS	49.29
	TABLE TENNIS SUPPLIES	GENERAL FUND	SPORTS	41.90
	SOCCER CHAMP SHIRTS	GENERAL FUND	SPORTS	452.55
	YOUTH BASKETBALL SUPPLIES	GENERAL FUND	SPORTS	35.30
	STAFF UNIFORMS	GENERAL FUND	SPORTS	1,422.30
	ANNUAL FEE LAUREL PARK LIG	GENERAL FUND	SPORTS	1,631.52
	CC 1 MAT SVCS 01/04/25	GENERAL FUND	SPECIAL CLASSES	111.79
	CC 1M MAT SVCS 01/18/25	GENERAL FUND	SPECIAL CLASSES	111.79
	PRESCHOOL SUPPLIES	GENERAL FUND	SPECIAL CLASSES	10.30
	ROTB ADVERTISEMENT	GENERAL FUND	SPECIAL EVENTS	250.00
	PD-20 CABIN SENSOR	GARAGE FUND	GARAGE	2,417.69
	POWERBI LICENSE	TECHNOLOGY REPLACE	ADMINISTRATIVE SERVICE	78.30
	PRINTER	TECHNOLOGY REPLACE	ADMINISTRATIVE SERVICE	204.18
			TOTAL:	33,378.17
UNDERGROUND SERVICE ALERT OF SO CAL	PW DATABASE MAINT 02/25	GENERAL FUND	STREET MAINTENANCE	59.95
			TOTAL:	59.95
UNITED HOME REMODELING INC.	PW SHED FENCE REMOVAL FIN	GENERAL FUND	BUILDING MAINTENANCE	4,800.00
	PW SHED REPLACEMENT FINAL	GENERAL FUND	BUILDING MAINTENANCE	4,700.00
	GYM ELECTRICAL WORK FINAL	GENERAL FUND	BUILDING MAINTENANCE	4,800.00
			TOTAL:	14,300.00
V & V MANUFACTURING, INC.	BADGE 262 REPAIR	GENERAL FUND	POLICE ADMINISTRATION	73.13
			TOTAL:	73.13
VANDINE OUK	WINTER 2024 TUITION REIMBU	GENERAL FUND	COMMUNITY DEVEL ADMIN	888.00
			TOTAL:	888.00
VERIZON WIRELESS	CITY CELLPHONES 12/24-01/2	GENERAL FUND	NON-DEPARTMENTAL	3,890.34
			TOTAL:	3,890.34
VESTIS GROUP INC	PW UNIFORMS 01/13/25	GENERAL FUND	STREET MAINTENANCE	89.99
	PW UNIFORMS 01/27/25	GENERAL FUND	STREET MAINTENANCE	92.92
	PW UNIFORMS 01/27/25	GENERAL FUND	STREET MAINTENANCE	89.59
	PW UNIFORMS 02/03/25	GENERAL FUND	STREET MAINTENANCE	89.59
			TOTAL:	362.09
VOYAGER FLEET SYSTEMS, INC.	FUEL 01/25	GARAGE FUND	GARAGE	10,047.35
	FUEL TAX CREDIT 01/25	GARAGE FUND	GARAGE	385.83-
			TOTAL:	9,661.52
WAXIE SANITARY SUPPLY	JANITORIAL SUPPLIES 01/13/	GENERAL FUND	BUILDING MAINTENANCE	2,433.64
	JANITORIAL SUPPLIES 01/25	GENERAL FUND	BUILDING MAINTENANCE	2,433.64
			TOTAL:	4,867.28
WESTERN STATE BUILDERS, INC	CIP 23/24-04 STERNS PARK	GENERAL FUND	NON-DEPARTMENTAL	11,144.15-
	CIP 23/24-04 STERNS #6	GENERAL FUND	CAPITAL PROJECTS	222,882.96

WARRANTS 02/2025

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
			TOTAL:	211,738.81
WHITTIER FERTILIZER COMPANY	SEED COVER SUPPLIES	GENERAL FUND	PARK MAINTENANCE	76.07
	CITY HALL PLANT SUPPLIES	GENERAL FUND	PARK MAINTENANCE	101.43
	GREENBELT PLANT SUPPLIES	GENERAL FUND	PARK MAINTENANCE	101.43
			TOTAL:	278.93
WILLDAN ENGINEERING	PW MANAGER CONSULT 10/24	GENERAL FUND	CITY ENGINEER	18,150.00
	PW SUPERVISOR CONSULT 10/2	GENERAL FUND	CITY ENGINEER	19,800.00
	CITY ENGINEER 10/24	GENERAL FUND	CITY ENGINEER	5,336.00
	CE PLAN CHECK 10/24	GENERAL FUND	CITY ENGINEER	10,797.25
	PW MANAGER CONSULT 11/24	GENERAL FUND	CITY ENGINEER	15,750.00
	TREE TRIM COMPLIANCE 11/24	GENERAL FUND	CITY ENGINEER	217.50
	PW SUPERVISOR CONSULT 11/2	GENERAL FUND	CITY ENGINEER	6,600.00
	CITY ENGINEER 11/24	GENERAL FUND	CITY ENGINEER	5,448.00
	CE PLAN CHECK 11/24	GENERAL FUND	CITY ENGINEER	5,173.50
	TRAFFIC ENGINEER 10/24	GENERAL FUND	CITY ENGINEER	5,636.42
	TE PLAN CHECK 10/24	GENERAL FUND	CITY ENGINEER	788.00
	CITYWIDE SIGN INVENTORY 10	GENERAL FUND	CITY ENGINEER	92.50
	CITYWIDE SIGN INVENTORY 11	GENERAL FUND	CITY ENGINEER	3,203.75
	TRAFFIC ENGINEER 11/24	GENERAL FUND	CITY ENGINEER	10,772.00
	TE PLAN CHECK 11/24	GENERAL FUND	CITY ENGINEER	492.50
	CIP 23/24-03 MEAS Y ST 11/	GENERAL FUND	CAPITAL PROJECTS	3,281.75
	CIP 23/24-10 CC ROOF PROJ	GENERAL FUND	CAPITAL PROJECTS	1,315.00
	CIP 23/24-03 MEAS Y IMPROV	GENERAL FUND	CAPITAL PROJECTS	7,404.00
	CIP 23/24-03/1 MEAS Y ST 1	GENERAL FUND	CAPITAL PROJECTS	32,239.12
	BLOOMFIELD ATP 10/24	GENERAL FUND	CAPITAL PROJECTS	1,859.50
	LOS AL PMP UPGRADE 10/24	GENERAL FUND	CAPITAL PROJECTS	8,104.00
	CIP 22/23-04 LATV DEMO	GENERAL FUND	CAPITAL PROJECTS	212.00
	CIP 24/25-03 PINE ST DESIG	GENERAL FUND	CAPITAL PROJECTS	4,371.50
	CIP 24/25-04 BLOOMFIELD AT	GENERAL FUND	CAPITAL PROJECTS	1,594.00
	CIP 24/25-05 PINE ST DES 1	GENERAL FUND	CAPITAL PROJECTS	412.00
	CIP 24/25-04 MAPLE CDBG ST	C.D.B.G	CAPITAL PROJECTS	11,167.00
	CIP 24/25-04 MAPLE CDBG 11	C.D.B.G	CAPITAL PROJECTS	9,592.00
	SB1 24/25 STREET PROJECT	GAS TAX	CAPITAL PROJECTS	7,094.50
	SB1 24/25 STREET PROJECT 1	GAS TAX	CAPITAL PROJECTS	6,963.50
	CIP 23/24-02 MEAS Y ST IMP	MEASURE M	CAPITAL PROJECTS	3,445.25
	CIP 23/24-06 LOS AL STRIPI	MEASURE M	CAPITAL PROJECTS	3,576.00
	CIP 23/24-06 LOS AL STRIPI	MEASURE M	CAPITAL PROJECTS	336.00
	CIP 24/25-02 KATELLA AVE P	MEASURE M	CAPITAL PROJECTS	5,248.50
	CIP 24/25-07 KATELLA AVE 1	MEASURE M	CAPITAL PROJECTS	5,812.00
	CIP 23/24-10 CC ROOF PROJ	FACILITY CAPITAL E	CAPITAL PROJECTS	3,545.50
	CIP 23/24-01 CC ROOF 11/24	FACILITY CAPITAL E	CAPITAL PROJECTS	364.00
	GENERATOR PROJECT	FACILITY CAPITAL E	CAPITAL PROJECTS	374.00
	GENERATOR PROJ 11/24	FACILITY CAPITAL E	CAPITAL PROJECTS	1,597.38
			TOTAL:	228,165.92
WOODRUFF & SMART, APC	PROSECUTION SVCS 12/24	GENERAL FUND	CITY ATTORNEY	4,347.00
	GENERAL SVCS 12/24	GENERAL FUND	CITY ATTORNEY	30,909.00
	LITIGATION SVCS 12/24	GENERAL FUND	CITY ATTORNEY	360.00
			TOTAL:	35,616.00
YING LIU	WEEKEND OF ART PORTRAIT LI	GENERAL FUND	NON-DEPARTMENTAL	120.00
			TOTAL:	120.00

WARRANTS 02/2025

VENDOR NAME	DESCRIPTION	FUND	DEPARTMENT	AMOUNT
===== FUND TOTALS =====				
10	GENERAL FUND	992,505.45		
19	C.D.B.G	20,759.00		
20	GAS TAX	14,058.00		
26	MEASURE M	18,417.75		
50	GARAGE FUND	58,884.22		
52	FACILITY CAPITAL EXPENSES	145,594.46		
53	TECHNOLOGY REPLACEMENT	799.55		
54	SELF INSURANCE TRUST	8,483.53		
99	POOL CLEARING FUND	461.52		

	GRAND TOTAL:	1,259,963.48		

Retirees Medical Reimbursement

Date: February 1, 2025

Number of Transactions: 15

Total Batch: \$10,561.89

Payroll 2/14/25

-----DEPARTMENT RECAP-----								
DEPT NO#	GROSS	REGULAR	OVERTIME	LEAVE	OTHER	DEDUCTIONS	TAXES	NET
10-510 City Council	923.20	923.20	0.00	0.00	0.00	215.45	13.40	694.35
10-511 City Manager/ City Clerk	37,995.73	28,526.01	0.00	4,448.39	5,021.33	4,461.36	6,508.25	27,026.12
10-512 Finance	18,734.81	18,121.79	0.00	343.02	270.00	2190.90	2448.06	14,095.85
10-521 Police Administration	32,320.96	26,882.36	0.00	3,780.04	1,658.56	5,833.85	5,460.00	21,027.11
10-522 Police- Patrol	75,267.53	50,910.81	5,077.34	12,848.40	6,430.98	14,362.55	10,670.73	50,234.25
10-523 Police- Investigation	17,819.03	9,478.02	2,437.00	75.59	5,828.42	2,165.45	3,426.67	12,226.91
10-524 Police- Records	10,128.05	8,166.52	0.00	322.88	1,638.65	883.21	1,343.40	7,901.44
10-526 Police- Community Outreach	2,809.62	0.00	0.00	0.00	2,809.62	105.36	335.39	2,368.87
10-527 Police-Youth Programs	6,279.66	4,444.00	1113.46	0.00	722.20	1023.16	957.98	4,298.52
10-528 Police- Traffic	11,246.61	4031.20	1316.17	0.00	5,899.24	876.75	1642.73	8,727.13
10-531 Development Services- Administration	6,132.42	4,832.85	855.17	0.00	444.40	1,169.89	473.98	4,488.55
10-532 Development Services- Planning	37,878.78	28,705.56	0.00	1248.03	7925.19	3934.87	6637.64	27,306.27
10-533 Development Services- Neighborhood Preservation	4,399.60	3,019.80	0.00	1006.60	373.20	522.76	931.86	2,944.98
10-542 Development Services- Street Maintenance	6,449.96	2,963.20	250.02	0.00	3,236.74	371.96	843.58	5,234.42
10-544 Development Services- Facility Maintenance	25,298.66	20,318.80	638.64	2644.70	1696.52	3000.33	2809.22	19,489.11
10-545 Economic Development	3,012.51	2,404.00	608.51	0.00	0.00	187.24	246.55	2,578.72
10-551 Recreation Administration	46,810.91	35,600.85	276.55	4,276.75	6,656.76	5,607.81	7,122.32	34,080.78
10-556 Recreation- Sports	18,365.80	0.00	0.00	191.58	18,174.22	688.73	951.05	16,726.02
TOTALS	\$361,873.84	\$249,328.97	\$12,572.86	\$31,185.98	\$68,786.03	\$47,601.63	\$52,822.81	\$261,449.40

REGULAR INPUT: 128

MANUAL INPUT: 0

CHECK STUB COUNT: 0

DIRECT DEPOSIT STUB COUNT: 128

BENEFITS & WITHHOLDINGS

		Employee	Employer
Fed Taxes	Employee/ Employer (MediCare)	\$44,554.27	\$39,423.02
State Taxes	Employee	\$13,399.79	\$5,131.25
ICMA	Employee	\$3,841.10	
PD Association	Employee	\$1,466.77	
LosAl Employees Assoc	Employee	\$360.00	
Nationwide - Full Time	Employee	\$2,355.04	
Nationwide - PT	Employee/ Employer	\$3,410.42	\$1,705.21
PERS Deferred Comp	Employee	\$2,180.76	
PERS	Employee/ Employer	\$68,409.70	\$27,732.62
AFLAC	Employee	\$96,864.85	\$40,677.08
PERS Medical	Employee/ Employer	\$294.10	
Delta Dental PPO	Employer	\$4,756.50	
Delta Dental HMO	Employer	\$424.45	
VSP Vision	Employer	\$1,124.15	
Standard Self Admin	Employee/ Employer	\$2,374.20	
Standard Life Optional	Employee		
TOTALS		\$245,816.10	\$68,860.85
			\$47,513.54

DEDUCTION GRAND TOTALS

-----EARNINGS-----			-----DEDUCTIONS-----			-----TAXES-----				
DESC	HRS	AMOUNT	CD	ABBV	EMPLOYEE	EMPLOYER	DESC	TAXABLE	EMPLOYEE	EMPLOYER
REG	5306.67	\$249,328.97	125	I-125		\$1,363.06	FED W/H	\$ 317,924.84	\$ 34,291.77	
PTRG	1782.52	\$44,583.07	129	I-129		\$192.31	ST WH CA	\$ 317,924.84	\$ 13,399.79	
PHEO	112.58	\$3,660.74	AFP	AFLEPT		\$81.57	MEDI	\$ 353,880.01	\$ 5,131.25	\$ 5,131.25
OT	35.75	\$1,773.72	CMP	CLOAN		\$48.08				
OTS	104.32	\$9,803.17	CS1	CS-CO		\$230.76				
STBY	10.00	\$995.97	DC%	DCR%		\$107.83				
CAR	0.00	\$750.00	DC2	DCPR		\$400.00				
CELL	0.00	\$1,180.00	DCI	DCICM		\$1,970.00				
PFHC	0.00	\$3,375.44	DCM	DCICM			\$958.00			
SKIL	0.00	\$111.10	DCN	DCNW		\$2,355.04				
MEDR	0.00	\$7,775.00	DCP	DCPRS		\$1,780.76				
SPAS	0.00	\$1,625.96	DD1	DPFO1			\$420.75			
SPSK	0.00	\$138.06	DD2	DPFO2			\$253.80			
OCWD	0.00	\$350.00	DD3	DPFO3			\$697.95			
OCWE	0.00	\$200.00	DD4	DDMO1			\$46.26			
UNIF	0.00	\$225.00	DD5	DDMO2			\$13.89			
UNI2	0.00	\$75.00	DD6	DDMO3			\$102.75			
RTRO	0.00	\$650.28	DI%	DCI%		\$219.23				
ADML	13.00	\$825.41	DIS	DISAF		\$65.48				
COMP	39.00	\$1,782.32	DLI	DCLIC		\$586.04				
EAU	12.00	\$688.56	LEA	LAEAD		\$360.00				
EAA	60.00	\$0.00	LIF	LIFE		\$288.13				
COMA	43.63	\$0.00	LTD	A LTD		\$99.54				
FLHO	33.50	\$1,961.54	MED	MDINS		\$6,549.20	\$34,967.53			
SICK	354.17	\$15,820.72	PBB	FRSBB		\$481.97				
VAC	136.66	\$8,790.33	PN1	PEPME		\$8,232.30				
POST4	0.00	\$110.00	PN2	PEPMR			\$8,359.78			
POST6	0.00	\$300.00	PN3	PEPSE		\$9,747.24				
POST7	0.00	\$3,089.20	PN4	PEPSR			\$9,754.35			
POST8	0.00	\$282.18	POS	POAS		\$1,466.77				
POVA	49.89	\$1,317.10	PRO	PRM8		\$2,750.61				
BILI	0.00	\$250.00	PR2	PRSMR			\$10,444.34			
HOT	0.00	\$55.00	PR4	PRSSR			\$12,118.61			
			PR5	FRSB4		\$618.55				
			PR6	FRSAF		\$2,543.50				
			FR7	FRMB4		\$666.00				
			FR8	FRMAF		\$1,799.04				
			FR9	PRSCC		\$830.17				
			RTP	RT-PT		\$1,705.21	\$1,705.21			
			SUR	SURVI		\$63.24				
			VS1	VIS1			\$122.36			
			VS2	VIS2			\$68.67			
Totals	\$ 8,093.69	\$ 361,873.84			\$ 47,601.63	\$ 80,034.25		\$ 52,822.81	\$ 5,131.25	

Payroll 2/28/25

-----DEPARTMENT RECAP-----								
DEPT NO#	GROSS	REGULAR	OVERTIME	LEAVE	OTHER	DEDUCTIONS	TAXES	NET
10-510 City Council	923.20	923.20	0.00	0.00	0.00	215.45	13.40	694.35
10-511 City Manager/ City Clerk	47,396.01	24,381.25	0.00	14,243.35	8,771.41	4,458.85	5,453.50	37,483.66
10-512 Finance	18,614.80	16,156.70	0.00	0.00	2,458.10	2190.90	2420.72	14,003.18
10-521 Police Administration	32,200.96	24,904.32	0.00	1,925.28	5,371.36	5,833.85	5,426.68	20,940.43
10-522 Police- Patrol	86,524.90	51,611.40	16,816.72	12,147.80	5,948.98	14,337.23	13,733.28	58,454.39
10-523 Police- Investigation	15,281.59	9,553.60	534.16	0.00	5,193.83	2,144.82	2,599.18	10,537.59
10-524 Police- Records	9,796.25	6,029.90	192.35	1222.80	2,351.20	859.80	1,285.73	7,650.72
10-526 Police- Community Outreach	2,670.30	0.00	0.00	0.00	2,670.30	100.14	292.06	2,278.10
10-527 Police-Youth Programs	5,016.20	4,444.00	0.00	0.00	572.20	1002.53	555.87	3,457.80
10-528 Police- Traffic	11,570.24	4031.20	2211.63	0.00	5,327.41	855.31	1885.56	8,829.37
10-531 Development Services- Administration	5,628.30	4,832.85	351.05	0.00	444.40	1,169.89	348.53	4,109.88
10-532 Development Services- Planning	36,641.37	25,419.26	0.00	656.89	10565.22	3895.21	6444.16	26,302.00
10-533 Development Services- Neighborhood Preservation	4,281.57	3,523.10	255.17	0.00	503.30	495.30	900.96	2,885.31
10-542 Development Services- Street Maintenance	8,909.84	5,207.04	0.00	0.00	3,702.80	587.41	1,266.72	7,055.71
10-544 Development Services- Facility Maintenance	20,791.16	15,750.16	42.64	1033.96	3964.40	2641.96	2010.25	16,138.95
10-545 Economic Development	2,404.01	1,968.28	0.00	135.23	300.50	187.24	126.32	2,090.45
10-551 Recreation Administration	46,423.18	30,068.07	1241.57	4,919.69	10,193.85	5,600.99	7,196.93	33,625.26
10-556 Recreation- Sports	17,243.88	0.00	0.00	834.13	16,409.75	646.66	715.64	15,881.58
TOTALS	\$372,317.76	\$228,804.33	\$21,645.29	\$37,119.13	\$84,749.01	\$47,223.54	\$52,675.49	\$272,418.73

REGULAR INPUT: 127 MANUAL INPUT: 0

CHECK STUB COUNT: 0 DIRECT DEPOSIT STUB COUNT: 127

BENEFITS & WITHOLDINGS

		Employee	Employer
Fed Taxes	Employee/ Employer (MediCare)	\$43,116.00	\$37,830.97
State Taxes	Employee	\$14,844.52	\$5,285.03
ICMA	Employee	\$3,873.01	
PD Association	Employee	\$1,466.77	
LosAl Employees Assoc	Employee	\$360.00	
Nationwide - Full Time	Employee	\$2,355.04	
Nationwide - PT	Employee/ Employer	\$3,070.36	\$1,535.18
PERS Deferred Comp	Employee	\$2,180.76	
PERS	Employee/ Employer	\$68,224.33	\$27,653.67
AFLAC	Employee		
PERS Medical	Employee/ Employer		
Delta Dental PPO	Employer		
Delta Dental HMO	Employer		
VSP Vision	Employer		
Standard Self Admin	Employee/ Employer		
Standard Life Optional	Employee		
TOTALS		\$139,490.79	\$67,019.82
			\$47,390.87

DEDUCTION GRAND TOTALS

-----EARNINGS-----				-----DEDUCTIONS-----				-----TAXES-----			
DESC	HRS	AMOUNT	CD	ABBV	EMPLOYEE	EMPLOYER	DESC	TAXABLE	EMPLOYEE	EMPLOYER	
REG	4814.34	\$228,804.33	125	I-125	\$1,236.14		FED W/H	\$ 317,924.84	\$ 34,291.77		
PTRG	1624.58	\$39,848.41	129	I-129	\$192.31		ST WH CA	\$ 317,924.84	\$ 13,399.79		
PHEO	101.50	\$3,306.28	AFP	AFLEPT	\$81.57		MEDI	\$ 353,880.01	\$ 5,131.25	\$ 5,131.25	
HOL	482.00	\$23,607.38	CMP	CLOAN	\$48.08						
OT	33.38	\$1,731.73	CS1	CS-C0	\$230.76						
OTS	208.27	\$18,751.90	DC%	DCR%	\$107.83						
STBY	12.00	\$1,161.66	DC2	DCPR	\$400.00						
CAR	0.00	\$750.00	DCI	DCICM	\$1,970.00						
PPHC	0.00	\$3,375.44	DCM	DCICM		\$958.00					
SKIL	0.00	\$111.10	DCN	DCNW	\$2,355.04						
MEDR	0.00	\$7,775.00	DCP	DCPRS	\$1,780.76						
SPAS	0.00	\$1,625.96	DD1	DPPO1		\$420.75					
SPSK	0.00	\$138.06	DD2	DPPO2		\$253.80					
OCWD	0.00	\$315.00	DD3	DPPO3		\$697.95					
OCWE	0.00	\$250.00	DD4	DDMO1		\$46.26					
UNIF	0.00	\$200.00	DD5	DDMO2		\$13.89					
UN2	0.00	\$75.00	DD6	DDMO3		\$102.75					
ADML	30.00	\$1,865.00	DI%	DCI%	\$251.14						
COMP	62.83	\$2,719.21	DIS	DISAF	\$65.48						
EAU	66.00	\$3,675.42	DLI	DCLIC	\$586.04						
EAA	6.00	\$0.00	LEA	LAEAD	\$360.00						
COMA	78.75	\$0.00	LIF	LIFE	\$288.13						
FLHO	60.50	\$3,282.15	LTD	A LTD	\$99.54						
SICK	267.50	\$11,125.09	MED	MDINS	\$6,515.10	\$34,092.53					
VAC	110.58	\$4,680.26	FBB	FRSBB	\$481.97						
POST7	0.00	\$3,089.20	FN1	PEPME	\$8,237.19						
POST8	0.00	\$282.18	FN2	PEPMR		\$8,364.76					
POVA	80.00	\$9,772.00	FN3	PEPSE	\$9,690.86						
			FN4	PEPSR		\$9,697.93					
			POS	POAS	\$1,466.77						
			PRO	PRM8	\$2,750.61						
			PR2	PRSMR		\$10,389.36					
			PR4	PRSSR		\$12,118.61					
			PR5	PRSB4	\$618.55						
			PR6	PRSAF	\$2,543.50						
			PR7	PRMB4	\$666.00						
			PR8	PRMAF	\$1,771.58						
			PR9	PRSCC	\$830.17						
			RTP	RT-PT	\$1,535.18	\$1,535.18					
			SUR	SURVI	\$63.24						
			VS1	VIS1		\$122.36					
			VS2	VIS2		\$68.67					
			VS3	VIS3		\$164.64					
Totals	\$ 8,038.23	\$ 372,317.76			\$ 47,223.54	\$ 79,047.44		\$ 52,822.81	\$ 5,131.25		

MINUTES OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS

REGULAR MEETING Tuesday, February 18, 2025

1. CALL TO ORDER

The City Council met in Regular Session at 6:10 p.m., Tuesday, February 18, 2025, in the Council Chamber located at 3191 Katella Ave., Los Alamitos, CA 90720, Mayor Hasselbrink presiding.

2. ROLL CALL

Present: Council Members: Hibard, Loe, Nefulda
Mayor Pro Tem Doby, Mayor Hasselbrink

Absent: Council Members: None

Present: Staff: Chet Simmons, City Manager
Barbara Biscocho, Finance Manager
Michael Claborn, Chief of Police
Craig Covey, Orange County Fire Authority Battalion Chief
Michael S. Daudt, City Attorney
Kain Gallagher, Police Captain
Craig Koehler, Finance Director
Matthew Lightener, Management Analyst
Emeline Noda, Recreation and Community Services Director
Ron Noda, Development Services Director
Windmera Quintanar, MMC, City Clerk/Dir. of Communications

3. PLEDGE OF ALLEGIANCE

Mayor Pro Tem Doby led the Pledge of Allegiance.

4. INVOCATION

Council Member Hibard gave the Invocation.

5. PRESENTATIONS

Mayor Hasselbrink pulled item 5C forward.

C. Presentation of a Certificate to Kevin Babiera, owner of Donut Boss, in Recognition on Being Featured in the Mayor's Business Spotlight
Mayor Hasselbrink presented a certificate to Mr. Babiera. Mr. Babiera spoke briefly.

A. Presentation by Executive Director Howard Kummerman Regarding the Cypress College Americana Awards
Mr. Kummerman gave a PowerPoint presentation and introduced the Los

Alamitos honoree, Randy Hill.

B. Update on Recent Traffic Improvement Project by Development Services Director Noda

Director Noda gave a PowerPoint presentation and answered questions from the City Council. Council expressed support for reevaluating the striping at Los Alamitos Blvd. and Cerritos Ave.

6. ORAL COMMUNICATIONS

At this time, any individual in the audience may come forward to speak on any item within the subject matter jurisdiction of the City Council. Remarks are to be limited to not more than five minutes per speaker.

Dan Gallagher, resident and President of the Los Alamitos Senior Club, spoke regarding Senior Club monthly meetings.

Joe Hastie, resident, stated concern regarding the striping on Lexington and item 12C.

Cathie Salai, resident, stated concern for the turn lane at Los Alamitos Blvd. and Cerritos Ave., opposition to pursuing grant funding, and requested Council be proactive in getting information out to the public.

Beth Piburn, Rossmoor resident, stated concern regarding the striping on Los Alamitos Blvd. and e-bike safety.

Betty Bender, resident, stated concern regarding the striping on Los Alamitos Blvd. and Cerritos Ave., specifically the unsafe bike lane.

Woodcrest Resident stated concern regarding the left turn lane heading north on Los Alamitos Blvd. at Cerritos.

7. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to paragraph (1) of subdivision (d) of Section 54956.9 of the California Government Code: *Los Alamitos Luxury Apartments v. City of Los Alamitos*, Orange County Superior Court Case No. 30-2023-01309111-CU-BC-CJC.

City Attorney Daudt read the item aloud.

RECESS

City Council recessed into Closed Session at 7:26 p.m.

RECONVENE

City Council reconvened in Regular Session at 7:58 p.m.

City Attorney Daudt stated there was no reportable action.

8. UPDATES FROM THE MAYOR

At this time, the Mayor may report on items not specifically described on the Agenda that are of interest to the community, provided no action or discussion is taken.

Mayor Hasselbrink spoke regarding The Los Al Loop newsletter, the upcoming Race on the Base, and the Weekend of Art. She reported attendance at the League of California Cities (LOCC) Community Services Committee in Sacramento, Good Evening Los Alamitos, Senior Advisory Committee, Los Alamitos Education Foundation fundraiser, Labourdette Park Groundbreaking, Budget Standing Committee, Citizen Academy hosted by the Police Department, Commissioner Appreciation Dinner, and, the LOCC Veterans roundtable. She requested a future discussion item to expand the scope of the Personnel Appeals Commission.

9. UPDATES FROM THE CITY STAFF

At this time, City Staff may also report on items not specifically described on the Agenda that are of interest to the community, provided no action or discussion is taken except.

City Manager Simmons thanked staff for the successful distribution of the first edition of The Los Al Loop. Mayor Hasselbrink added it's a great way to keep up to date with what's happening in the City.

10. WARRANTS

A. Warrants (Finance)

The attached Warrant Register contains checks and electronic funds transfers for the period from January 1, 2025, to January 31, 2025.

Motion/Second: Doby/Nefulda

Unanimously Carried: The City Council ratified the Warrants from January 1, 2025, to January 31, 2025, for \$3,151,330.00.

Roll Call

Mayor Hasselbrink	Aye
Mayor Pro Tem Doby	Aye
Council Member Hibard	Aye
Council Member Loe	Aye
Council Member Nefulda	Aye

11. **CONSENT CALENDAR**

All Consent Calendar items may be acted upon by one motion unless a Council Member requests separate action on a specific item.

Mayor Pro Tem Doby pulled items 11G and 11I.

Motion/Second: Doby/Hasselbrink

Unanimously Carried: The City Council approved the following Consent Calendar Items:

A. Approval of Minutes (Administration)

Approved the City Council Regular Minutes of January 21, 2025.

B. Annual Update of the Records Management Program (Administration)

In October 2015, the City Council adopted the City-wide Records Management Program. Part of this Program included a day dedicated to records management and annual updates to the retention schedule. This item recommends changes to the policy to ensure continued success of the program.

The City Council adopted Resolution 2025-03, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ADOPTING A RECORDS MANAGEMENT PROGRAM AND REPEALING RESOLUTION NO. 2024-07 IN ITS ENTIRETY".

C. Ordinance 2025-01 - E-Conveyances Relating to Vehicles such as E-Bikes (Police)

Like many other cities in Orange County, Los Alamitos has experienced a notable increase in the number of electric bicycles in the community. Both law enforcement and residents have encountered significant safety concerns related to E-bike use. A recent investigation by the Orange County Grand Jury highlighted an urgent need for consistent ordinances to regulate and enforce safe E-bike practices across cities, school districts, parks, and unincorporated areas. City Council Introduced for first reading, read by title only, waived further reading of Ordinance No. 2025-01 at the January 21, 2025 Regular Council Meeting.

The City Council adopted Ordinance No. 2025-01, entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ADDING CHAPTER 10.45 (E- CONVEYANCES) TO TITLE 10 OF THE LOS ALAMITOS MUNICIPAL CODE RELATING TO VEHICLES SUCH AS E-BIKES".

D. Ordinance 2025-02 - Informal Bidding - Public Works (Development Services)

This item recommends adoption of an ordinance establishing informal

bidding policies and procedures for public works projects involving an expenditure at or below the \$125,000 formal bidding threshold set forth in Section 1206 of the City Charter. City Council Introduced for first reading, read by title only, waived further reading of Ordinance No. 2025-02 at the January 21, 2025 Regular Council Meeting.

The City Council adopted Ordinance No. 2025-02, entitled, "An ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ADDING CHAPTER 2.62 (INFORMAL BIDDING – PUBLIC WORKS) TO THE LOS ALAMITOS MUNICIPAL CODE."

E. Ordinance 2025-03 - Lobbyist Registration and Reporting (Administration)

This item recommends adoption of an ordinance establishing lobbyist registration and reporting policies, procedures and regulations to implement Section 505 of the City Charter. City Council Introduced for first reading, read by title only, waived further reading of Ordinance No. 2025-03 at the January 21, 2025 Regular Council Meeting.

The City Council adopted Ordinance No. 2025-03, entitled, "An ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ADDING CHAPTER 2.58 (LOBBYIST REGISTRATION AND REPORTING) TO THE LOS ALAMITOS MUNICIPAL CODE."

F. Ordinance 2025-04 - Commission Membership (Administration)

The City of Los Alamitos has four commissions, which consist of Parks, Recreation, and Cultural Arts, Personnel Appeals, Planning, and Traffic. Excluding the Personnel Appeals Commission, these commissions consist of seven members. This item proposes reducing the membership to five, consistent with the makeup of the City Council and Personnel Appeals Commission. City Council Introduced for first reading, read by title only, waived further reading of Ordinance No. 2025-04 at the January 21, 2025 Regular Council Meeting.

The City Council adopted Ordinance No. 2025-04, entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ESTABLISHING A FIVE- PERSON MEMBERSHIP FOR CITY COMMISSIONS AND BOARDS".

H. Treasurer's Quarterly Investment Report – December 2024 (Finance)

The item for City Council consideration is receipt of the Treasurer's Quarterly Investment Report.

The City Council adopted received and filed the Treasurer's Quarterly Investment Report – December 2024.

J. Authorization to Approve and Release a Request for Proposals (RFP) for Storm Drain Catch Basin and Lift Station Maintenance (RFP 2025-09) (Development Services)

This item recommends approving and releasing a Request for Proposals (RFP 2025- 09) for Catch Basin and Lift Station Maintenance.

The City Council approved and release the RFP 2025-09 for Catch Basin and Lift Station Maintenance.

K. Approval of Plans and Specifications for Striping Improvements on Katella Avenue (CIP 24/25-07) (Development Services)

Striping and pavement markings assist in maintaining safe, up-to-date standards that comply with current Federal and State guidelines. This item requests the approval of plans to be noticed and to authorize staff to solicit and receive bids for completion of the project.

The City Council:

1. Approved the plans and specifications for the Striping Improvements on Katella Avenue (CIP 24/25-07) project; and,
2. Authorized Staff to advertise and solicit bid proposals

L. Notice of Completion (NOC) for the Los Alamitos Police Department Vehicle Canopy Project (CIP No. 23/24-07) (Development Services)

The Los Alamitos Police Department Vehicle Canopy Project (CIP No. 23/24-07) has been completed. It is recommended that City Council accept the work as completed and direct filing of the Notice of Completion (NOC).

The City Council:

1. Accepted the completion of construction by Buckley Building, Inc., DBA Outdoor Shade Concepts for Los Alamitos Police Department Vehicle Canopy Project (CIP No. 23/24-07); and,
2. Authorized the City Clerk to record the Notice of Completion/Final Report with the County Recorder's Office.

End Consent Calendar

Items Pulled from Consent Calendar

G. City Council Travel and Reimbursement Policy (Administration)

This item updates the Travel Policy specific to City Council and Appointed Officials.

City Manager Simmons summarized the Staff report. Council and Staff discussed recent concerns with safety and the most economical mode of travel.

Motion/Second: Doby/Nefulda

Unanimously Carried: The City Council adopted the revised Administrative Regulation 6.2 City Council Travel and Reimbursement Policy.

I. Neighborhood Name Change – Apartment Row to Midtown (Development Services)

This item proposed renaming the “Apartment Row” neighborhood to “Midtown”.

Director Noda summarized the Staff report. Mayor Pro Tem Doby stated her support.

Motion/Second: Doby/Hasselbrink

Unanimously Carried: The City Council adopted Resolution No. 2025-06, entitled, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING RENAMING THE “APARTMENT ROW” NEIGHBORHOOD TO “MIDTOWN,” AS BOUND BY LEXINGTON DRIVE ON THE EAST, FARQUHAR AVENUE ON THE SOUTH, THE EDGE OF THE TOWN CENTER MIXED USE ZONE ON THE WEST, AND THE KATELLA AVENUE/GREEN AVENUE ALLEY ON THE NORTH.”

12. DISCUSSION ITEM

Mayor Hasselbrink pulled item 12B forward.

B. Adoption of the Senior Services Master Plan (Recreation)

This item for Council consideration is an update on the Senior Services Master Plan project approved at the October 16, 2023 Regular Council meeting. A draft Senior Services Master Plan report is provided.

City Manager Simmons and Recreation and Community Services Director Noda introduced the item. Jennifer Siseov, Recreation Manager, summarized the staff report. She introduced Dr. Melanie Horn Mallers and Dr. Laura Zettel-Watson of Gerofusion.

Council and Staff discussed the following:

- Support for taking care of the senior population
- Concern for balancing providing for our youth and seniors
- Support for bringing our youth and seniors together and caution for intergenerational programming
- Numerous non-profit organizations in the City that serve the whole

family

- Potential grant funding for senior populations
- Potential to create a holistic environment of support for all residents well being
- Macro and micro opportunities for long-term benefits to the community
- Los Alamitos is defined by its town feel with support for individualism
- Los Alamitos is able to plan for the future due to its smaller population and lack of big City concerns such as homelessness and increased crime
- Dan Gallagher, resident and Senior Club President, shared his positive experience in Los Alamitos
- Encouragement to care for your older adults
- Los Alamitos Community Foundation supports the Senior Services Master Plan

Motion/Second: Doby/Nefulda

Unanimously Carried: The City Council adopted Resolution No. 2025-04, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ADOPTING THE CITY OF LOS ALAMITOS SENIOR SERVICES MASTER PLAN DATED FEBRUARY 18, 2025".

A. Mid-Year General Fund Budget Review and Financial Update for Fiscal Year 2024-25 (Finance)

This report provides the Council with a review of the Mid-Year General Fund budget for the Fiscal Year 2024-25 and a projection for the fiscal year ending June 30, 2025.

City Manager Simmons introduced the item. Finance Director Koehler summarized the staff report and gave a PowerPoint presentation.

Council and Staff discussed the following:

- Business License compliance is continually monitored by third-party partner HDL with a goal of 100% compliance
- Cost recover for credit card fees will be included in the upcoming cost recover proposal
- Information Technology (IT) fund includes computer replacement, software, Automated License Plate Readers, cyber security, etc.

Motion/Second: Doby/Hibard

Unanimously Carried: The City Council:

1. Reviewed the Mid-year General Fund budget for the Fiscal Year 2024-25 and the projection for the Fiscal Year ending June 30, 2025; and,

2. Approved the following mid-year appropriation requests:

Additional Appropriations FY24-25				
	Budget	CC Approval	Additional	
General Fund				
City Attorney	226,000		60,000	Higher costs for legal services for litigation and other legal matters
Development Services	5,695,455	11/18/24	332,000	Modular Building Purchase
		11/18/24	155,000	City Access Control System
Non-departmental	1,490,500		124,000	Higher contractual costs
				(Animal Cntl \$37K, Cell \$36K, Lease costs \$19K, CC fees \$32K)
Subtotal General Fund			671,000	
Other Funds				
Fund 50 (Vehicle Equip Repl)	500,000		200,000	Higher projected operational costs
Fund 52 (Facility Street Park)	-	10/23/23	675,000	Expenditures for Comm Ctr Roof - FEMA reimbursed
Fund 53 Tech Repl (funded GF)	200,000	(11/20/23)	200,000	Expenditures for equipment (ALPR \$33K), software and higher service contract costs for cyber security breach
Subtotal Other Funds			1,075,000	
Total Additional Appropriations			\$ 1,746,000	

C. Annual Retention Goals & Performance Achievement Bonus for Executive Management and Middle Management Non-Represented Employees (Administration)

This report recommends the adoption of a resolution adding Section 32 (Annual Retention Goals & Performance Achievement Bonus) to the Salary and Benefits Resolution for Non-Represented Employees.

City Manager Simmons summarized the Staff report.

Motion/Second: Doby/Nefulda

Unanimously Carried: The City Council adopted Resolution No. 2025-05, entitled, "A RESOLUTION OF THE CITY COUNCIL OF CITY OF LOS ALAMITOS, CALIFORNIA, ADDING SECTION 32 (ANNUAL RETENTION GOALS & PERFORMANCE ACHIEVEMENT BONUS) TO THE SALARY AND BENEFIT RESOLUTION FOR NON-REPRESENTED EMPLOYEES."

13. COUNCIL ANNOUNCEMENTS

At this time, Council Members may also report on items not specifically described on the Agenda that are of interest to the community, provided no action or discussion is taken except to provide Staff direction to report back or to place the item on a future Agenda.

Council Member Hibbard spoke regarding joining the Daughters of the American Revolution, attendance at the Rotary Valentine Lunch, Labourdette Park Ribbon Cutting, Stern's Park Ribbon Cutting, and the Los Alamitos Education Foundation fundraiser. She stated she had posted her salary on her webpage.

Council Member Nefulda spoke regarding attendance at the Commissioner Appreciation Dinner, Stern's Park Ribbon Cutting, Orange County Sanitation District Board meeting, and advised of the upcoming wastewater 101 Citizen

program.

Council Member Loe spoke regarding attendance at Good Evening, Los Alamitos!, LOCC Annual Conference, Labourdette Park Ribbon Cutting, Commissioner Appreciation Dinner, and Stern's Park Ribbon Cutting.

Mayor Pro Tem Doby spoke regarding attendance at the Labourdette Park Ribbon Cutting, Stern's Park Ribbon Cutting, the Los Alamitos Education Foundation fundraiser, Board meetings for her appointed boards, Good Evening, Los Alamitos!, and LOCC Committee meeting for Community Economic Development and Housing.

14. ADJOURNMENT

The City Council adjourned at 9:33 p.m. to Monday, March 24, 2025, at 6:00 p.m.

Shelley Hasselbrink, Mayor

Attest:

Windmera Quintanar, MMC, City Clerk

City of Los Alamitos

CITY COUNCIL AGENDA REPORT

MEETING DATE: March 24, 2025

ITEM NUMBER: 11B

To: Mayor Shelley Hasselbrink & Members of the City Council

Presented By: Craig Koehler, Director of Finance

Subject: Annual Comprehensive Financial Report for June 30, 2024

SUMMARY

The fiscal year 2023-24 audit reports are presented for the Council's receipt and consideration.

RECOMMENDATION

Receive and file the fiscal year 2023-24 audit reports.

BACKGROUND

Each year an independent audit of the City is conducted in conformity with *generally accepted auditing standards* (GAAS). Those standards require that an independent Certified Public Accountant plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The auditor also expresses an opinion on the fairness of the presentation of the financial position and the results of operations of the government's basic financial statements in conformity with *generally accepted accounting principles* (GAAP).

DISCUSSION

The Government Finance Officers Association (GFOA) awarded the City a Certificate of Achievement for Excellence in Financial Reporting for its annual comprehensive financial report (ACFR) for the fiscal year ending June 30, 2023. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The award is valid for a period of one year only. Staff believes the current fiscal year 2023-24 ACFR continues to meet the award program's requirements and will be submitted again to the GFOA. In connection with this year's audit, this is the second year that Rogers, Anderson, Malody & Scott (RAMS) has audited the City's financial records. Report review included internal staff and additional reviews by the audit firm's partners. The results of the audit were also communicated to the Budget Standing Committee.

The resulting audit report, Financial Statements - Annual Comprehensive Financial Report (ACFR), is attached, along with the accompanying letters: Auditor's Management Comment Letter (GAGAS), Report on Internal Controls, and Communication (SAAS 114), which includes the City Management's Representation Letter.

Management Comment Letter (GAGAS)

The audit noted two findings that were related to and carried over from the prior year. Due to

the vacancy of the Finance Manager for most of the year, interim staffing had to be relied upon, which led to inconsistencies in the application of accounting processes. Following the hiring of a Finance Manager in mid-November, transition and training were limited in the midst of the audit that was already underway. These areas have been prioritized and included in the Finance Manager's responsibilities in managing the audit processes.

Report on Internal Controls (SAAS 114)

Management corrected any misstatements, as noted in Attachment A. In addition, Management's Representations are presented in the attached letter to RAMS dated March 3, 2025.

FISCAL IMPACT

None.

- Attachment:
1. Annual Comprehensive Financial Report - FY Ending June 30, 2024
 2. Management Comment Letter (GAGAS) - Los Alamitos
 3. Report on Internal Controls (SAS 114) - Los Alamitos



ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

FISCAL YEAR ENDED JUNE 30, 2024

City of Los Alamitos

Los Alamitos, California

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Prepared by the
Finance Department of Los Alamitos

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**Annual Comprehensive Financial Report
For the Year Ended June 30, 2024**

TABLE OF CONTENTS

INTRODUCTORY SECTION (UNAUDITED):

Letter of Transmittal	i
Organization Chart	v
Principal Officials of the City of Los Alamitos	vi
Certificate of Achievement for Excellence in Financial Reporting – Government Finance Officers Association	vii

FINANCIAL SECTION:

Independent Auditor's Report on Financial Statements	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	15
Fund Financial Statements:	
Governmental Funds Financial Statements:	
Balance Sheet	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Government-wide Statement of Net Activities	20
Proprietary Fund Financial Statements:	
Statement of Net Position	21
Statement of Revenues, Expenses, and Changes in Net Position	22
Statement of Cash Flows	23
Notes to the Basic Financial Statements	24
Required Supplementary Information:	
Budgetary Comparison Schedule - General Fund	68
Notes to the Budgetary Comparison Schedule	69
Schedule of the City's Proportionate Share of the Total Pension Liability and Related Ratios – Miscellaneous	71
Schedule of the City's Proportionate Share of the Total Pension Liability and Related Ratios – Safety	72
Schedule of Contributions – Pension - Miscellaneous	73
Schedule of Contributions – Pension - Safety	74
Schedule of Changes in the Net OPEB Liability and Related Ratios	75

TABLE OF CONTENTS, (Continued)

FINANCIAL SECTION, (CONTINUED):

Supplementary Information:

Nonmajor Governmental Funds:

Combining Balance Sheet 76

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 80

Schedule of Revenues, Expenditures, and Changes in Fund Balance –

Budget and Actual:

Nonmajor Special Revenue Funds:

Community Development Block Grant 84

Measure M 85

Los Alamitos Television 86

Office of Traffic Safety 87

Asset Seizure 88

Public Safety Augmentation 89

State Law Enforcement Agency 90

Air Quality 91

State Gas Tax 92

Nonmajor Capital Project Funds:

Park Development 93

Building Improvement 94

Residential Streets/Alleys 95

Traffic Improvement 96

Nonmajor Debt Service Fund:

Debt Service 97

Internal Service Funds:

Combining Statement of Net Position 98

Combining Statement of Revenues, Expenses, and Changes in Net Position 99

Combining Statement of Cash Flows 100

TABLE OF CONTENTS, (Continued)

STATISTICAL SECTION (Unaudited):

Net Position by Component Last Ten Fiscal Years	101
Changes in Net Position Last Ten Fiscal Years	102
Fund Balances of Governmental Funds Last Ten Fiscal Years	104
Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years	106
2023/24 Use Category Summary – Basic Property Value Table Last Ten Fiscal Years	108
Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years ..	110
Direct and Overlapping Property Tax Rates Last Ten Fiscal Years	111
Principal Property Taxpayers Current Year and Ten Years Ago	113
Property Tax Levies and Collections Last Ten Fiscal Years	114
Ratio of Outstanding Debt by Type Last Ten Fiscal Years	115
Direct and Overlapping Governmental Activity Debt	116
Legal Debt Margin Information	117
Demographic and Economic Statistics	118
Full-Time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years	119
Operating Indicators by Function/Program Last Ten Fiscal Years	120
Capital Asset Statistics by Function/Program Last Ten Fiscal Years	122
Top 10 Businesses for Fiscal Year 2023/24	123
Principal Employers Current and Ten Years Ago	124

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March 3, 2025

HONORABLE MAYOR, MEMBERS OF THE CITY COUNCIL, AND CITIZENS

I am pleased to submit the City of Los Alamitos, California's (the City) Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2024.

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

The City's financial statements have been audited by Rogers, Anderson, Malody & Scott, LLP, a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2024. The independent auditor's report is presented as the first component of the financial section of this report.

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

City of Los Alamitos Profile

The City of Los Alamitos, which has a population of 11,947, is 4.3 square miles and is in the northwest of Orange County. The City is strategically located in Southern California, 30 miles from downtown Los Angeles and 10 miles from Anaheim. The City is 10 miles northeast of the seaport terminal of Long Beach, and 13 miles northeast of the Port of Los Angeles. Neighboring communities include Long Beach, Seal Beach, Cypress, and Garden Grove.

The City of Los Alamitos is a Charter City and was incorporated on March 1, 1960. The City has a Council-Manager form of government. The City Council comprises five members elected bi-annually to four-year alternating terms. The City Council annually elects a Mayor from its members. The City Council appoints the City Manager, who is responsible for the day-to-day administration and management of City business within all City departments. The City of Los Alamitos employs a staff of forty-eight budgeted full-time employees. The City has contracts with Woodruff & Smart for city attorney services and Liebert Cassidy Whitmore for legal services related to labor and employment law.

The City of Los Alamitos provides many services, including police protection, construction and maintenance of streets and other infrastructure, public improvements, planning and zoning, economic development, recreational activities and cultural events, and general administrative and support services.

The annual budget serves as the foundation for the City's financial planning and control. The City Council holds public hearings and adopts an annual budget resolution for all funds. Adoption of the annual budget must occur prior to the conclusion of the prior fiscal year. The City Council may modify appropriations with majority approval. The budgets are adopted and presented on a basis consistent with generally accepted accounting principles.

Changes in budget appropriations at the fund level during the year must be approved by the City Council. The legal level of expenditures is controlled at the department level and appropriations lapse at the end of each fiscal year unless encumbered for re-appropriation by the City Council in the following fiscal year. The City Manager may, without Council approval, amend individual line items within any department and between divisions and programs in the personnel costs, maintenance and operations, capital outlay, and capital projects portions of the budget without increasing total appropriations for any fund.

Budget Overview/Economic Outlook

A conservative approach was used in preparing this year's biennial budget, which included information gathered from various sources, including HdL, Beacon Economics, and the U.S. Treasury. According to economists at UCLA School of Management, the forecast is for slow growth for the next few years, tempered by inflation and additional interest rate moves by the U.S. Treasury. Other factors remain in play, including the presidential election in November and larger-scale ongoing geopolitical risks.

Although circumstances may threaten the City's financial position in the future, including high interest rates, uncertainty in financial institutions, and a potential recession, the City's current financial position remains stable, and we anticipate our revenues to trend favorably for the foreseeable future. While we remain hopeful and optimistic, staff will continue to monitor the revenues and any adverse fluctuations in anticipated trends.

The Fiscal Year 2024-25 annual operating budget is balanced with operating revenues of \$24,056,833 and operating expenditures of \$23,126,050, resulting in a surplus. General fund balance reserves are projected to be \$21,004,143 on June 30, 2025. The City Council reviews its Fund Balance Policy once the books have been closed for the prior year. The current reserve includes \$3,400,000 for CalPERS reserves and \$500,000 for other post-employment benefits (OPEB).

Long-Term Financial Planning and Major Initiatives

A report was taken to the Council in November 2022 for a plan to pay down the PERS unfunded liability. Council adopted Resolution 2022-33, adopting the PERS Unfunded Accrued Liability Pay-Down Funding Policy. The policy establishes directives for an Additional Discretionary Payment (ADP) of at least \$260,000 to address the City's current PERS Unfunded Actuarial (UAL) and includes the same \$260,000 in subsequent budgets.

Additionally, upon completion of the City's annual independent financial audit, should a surplus be identified and verified, at least 25% of the identified and verified surplus will be used to make an additional ADP payment. This payment is in addition to and does not support the already directed \$260,000 annual payment. Any change to or rescission of this policy would require an action approved by the City Council during a public hearing and a finding of extreme financial danger to the City's infrastructure or public safety.

In November 2023, the City Council approved funding a Section 115 Trust with monthly installments of \$50,000 to reduce the City's PERS UAL further. Payments to fund the trust will be offset by an equal reduction to the City's CalPERS Reserve. The approved policies will allow the City to fund 100% of the unfunded portion of the pension liability (UAL) within 12 years or less. This undertaking will be reported annually so the Council can monitor the plan's progress and make adjustments as the plan progresses.

Capital Improvements

There was a significant influx of new projects during FY23-24. Infrastructure repairs were initiated on the City's Civic Center buildings. This will be largely offset by reimbursement through the Federal Emergency Management Agency (FEMA) funding. The allocated funds will be utilized to address recent storm damage that has affected the Civic Center and other facilities, enabling necessary repairs and upgrades.

In addition, new funding has been earmarked for projects funded by the Road Repair and Accountability Act of 2017 (SB1) and Gas Tax, Orange County Transportation Authority (OCTA) Measure M-2, and other grants secured through Community Development Block Grant (CDBG) and Parks and Water Bond Act of 2018 (Proposition 68). Most of the remaining CIP is pending (carried over) from the FY23-24 budget and will be funded from surplus

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded the City a Certificate of Achievement for Excellence in Financial Reporting for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. The City received this award for publishing an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements.

This award is valid for a period of one year only. We believe that our current ACFR continues to meet the Program's requirements, and we are submitting it to the GFOA again this year.

The preparation and publication of this report would not have been possible without the dedication, professionalism, and teamwork of the entire staff of the Finance Department. The City Council has continued to extend its support to the Finance Department in the planning of responsible and progressive financial operations. We want to thank the Mayor and the City Council for their continued support in maintaining the highest standards of professionalism in managing the City's finances.

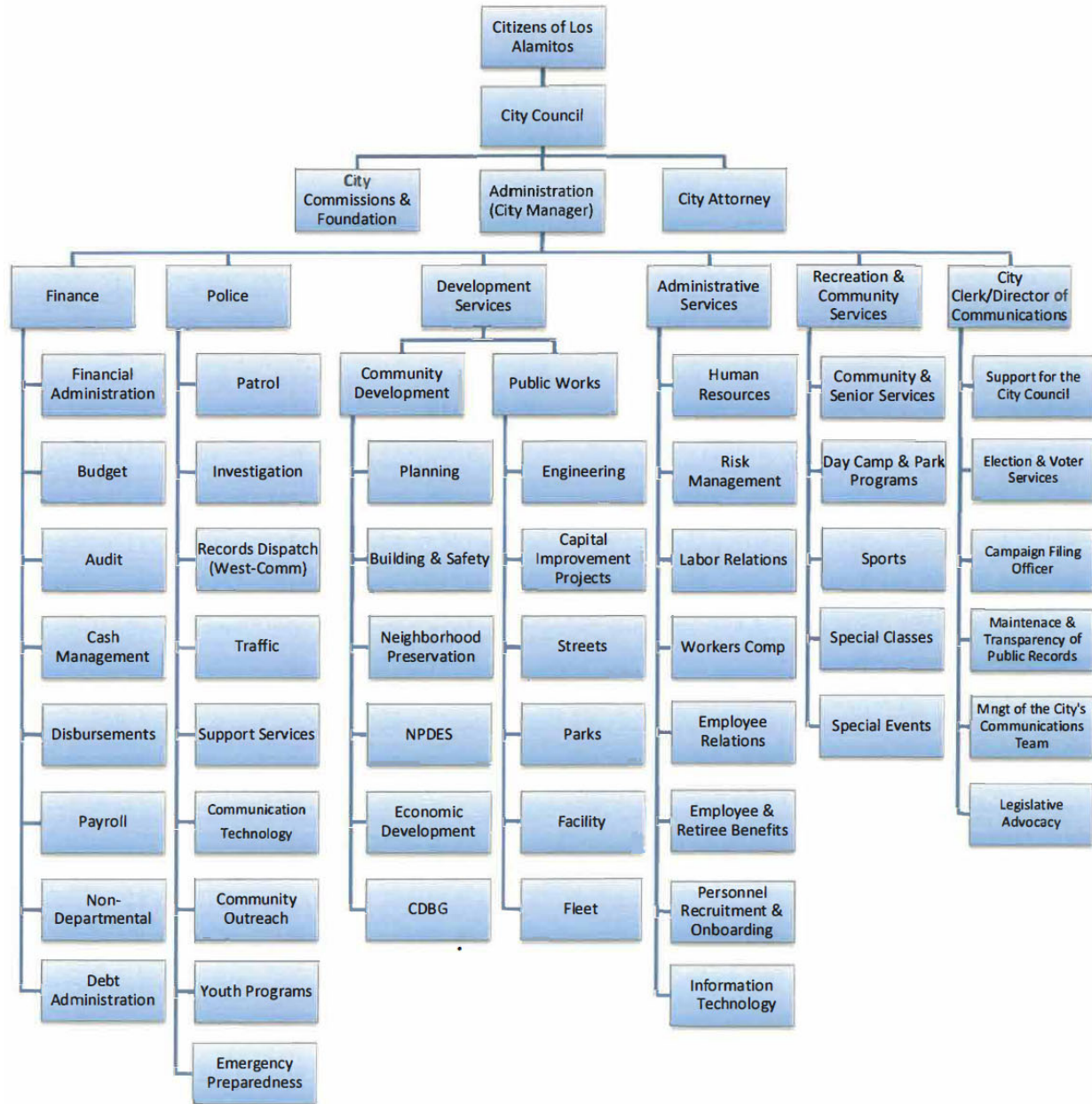
Respectfully submitted,



Craig Koehler
Finance Director, City Treasurer

CITY OF LOS ALAMITOS

Organization



City of Los Alamitos

List of Principal Officials

June 30, 2024

City Council

Mayor
Mayor Pro Tem
Council Member
Council Member
Council Member

Jordan Nefulda
Shelley Hasselbrink
Tanya Doby
Emily Hibard
Trisha Murphy

Appointed Officials

City Manager
City Attorney
City Clerk

Chet Simmons
Michael S. Daudt
Windmera Quintanar

Executive Management

City Engineer
Administrative Services Manager
Finance Director
Recreation and Community Services Director
Development Services Director
Chief of Police

Chris Kelly
Chelsi Wilson
Craig Koehler
Emeline Noda
Ron Noda
Michael Claborn



Government Finance Officers Association

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

Presented to

**City of Los Alamitos
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

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CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

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Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
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Monica Wysocki, CPA
Jacob Weatherbie, CPA, MSA
Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

MEMBERS

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Certified Public Accountants

PCPS The AICPA Alliance
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Governmental Audit
Quality Center

California Society of
Certified Public Accountants

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Los Alamitos, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Los Alamitos (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Emphasis of Matter

As described in Note 1 to the financial statements during the year ended June 30, 2024, the City adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and the nonmajor fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report/annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
March 3, 2025

**Management's Discussion and Analysis
For the Year Ended June 30, 2024**

The management of the City of Los Alamitos ("City") offers readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that is provided in our letter of transmittal, which can be found in the introductory section of this report and with the City's financial statements. The presentation of the City's financial data in this analysis and statements will differ from the City's budget, in that the analysis and statements are required to follow the Generally Accepted Accounting Principles (GAAP), whereas the City's budget is an operational financial plan for the upcoming fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and deferred outflows, and liabilities and deferred inflows, with the difference between being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, community development, recreation and community services, and public works. The City has no business-type activities.

The Governmental Activities are presented on the accrual basis of accounting, a basis of accounting that differs from the modified accrual basis of accounting used in presenting governmental fund financial statements. Note 1 of the Notes to the Basic Financial Statements fully describe these bases of accounting.

**Management's Discussion and Analysis
For the Year Ended June 30, 2024**

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds. Proprietary funds are used to account for activities where the City needs to show the full costs of providing the services, including depreciation. The City maintains seven internal service funds.

The City uses internal service funds to account for its self-insured insurance programs, fleet of vehicles, equipment, technology upgrades and replacements and other capital related activities. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements. Internal service funds are presented as proprietary funds because internal service funds follow the accrual basis of accounting.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

City of Los Alamitos

Management's Discussion and Analysis For the Year Ended June 30, 2024

Combining statements. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes.

Government-wide Financial Analysis

The tables below focus on the net position and changes in net position of the City's governmental activities.

CITY OF LOS ALAMITOS		
Net Position		
	Governmental Activities	
	2024	2023
Current and other assets	\$ 29,402,226	\$ 28,476,201
Capital assets	26,231,544	22,556,719
Total assets	55,633,770	51,032,920
Deferred outflows of resources	11,371,719	13,079,352
Current liabilities	5,283,678	6,802,935
Noncurrent liabilities:		
Long-term debt	4,011,952	4,022,074
Total pension liability	27,303,254	25,577,351
Total OPEB liability	6,032,116	5,307,449
Total liabilities	42,631,000	41,709,809
Deferred inflows of resources	3,283,092	4,912,541
Net position:		
Net investment in capital assets	22,099,089	17,439,434
Restricted	2,434,219	1,949,699
Unrestricted	(3,441,911)	(1,899,211)
Total net position	\$ 21,091,397	\$ 17,489,922

The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$21,091,397 as of June 30, 2024, an increase of \$3,601,475 from June 30, 2023.

The largest portion of the City's net position reflects its investment in capital assets (i.e., land, buildings, machinery, equipment and infrastructure), net of any related debt that is still outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Unrestricted net position had a deficit balance of \$3,441,911 million as of June 30, 2024, which relates to the City's net pension liability and OPEB liability.

City of Los Alamitos

Management's Discussion and Analysis For the Year Ended June 30, 2024

The City has set-aside \$3.1 million for its unfunded pension liability and \$500,000 for its OPEB liability. However, funding commenced in FY 23/24 towards the unfunded pension liability since these funds are held in an irrevocable trust the net pension liability has been reduced to account for these funds that have been set aside. A condensed summary of activities for the period ended June 30, 2024, and the prior fiscal year is illustrated in the table below.

CITY OF LOS ALAMITOS		
Changes in Net Position		
	Governmental Activities	
	2024	2023
Revenues		
Program revenues:		
Charges for services	\$ 2,893,686	\$ 2,493,433
Operating grants and contributions	1,824,455	1,071,181
Capital grants and contributions	374,517	263,947
General revenues:		
Taxes:		
Property taxes	5,301,333	5,067,346
Utility users tax	2,830,000	2,307,629
Transit occupancy tax	598,038	634,856
Sales taxes	9,631,764	10,718,253
Franchise fees	881,552	861,364
Business license tax	1,141,082	630,887
Other taxes	803,180	671,064
Investment income	1,243,392	(131,935)
Other	131,318	131,111
Total revenues	27,654,317	24,719,136
Expenses		
General government	4,743,816	3,616,887
Public safety	10,882,280	8,823,526
Community development	2,608,160	2,121,209
Recreation and community services	3,266,933	2,808,658
Public works	2,360,372	3,333,005
Interest on long-term debt	191,281	226,933
Total expenditures	24,052,842	20,930,218
Change in net position	3,601,475	3,788,918
Net position, beginning, as restated	17,489,922	13,701,004
Net position, ending	\$ 21,091,397	\$ 17,489,922

Management's Discussion and Analysis
For the Year Ended June 30, 2024

Governmental Activities. Governmental activities increased the City's net position by \$3,601,475 compared to a net increase of \$3,788,918 in the prior year. Key elements of this year's activity in relation to the prior year are as follows:

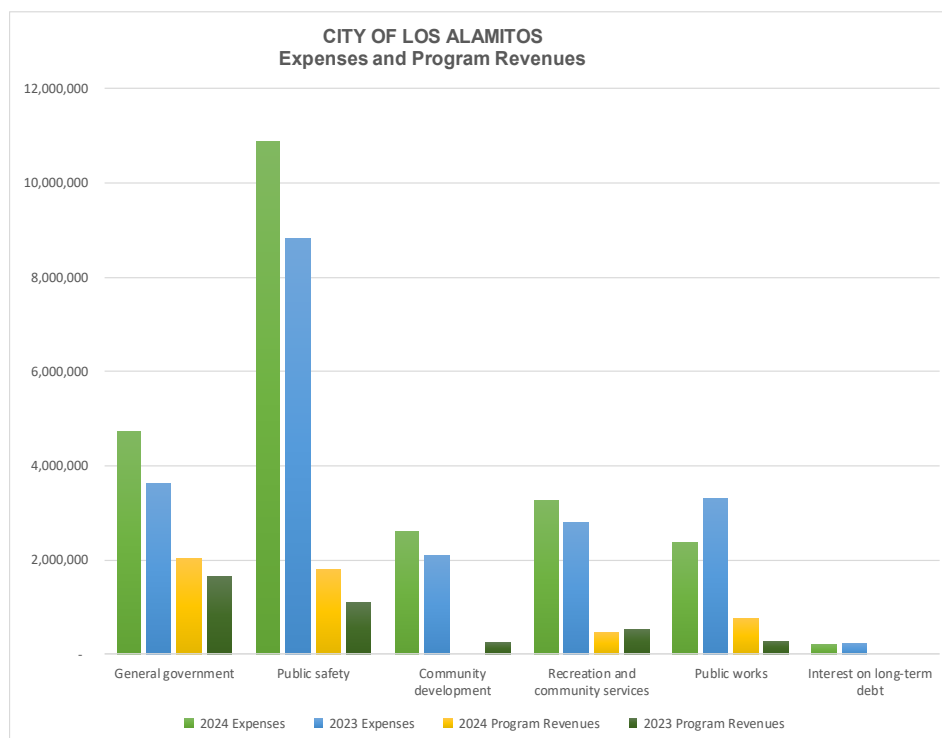
Revenues

While variances between years exist for the various revenue categories, the total net increase was \$2,935,181, which is largely attributable to the \$2,407,893 increase in utility users tax, business license tax and investment income.

Expenses:

Although variances between years exist for the various expense functions, the total net increase was \$3,122,624. Increased expenditures were recognized in General Government, Public Safety, interest, and Recreation and Community Services. The table below presents the cost of each of the City's six largest programs-general government, public safety, community development, recreation and community services, public works, and interest and fiscal charges as well as their respective program revenues.

The table below represents the cost of each of the City's six largest programs – general government, public safety, community development, recreation and community services, public works, and interest and fiscal charges, as well as their respective program revenues.



See the Statement of Activities for further detail on program revenues and general revenues.

**Management's Discussion and Analysis
For the Year Ended June 30, 2024**

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$25,879,266, an increase of \$3,497,075 (14%) from the prior fiscal year's balance. Of this amount, \$4,016,422 or 16% of fund balance is constrained by the City's intent to utilize fund balance for specific purposes, which is reported within the fund balance classification assigned. Additionally, \$2,434,219 or 9% of fund balance is restricted, which represents the portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors.

The fund balance of the City's General Fund increased by \$2,637,389 during the fiscal year compared to a \$3,325,340 increase in the prior year. The increase in the current year is primarily attributable to the increase in investment income.

Other governmental funds realized an increase in fund balance of \$859,686. While variances between years exist for the various nonmajor governmental funds, the net increase was primarily attributable to a increase in funding for Measure M and State Gas Tax, in other restricted amounts.

General Fund Budgetary Highlights

Actual revenues were \$2,478,507 more than the final budgeted amount, which is primarily due to increased taxes, intergovernmental and investment earnings. The expenditures for the General Fund at fiscal year-end were \$336,024 less than the final budgeted expenditures, which is primarily due to a decrease in Community Development resulting from vacant positions.

No budget amendments were made during the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of Fiscal Year 2023-24, the City had \$26.2 million invested in capital assets, including land, buildings, infrastructure, equipment, and right-to-use assets. This amount represents a net increase of \$3,674,825, which is primarily due to increases in vehicles, infrastructure, and construction in progress.

City of Los Alamitos

Management's Discussion and Analysis For the Year Ended June 30, 2024

CITY OF LOS ALAMITOS		
City of Los Alamitos Capital Assets Net of Depreciation		
	Governmental Activities	
	2024	2023
Land	\$ 5,917,715	\$ 5,917,715
Buildings and improvements	759,937	711,235
Right-to-use assets - buildings	222,306	176,500
Infrastructure	13,711,675	13,235,463
Equipment	1,213,627	420,056
Right-to-use assets - equipment	143,995	-
Vehicles	280,131	189,777
Right-to-use assets - vehicles	347,656	309,811
Construction in progress	3,634,502	1,596,162
Totals	\$ 26,231,544	\$ 22,556,719

More detail on the City's capital assets can be found in Note 5 to the financial statements of this report.

Long-term liabilities. At the end of fiscal year 2023-24, the City had \$4.7 million in long-term liabilities which includes outstanding bond indebtedness of \$3.2 million along with leases payable, claims payable and compensated absences. The net decrease of \$1,217,692 over the prior year is primarily due to a net decrease in claims payable.

CITY OF LOS ALAMITOS		
City of Los Alamitos Long-Term Liabilities		
	Governmental Activities	
	2024	2023
2015 Certificates of participation	\$ 3,171,417	\$ 3,260,769
Leases payable - police vehicles	382,407	329,542
Leases payable - warehouse	229,558	189,632
Leases payable - cameras	127,070	-
Claims payable	167,920	1,623,789
Compensated absences	614,673	507,005
Total liabilities	\$ 4,693,045	\$ 5,910,737

More detail on the City's long-term debt can be found in Notes, 6, 7 and 11 to the financial statements of this report.

**Management's Discussion and Analysis
For the Year Ended June 30, 2024**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

A conservative approach was used in preparing this year's biennial budget, which included information gathered from various sources, including HdL, Beacon Economics, and the U.S. Treasury. According to economists at UCLA School of Management, the forecast is for slow growth for the next few years, tempered by inflation and additional interest rate moves by the U.S. Treasury. Other factors remain in play, including the presidential election in November and larger-scale ongoing geopolitical risks.

Although circumstances may threaten the City's financial position in the future, including high interest rates, uncertainty in financial institutions, and a potential recession, the City's current financial position remains stable, and we anticipate our revenues to trend favorably for the foreseeable future. While we remain hopeful and optimistic, staff will continue to monitor the revenues and any adverse fluctuations in anticipated trends.

On May 20, 2024, the 2024-25 City Budget was adopted. The annual operating budget is balanced, with operating revenues of \$24,056,833 and operating expenditures of \$20,367,325, resulting in an estimated surplus of \$930,783. The City Council reviews its Fund Balance Policy once the books have been closed for the prior year. The current reserve includes \$3,100,000 for CalPERS reserves and \$500,000 for other post-employment benefits (OPEB).

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the City of Los Alamitos citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to illustrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department at the City of Los Alamitos, 3191 Katella Avenue, Los Alamitos, California, 90720, (562) 431-3538.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Los Alamitos

Statement of Net Position June 30, 2024

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments (Note 3)	\$ 24,281,518
Receivables	
Accounts	1,636,073
Due from employees	4,260
Due from other governments	3,422,960
Prepaid costs	57,166
Cash and investments - restricted (Note 3)	249
	<u>29,402,226</u>
Total Current Assets	
Noncurrent assets:	
Capital assets: (Note 5)	
Non-depreciable	9,552,217
Depreciable, net	<u>16,679,327</u>
Total Capital Assets	<u>26,231,544</u>
Total Noncurrent Assets	<u>26,231,544</u>
Total Assets	<u>55,633,770</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	84,863
Pension related (Note 8)	9,358,378
OPEB related (Note 9)	<u>1,928,478</u>
Total Deferred Outflows of Resources	<u>11,371,719</u>

The accompanying notes are an integral part of these financial statements.

City of Los Alamitos

Statement of Net Position, (Continued) June 30, 2024

	Governmental Activities
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 1,814,834
Accrued liabilities	713,288
Accrued interest	31,046
Unearned revenue	1,694,943
Deposits payable	75,844
Compensated absences, due within one year (Note 6)	240,283
Bonds payable, due within one year (Note 7)	90,000
Leases payable, due within one year (Note 7)	277,851
Claims payable, due within one year (Note 11)	72,959
Total OPEB liability, due within one year (Note 9)	<u>272,630</u>
Total Current Liabilities	<u>5,283,678</u>
Noncurrent liabilities:	
Compensated absences (Note 6)	374,390
Bonds payable (Note 7)	3,081,417
Leases payable (Note 7)	461,184
Claims payable (Note 11)	94,961
Net pension liability (Note 8)	27,303,254
Total OPEB liability (Note 9)	<u>6,032,116</u>
Total Noncurrent Liabilities	<u>37,347,322</u>
Total Liabilities	<u>42,631,000</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related (Note 8)	1,643,252
OPEB related (Note 9)	<u>1,639,840</u>
Total Deferred Inflows of Resources	<u>3,283,092</u>
NET POSITION	
Net investment in capital assets	22,099,089
Restricted for:	
Transportation	873,520
Cable television	57,232
Public safety	550,771
Air quality	187,518
Parks	<u>765,178</u>
Total Restricted	<u>2,434,219</u>
Unrestricted (deficit)	<u>(3,441,911)</u>
Total Net Position	<u>\$ 21,091,397</u>

The accompanying notes are an integral part of these financial statements.

City of Los Alamitos

Statement of Activities For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Total Program Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 4,743,816	\$ 1,829,079	\$ 208,969	\$ -	\$ 2,038,048
Public safety	10,882,280	604,453	1,206,567	-	1,811,020
Community development	2,608,160	-	-	-	-
Recreation and community services	3,266,933	460,154	-	-	460,154
Public works	2,360,372	-	408,919	374,517	783,436
Interest on long-term debt	191,281	-	-	-	-
Total Governmental Activities	<u>\$ 24,052,842</u>	<u>\$ 2,893,686</u>	<u>\$ 1,824,455</u>	<u>\$ 374,517</u>	<u>\$ 5,092,658</u>

The accompanying notes are an integral part of these financial statements.

City of Los Alamitos

Statement of Activities, (Continued) For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position
Governmental activities:	
General government	\$ (2,705,768)
Public safety	(9,071,260)
Community development	(2,608,160)
Recreation and community services	(2,806,779)
Public works	(1,576,936)
Interest on long-term debt	(191,281)
Total Governmental Activities	(18,960,184)
General revenues:	
Taxes:	
Property taxes, levied for general purpose	5,301,333
Utility users tax	2,830,000
Transient occupancy tax	598,038
Sales taxes	9,631,764
Franchise fees	881,552
Business license taxes	1,141,082
Other taxes	803,180
Total Taxes	21,186,949
Investment earnings	1,243,392
Other	131,318
Total General Revenues	22,561,659
Change in Net Position	3,601,475
Net Position, Beginning of Year	17,489,922
Net Position, End of Year	\$ 21,091,397

The accompanying note are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements
Proprietary Fund Financial Statements

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The Governmental Funds of the City are as follows:

General Fund - The General Fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. These services include general government, safety, community development, recreation and community services, and public works.

Nonmajor Governmental Funds – Nonmajor Governmental Funds is the aggregate of all the Nonmajor Governmental Funds.

City of Los Alamitos

Balance Sheet Governmental Funds June 30, 2024

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments (Note 3)	\$ 20,941,678	\$ 3,282,480	\$ 24,224,158
Receivables:			
Accounts	122,991	-	122,991
Due from employees	4,260	-	4,260
Due from other governments	3,113,699	309,261	3,422,960
Prepaid costs	57,166	-	57,166
Due from other funds	2,250,198	-	2,250,198
Cash and investments - restricted (Note 3)	-	249	249
Total Assets	\$ 26,489,992	\$ 3,591,990	\$ 30,081,982
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,442,226	\$ 66,415	\$ 1,508,641
Accrued liabilities	713,288	-	713,288
Unearned revenues	1,558,164	136,779	1,694,943
Deposits payable	65,565	10,279	75,844
Due to other funds	-	210,000	210,000
Total Liabilities	3,779,243	423,473	4,202,716
Fund Balances: (Note 13)			
Nonspendable	61,426	-	61,426
Restricted	-	2,434,219	2,434,219
Committed	1,582,719	432,058	2,014,777
Assigned	3,600,000	416,422	4,016,422
Unassigned (deficit)	17,466,604	(114,182)	17,352,422
Total Fund Balances	22,710,749	3,168,517	25,879,266
Total Liabilities and Fund Balances	\$ 26,489,992	\$ 3,591,990	\$ 30,081,982

The accompanying notes are an integral part of these financial statements.

City of Los Alamitos

Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position June 30, 2024

Total fund balances - governmental funds \$ 25,879,266

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Nondepreciable	\$ 9,552,217	
Depreciable, net of Internal Service Fund of \$1,441,305	<u>15,238,022</u>	
Total Capital Assets		24,790,239

Internal Service Funds are used by management to charge garage costs; technology replacement costs; police capital expenditures; facilities, street, parks, and pool capital expenditures; and self-insurance costs to individual funds. The assets and liabilities of the Internal Service Funds were included in the governmental activities in the Government-wide Statement of Net Position.

Total Internal Service Funds	(13,320)
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Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position:

Bonds payable	(3,075,000)	
Interest payable, net of Internal Service Fund of \$1,279	(29,767)	
Unamortized bond premium	(96,417)	
Leases payable - warehouse	(229,558)	
Deferred charge on refunding	84,863	
Compensated absences	<u>(614,673)</u>	(3,960,552)

Deferred amounts relates to pension not available for current expenditures and are not reported in the governmental fund financial statements:

Pension related deferred outflows of resources	9,358,378	
Pension related deferred inflows of resources	<u>(1,643,252)</u>	7,715,126

Total pension liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(27,303,254)
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Deferred amounts relates to other postemployment benefits not available for current expenditures and are not reported in the governmental fund financial statements:

OPEB related deferred outflows of resources	1,928,478	
OPEB related deferred inflows of resources	<u>(1,639,840)</u>	288,638

Total OPEB liability is not due and payable in the current period and therefore is not reported in the governmental funds.	<u>(6,304,746)</u>
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Net Position of Governmental Activities	<u><u>\$ 21,091,397</u></u>
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The accompanying notes are an integral part of these financial statements.

City of Los Alamitos

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2024

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 20,694,766	\$ 824,183	\$ 21,518,949
Licenses and permits	816,290	-	816,290
Intergovernmental	869,653	559,749	1,429,402
Charges for services	765,092	-	765,092
Investment earnings	1,164,765	78,627	1,243,392
Fines and forfeitures	752,508	23,458	775,966
Program revenues	-	357,601	357,601
Miscellaneous	735,099	12,526	747,625
Total Revenues	25,798,173	1,856,144	27,654,317
EXPENDITURES			
Current:			
General government	4,128,045	27,690	4,155,735
Public safety	8,454,827	-	8,454,827
Community development	2,256,980	-	2,256,980
Recreation and community services	2,706,043	-	2,706,043
Public works	3,800,026	82	3,800,108
Capital outlay	1,019,363	752,668	1,772,031
Debt service:			
Principal	129,002	85,000	214,002
Interest and fiscal charges	14,998	122,518	137,516
Total Expenditures	22,509,284	987,958	23,497,242
Revenues Over (Under) Expenditures	3,288,889	868,186	4,157,075
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 4)	370,000	361,500	731,500
Transfers out (Note 4)	(1,021,500)	(370,000)	(1,391,500)
Total Other Financing Sources (Uses)	(651,500)	(8,500)	(660,000)
Net Change in Fund Balances	2,637,389	859,686	3,497,075
Fund Balances, Beginning of Year	20,073,360	2,308,831	22,382,191
Fund Balances, End of Year	\$ 22,710,749	\$ 3,168,517	\$ 25,879,266

The accompanying notes are an integral part of these financial statements.

City of Los Alamitos

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Government-wide Statement of Net Activities For the Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 3,497,075

Governmental activities in the Statement of Activities were reported differently because:

Governmental Funds report capital outlay as expenditures. However, in the Government-wide Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. The amount of capital assets recorded in the current period is listed below.

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Total capital outlay expenditures reported in governmental funds	\$ 1,772,031	
Plus: repair and maintenance expenditures capitalized	<u>1,885,182</u>	
Total Capital Outlay		3,657,213

Depreciation expense of capital assets is reported in the Government-wide Statement of Activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds except for the Internal Service fund amount listed below.

Total depreciation reported in Government-wide Statement of Activities	(876,594)	
Less: depreciation reported in the Internal Service Fund	<u>257,090</u>	
Total		(619,504)

Certain pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (2,210,939)

Certain other post-employment benefit expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (263,555)

Compensated absences were reported in the Government-wide Statement of Activities, but they did not require the use of current financial resources. Therefore, compensated absences were not reported as expenditures in the governmental funds. (107,668)

The issuance of long-term debt provides current financial resources to governmental funds. However, the repayment reduces long-term liabilities in the governmental activities Statement of Net Position. 214,002

Change in estimate of lease liability and related right-to-use asset 32,660

Amortization of deferred charge on refunding and bond premium do not use current financial resources and therefore not reported as expenditures in the governmental funds. 3,801

Accrued interest for long term liabilities. This is the net change in accrued interest for the current period 1,063

Internal Service Funds are used by management to charge garage costs; technology replacement (602,673)

Change in Net Position of Governmental Activities \$ 3,601,475

The accompanying notes are an integral part of these financial statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

Internal Service Funds - To account for the costs associated with the City's insurance, for funding equipment replacement, and fleet maintenance.

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City of Los Alamitos

Statement of Net Position Proprietary Funds June 30, 2024

	Governmental Activities
	Internal Service Funds
ASSETS	
Current Assets:	
Cash and investments (Note 3)	\$ 57,360
Accounts receivable	1,513,082
Total Current Assets	1,570,442
Noncurrent Assets:	
Capital assets - net of accumulated depreciation (Note 5)	1,441,305
Total Noncurrent Assets	1,441,305
Total Assets	3,011,747
LIABILITIES	
Current Liabilities:	
Accounts payable	306,193
Accrued interest	1,279
Due to other funds	2,040,198
Claims and judgements	72,959
Leases payable (Note 7)	142,249
Total Current Liabilities	2,562,878
Long-term Liabilities:	
Claims and judgements	94,961
Leases payable (Note 7)	367,228
Total Long-term Liabilities	462,189
Total Liabilities	3,025,067
NET POSITION (DEFICIT)	
Net investment in capital assets	931,828
Unrestricted	(945,148)
Total Net Position	\$ (13,320)

The accompanying notes are an integral part of these financial statements.

City of Los Alamitos

Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the Year Ended June 30, 2024

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Charges for services	
Garage	\$ 373,510
Technology replacement	190,000
Miscellaneous	622,557
Total Operating Revenues	1,186,067
OPERATING EXPENSES	
Supplies and materials	433,926
Outside services	1,699,095
Depreciation	257,090
Total Operating Expenses	2,390,111
Operating Income (Loss)	(1,204,044)
NON-OPERATING REVENUES (EXPENSES)	
Interest expense	(58,629)
Total Non-Operating Revenues (Expenses)	(58,629)
Income (Loss) Before Transfers	(1,262,673)
TRANSFERS	
Transfers in (Note 4)	660,000
Total Transfers	660,000
Change in Net Position	(602,673)
Net Position, Beginning of Year	589,353
Net Position, End of Year	\$ (13,320)

The accompanying notes are an integral part of these financial statements.

City of Los Alamitos

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2024

	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund charges for garage services	\$ 373,510
Receipts from interfund charges for technology replacement services	190,000
Payments to suppliers and service providers	(3,412,760)
Cash received from (payments to) others	(890,525)
Net Cash Used for Operating Activities	(3,739,775)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	660,000
Net borrowings (repayments) to other funds	2,040,198
Net Cash Provided by Non-Capital Financing Activities	2,700,198
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(401,572)
Principal paid on capital debt	(111,111)
Interest paid on capital debt	(58,629)
Net Cash Used for Capital and Related Financing Activities	(571,312)
Net decrease in cash and cash equivalents	(1,610,889)
Cash and equivalents, beginning of year	1,668,249
Cash and equivalents, end of year	\$ 57,360
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES	
Operating loss	\$ (1,204,044)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:	
Depreciation	257,090
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(1,513,082)
Increase (decrease) in accounts payable	176,130
Increase (decrease) in claims and judgements	(1,455,869)
Total Adjustments	(2,535,731)
Net Cash Used for Operating Activities	\$ (3,739,775)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Lease liability	\$ 291,046
Lease acquisition	(291,046)

The accompanying notes are an integral part of these financial statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Los Alamitos, California, (the "City") have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City's significant policies:

A) Financial Reporting Entity

The City was incorporated on March 1, 1960. The Charter of the City of Los Alamitos was adopted by a vote of the people in September 1966, and the City enjoys all rights and privileges pertaining to such "Charter Law" cities.

The financial statements include the financial activities of the City, the primary government, and its blended component unit, the Los Alamitos Public Financing Corporation (the Corporation). The component unit, discussed below, is included in the City's reporting entity because of the significance of its operational and financial relationship with the City. This entity is legally separate from the City. However, the City's elected officials have continuing accountability for fiscal matters of this entity.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City.

Management determined that the following entities should be reported as blended component units based on the criteria above. Each blended component unit has a June 30 year-end, has a governing board that is substantially the same as the City's, there is a financial benefit or burden relationship between the City and the blended component unit, and the City is financially accountable for each of the blended component units.

The Los Alamitos Public Facilities Corporation – The Corporation was formed February 6, 2006, pursuant to the Non-Profit Corporation Law of the State of California for the purpose of assisting the City in financing the acquisition, construction, and improvement for public benefit within the City limits. The Corporation is governed by a five-member board that is the City Council of the City of Los Alamitos. Separate financial statements are not prepared.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

B) Basis of Accounting and Measurement Focus

The City's basic financial statements consist of government-wide statements, including the Statement of Net Position and the Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the City and the Corporation. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables.

The Statement of Net Position presents the financial position of the governmental activities of the City and its component unit and the Statement of Activities reports expenses of each specific governmental function, offset by program revenues attributable to each functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues that are attributable to functional programs are separated into three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Charges for services report fees and other charges to users of the City's services, operating grants, and contributions finance annual operating activities and can include restricted investment income, and capital grants and contributions fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restriction to these program uses. Other revenues sources not included with program revenues are reported as general revenues of the City. These can include taxes or unrestricted investment income.

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures or expenses as appropriate. The City uses two categories of funds: governmental and proprietary.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

B) Basis of Accounting and Measurement Focus, (Continued)

The City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at a more detailed level. Individual governmental fund identified as being Major, as prescribed by governmental accounting standards or by Management of the City, are reported in separate columns on the financial statements.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balance of the current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between its governmental fund assets and its liabilities and deferred inflows of resources as fund balance.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and other governmental funds aggregated. Accompanying reconciliations are presented to explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements.

The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34 or are elected by Management of the City based on Management's belief that the presentation of the funds are particularly important to financial statement users for reasons including public interest or consistency of reporting. The City reports the following major governmental funds:

- The General Fund is used to account for all of the general operations and other financial transactions of the City, which are not accounted for by another fund.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

B) Basis of Accounting and Measurement Focus, (Continued)

Additionally, the City reports the following fund types:

- The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for debt service or capital projects) that are restricted by law or administrative action or committed to expenditures for specified purposes.
- The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities, other than those financed by Internal Service Funds.
- The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned for the payment of, long-term debt principal, interest, and related costs for the 2006 Certificates of Participation (Laurel Park Acquisition).

Proprietary Funds

Proprietary funds are used to account for ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The reporting focus on the determination of operating income, changes in net position, financial position, and cash flows. The City's proprietary funds are classified as internal service funds.

- The Internal Service Funds are used to account for interdepartmental operations where it is the stated intent that costs of providing services to the departments of the City on a continuing basis be financed or recovered primarily by charges to the user departments. The City's internal service funds are used to account for its self-insured insurance programs, fleet of vehicles, equipment, technology upgrades, and replacements and other capital related activities.

Government-Wide Financial Statements

The government-wide financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. All internal balances and transactions have been eliminated from their respective statements to avoid over reporting relating assets, liabilities, revenues, and expenses, except for internal service fund charges provided and used.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

B) Basis of Accounting and Measurement Focus, (Continued)

Financial Statements

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Like the government-wide statements, all proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenue – Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the availability is defined within 60 days of year-end.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

B) Basis of Accounting and Measurement Focus, (Continued)

Revenue – Non-Exchange Transactions

Non-exchange transactions in which the City receives value without directly giving equal value in return, includes sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Major revenue sources susceptible to accrual include property tax, sales tax, utility users tax, franchise Tax, and licenses. On a modified accrual basis, revenue from non-exchange transaction also must be available (generally 60 days after year-end) before it can be recognized in the governmental funds. However, the City has adopted a 12-month recognition period for grant revenues.

Unavailable Revenue

Unavailable revenue, presented under deferred inflows of resources, arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods when both revenue recognition criteria are met, the deferred inflow is removed from the balance sheet and revenue is recognized.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria listed above have been satisfied. In subsequent periods when the government has a legal claim to the resources, the unearned revenue is removed from the balance sheet and revenue is recognized.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

B) Basis of Accounting and Measurement Focus, (Continued)

Proprietary Funds Operating and Non-Operating Revenues and Expenses

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. Operating expenses for 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.

C) Cash, Cash Equivalents, and Investments

Cash Management

The City pools cash resources of its various funds to facilitate cash management. Cash in excess of current requirements is invested and reported as investments. It is the City's intent to hold investments until maturity. However, the City may, in response to market conditions, sell investments prior to maturity in order to improve the quality, liquidity or yield of the portfolio. Interest earnings are apportioned among funds based on ending accounting period cash and investment balances.

Investments Valuation

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

State Investment Pool

The City participates in the Local Agency Investment Fund (LAIF), an investment pool managed by the State of California. LAIF has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as a result of changes in interest rates.

Cash Equivalents and Cash Flows

For purposes of the statement of cash flows, the City considered all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments of the proprietary fund types are pooled with the City's pooled cash and investments.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

D) Internal Receivable 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 “interfund advances receivable/payable” (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Advances between funds, as reported in the fund financial statements, are presented as nonspendable in fund balances to indicate that they are not in a spendable form.

E) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as an expenditure/expense when consumed.

F) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years, except for computer software and hardware and infrastructure assets which have a capitalization threshold of \$20,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use assets), the measurement of which is discussed thereafter. Donated capital assets are recorded at acquisition value at the date of acquisition. As permitted under GASB Statement No. 34 for small governmental entities, the City has elected to report infrastructure assets prospectively beginning July 1, 2003.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Equipment	5-10 years
Vehicles	4-15 years
Furniture	7 years
Buildings	50 years
Improvements	5-20 years
Infrastructure	50 years

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

G) Compensated Absences Payable

Under certain circumstances and according to the negotiated labor agreements, employees of the City are allowed to accumulate annual leave. This amount is accrued in the government-wide and proprietary fund statements. Refer to Note 6 for additional information.

H) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

In accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, debt issuance costs except for any portion related to prepaid insurance are recognized as expense in the period incurred.

I) Claims and Judgments

The City records a liability for claims, judgments, and litigation when it is probable that an asset has been impaired, or a liability has been incurred prior to fiscal year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated.

The City is exposed to various risks of losses related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City currently reports all of its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred, but not reported.

It is the City's policy to liquidate claims and judgments existing at June 30, with future resources. Accordingly, the liabilities are recorded in the Statement of Net Position. These noncurrent amounts will be recorded as fund expenditures in the fiscal year in which they are paid or become due on demand.

J) Deferred Outflows and Inflows of Resources

In addition to assets, the statements of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has two items which qualify for reporting in this category.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

J) Deferred Outflows and Inflows of Resources, (Continued)

Deferred pension related items relate to the net pension obligation reported in the statement of net position. These outflows are the results of *contributions made after the measurement date*, which are recognized in the following year, and consist of *adjustments due to differences in proportions, changes in assumptions, and differences between expected and actual experiences*, which are deferred and amortized over the expected average remaining lifetime. Additionally, the *net difference between projected and actual earnings on pension plan investments* is reported and amortized over 5 years. Deferred outflows from changes in net pension liability arise only under a full accrual basis of accounting and are reported in the government-wide Statement of Net Position and proprietary funds Statement of Net Position.

The City also reports a *deferred charge on refunding* which results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunded or refunding debt.

In addition to liabilities, the statements of net position and the governmental funds' balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items which qualifies for reporting in this category. The first item is in relation to the net pension obligation reported in the statement of net position. These inflows are the results of *changes of assumptions, differences between expected and actual experiences, adjustments due to differences in proportions, and differences between proportionate share of contributions and actual contributions*. Inflows from changes in net pension liability arise only under a full accrual basis of accounting and are reported in the government-wide Statement of Net Position and proprietary funds Statement of Net Position.

The City also reports one type of item, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds' balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K) Net Position

Net position is the excess of all the City's assets over all its liabilities, regardless of fund. Net position is divided into three captions under GASB Statement No. 34. These captions apply only to net position, which is determined only at the government-wide level, and are described below:

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

K) Net Position, (Continued)

- Net Investment in Capital Assets – the portion of net position that is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.
- Restricted – the portion of net position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws or other restrictions, which the City cannot unilaterally alter. These principally include funds restricted to community development projects purposes and funds for use in building improvements and governmental grants.
- Unrestricted – the portion of net position that is not restricted as to use.

L) Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

M) Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- Nonspendable – the portion of a fund balance that includes amounts that cannot be spent because they are either not in a spendable form, such as prepaid items, inventories, or loans receivable.
- Restricted – the portion of a fund balance that reflects constraints placed on the use of resources (other than non-spendable items) that are either (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. Examples of restricted fund balances include State Gas Tax, Asset Seizure, and Measure M funds.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

M) Fund Balance, (Continued)

- Committed – the portion of a fund balance that included amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority and remain binding unless removed in the same manner.
 - The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as a resolution.
 - These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.
 - City Council action to commit fund balance needs to occur within the fiscal reporting periods; however, the amount can be determined subsequently.
- Assigned – amounts that are constrained by the City's intent to be used for specific purposes, but are neither Restricted nor Committed, should be reported as Assigned fund balance. This policy hereby delegated the authority to assign amounts to be used for specific purposes to the City Manager for the purpose of reporting these amounts in the City's annual financial statements. Examples of assigned fund balance are funds intended for Capital Improvement Projects and Equipment Replacement.
- Unassigned – residual net resources in excess of what can properly be classified in one of the other four categories and do not have any specific spending limitations. The General Fund is the only fund that reports a positive unassigned fund balance amount. In governmental funds, other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, the City reports a negative unassigned fund balance in that fund.

In July 2017, City Council established a Reserve for Emergencies to be maintained at 25% of General Fund appropriations. The reserve is only to be used, with Council approval, in the case of a declared natural disaster or financial emergency. A financial emergency is considered when annual revenues decrease by 5% or more or when annual expenditures increase by 5% or more.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

N) Fund Balance Flow Assumptions

Sometimes the City 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.

O) Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the pension plans fiduciary net positions and additions to/deductions from the pension plans fiduciary net positions have been determined on the same basis as they are reported by the 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.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2022
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	June 30, 2022 to June 30, 2023

P) Other Post-Employment Benefits (OPEB)

For purposes of measuring the other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2024
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	June 30, 2023 to June 30, 2024

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Q) New Accounting Pronouncements

The City adopted Statement on Governmental Accounting Standards (GASB Statements) No. 100, *Accounting for Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.. The adoption of GASB No. 100 did not significantly impact the City.

R) Leases

Lessee: The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines the discount rate it uses to discount the expected lease payments to present value, lease term, and lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

R) Leases, (Continued)

Lessor: At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key elements and judgement include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. The City currently does not have any leases receivable.

S) Property Taxes

Under California law, property taxes are assessed and collected by the counties at up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas.

Property taxes are assessed, collected and allocated by Orange County throughout the fiscal year according to the following property tax calendar.

Lien Date	January 1
Levy Date	July 1 to June 30
Due Dates	November 1, 1st installment, February 1, 2nd installment
Delinquent Dates	December 11, 1st installment, April 11, 2nd installment

Property taxes receivable for the governmental fund types, which have been remitted within 60 days subsequent to year end, are considered measurable and available and recognized as revenues. All other property taxes are offset by deferred property tax inflows of resources and, accordingly, have not been recorded as revenue. Taxes are considered past due on the above delinquent dates, at which time the applicable property is subject to lien, and penalties and interest are assessed.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

T) Functional Classifications

Expenditures of the Governmental Funds are classified by function. Functional classifications are defined as follows:

- General government – includes legislative activities, which have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities that provide management or support services across more than one functional area.
- Public safety – includes those activities that involve the protection of people and property.
- Community development – includes those activities such as planning, code enforcement, and building and safety inspections.
- Recreation and community services – includes those activities that involve the community cultural and leisure activities.
- Public works – includes those activities that involve the maintenance and improvement of City streets, roads, and park development and maintenance.
- Capital outlay – includes purchases of property, plant, and equipment which are expensed in the governmental funds because governmental funds use the current financial resources measurement focus.
- Principal retirement – includes principal payments for long-term liabilities.
- Interest and fiscal charges – includes current payments for interest on the City's long-term debt.

U) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

2) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A) Violations of Legal or Contractual Provisions

Note 2 to Required Supplementary Information, on the Excess of Expenditures over Appropriations, describes budgetary violations that occurred in the General Fund for the year ended June 30, 2024.

B) Deficit Fund Balance

At June 30, 2024, the Community Development Block Grant (CDBG) nonmajor special revenue fund reported a deficit fund balance of \$114,182. The deficit is due to the timing of the receipt of CDBG program reimbursements for expenditures incurred. The deficit will be eliminated as the program reimbursements are received from the grantor agency.

3) CASH AND INVESTMENTS

A) Summary of Cash and Investments

Cash and investments are classified in the accompanying financial statements as follows:

Cash and investments	\$ 24,281,518
Cash and investments - restricted	<u>249</u>
Total Cash and Investments	<u><u>\$ 24,281,767</u></u>

Cash and Investments at June 30, 2024 consisted of the following:

Cash on hand	\$ 3,500
Demand deposits	529,146
Investments	<u>23,749,121</u>
Total Cash and Investments	<u><u>\$ 24,281,767</u></u>

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on monthly cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

3) CASH AND INVESTMENTS, (CONTINUED)
B) Cash Deposits

All City's cash and investments as of June 30, 2024, were collateralized or insured with securities held by pledging financial institutions in the City's name. The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

C) Investments

The following table identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of bond indentures of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
United States (U.S.) Treasury Obligations	5 years	None	None
Federal Agency Securities	5 years	None	None
Certificates of Deposit	5 years	None	\$250,000
Negotiable Certificates of Deposit	5 years	30%	30%
Local Agency Investment Fund (LAIF)	N/A	None	\$75 million
Medium Term Notes	5 years	30%	None
Local Agency Bonds	5 years	None	None
Commercial Paper	270 days	25%	None

* Excludes amounts held by bond trustees that are not subject to California Government Code restrictions.

Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

3) CASH AND INVESTMENTS, (CONTINUED)
C) Investments, (Continued)

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	30 years	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Money Market Mutual Funds	None	None	None
Investment Agreements N	None	None	None
Local Agency Bonds	None	None	None
Medium Term Notes	5 years	30%	None
Negotiable Certificates for Deposits	None	30%	None
Local Agency Investment Fund (LAIF)	None	None	None

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawals is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF does not impose limits or restrictions on participant withdrawals, and the entire balance of the City's investment in the portfolio is available for withdrawal at any time. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of \$1 and not fair value. Accordingly, the City's investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

D) Risk Disclosures
Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

3) CASH AND INVESTMENTS, (CONTINUED)

D) Risk Disclosures, (Continued)

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Remaining Investment Maturities			Total
	Less Than 1 Year	1 to 3 Years	4 to 5 Years	
U.S. Treasury Obligations	\$ 974,072	\$ 234,863	\$ -	\$ 1,208,935
U.S. Agency Securities	2,968,114	6,407,410	747,201	10,122,725
Certificates of Deposit	731,196	2,832,208	996,593	4,559,997
Local Agency Investment Fund (LAIF)	2,227,329	-	-	2,227,329
Medium Term Notes	245,401	241,797	-	487,198
Local Agency Bonds	246,363	2,085,846	1,063,189	3,395,398
Commercial Paper	742,624	-	-	742,624
CAMP Pool	1,004,666	-	-	1,004,666
Investment held by Bond Trustee:				
Money Market Mutual Funds	249	-	-	249
Total	<u>\$ 9,140,014</u>	<u>\$ 11,802,124</u>	<u>\$ 2,806,983</u>	<u>\$ 23,749,121</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, by Standards and Poor, as of fiscal year end for each investment type:

Investment Type	Total	Minimum Legal Rating	Not Rated	AAA	AA+	A+	AAAm
U.S. Treasury Obligations	\$ 1,208,935	N/A	\$ -	\$ 1,208,935	\$ -	\$ -	\$ -
U.S. Agency Securities	10,122,725	N/A	-	10,122,725	-	-	-
Certificates of Deposit	4,559,997	N/A	4,559,997	-	-	-	-
Local Agency Investment Fund (LAIF)	2,227,329	Not Rated	2,227,329	-	-	-	-
Medium Term Notes	487,198	A	-	-	-	487,198	-
Local Agency Bonds	3,395,398	N/A	-	-	3,395,398	-	-
Commercial Paper	742,624	A	-	-	-	742,624	-
CAMP Pool	1,004,666	AAAm	-	-	-	-	1,004,666
Investment held by Bond Trustee:							
Money Market Mutual Funds	249	N/A	-	-	249	-	-
Totals	<u>\$23,749,121</u>		<u>\$6,787,326</u>	<u>\$ 11,331,660</u>	<u>\$3,395,647</u>	<u>\$1,229,822</u>	<u>\$1,004,666</u>

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

3) CASH AND INVESTMENTS, (CONTINUED)

D) Risk Disclosures, (Continued)

Concentration of Credit Risk

The City's investment policy imposes restrictions on the percentage that the City can invest in certain types of investments. As of June 30, 2024, in accordance with GASB Statement No. 40 requirements, the City is exposed to concentration of credit risk whenever they have invested more than 5% of their total investments in any one issuer.

Investments in any one issuer (other than U.S. treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Reported amount	Percent of portfolio
Federal Home Loan Bank	\$ 6,941,601	29%
Federal Home Loan Mortgage Corporation	1,494,272	6%
U.S. Treasury Notes	1,208,936	5%

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City's investment policy does not contain any additional provisions that would limit the exposure to custodial credit risk for deposits. However, the policy does stipulate that mortgage collateral cannot be used to secure deposits, and that the use of a third-party bank trust department is to function as the City's safekeeping agent for investments. At June 30, 2024, City deposits (bank balances) were insured by the Federal Depository Insurance Corporation or collateralized as required under California Law.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

3) CASH AND INVESTMENTS, (CONTINUED)

D) Risk Disclosures, (Continued)

Fair Value Hierarchy

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, 2024:

Investments	Totals	Level		Uncategorized
		1	2	
U.S. Treasury Obligations	\$ 1,208,935	\$ 1,208,935	\$ -	\$ -
U.S. Agency Securities	10,122,725	10,122,725	-	-
Certificates of Deposit	4,559,997	-	4,559,997	-
Agency Investment Fund (LAIF)	2,227,329	-	-	2,227,329
Medium Term Notes	487,198	-	487,198	-
Local Agency Bonds	3,395,398	-	3,395,398	-
Commercial Paper	742,624	-	742,624	-
CAMP Pool	1,004,666	1,004,666	-	-
Investment held by Bond Trustee:				
Money Market Mutual Funds	249	249	-	-
Totals	<u>\$23,749,121</u>	<u>\$12,336,575</u>	<u>\$9,185,217</u>	<u>\$ 2,227,329</u>

Deposits and securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Federal Agency Securities classified in Level 2 of the fair value hierarchy are valued using institutional bond quotes.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

4) INTERFUND TRANSACTIONS

A) Receivables/Payables

The purpose of the interfund transactions is to make short-term interfund loans from the General Fund to other funds. These interfund loans are to provide for negative cash balances at year-end and/or operating cash flow. Due to/from amounts are short-term financing, which are paid within one year.

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	\$2,250,198	Nonmajor Fund:	
		Community Development	
		Block Grant	\$ 210,000
		Internal Service Fund:	
		Technology Replacement	58,833
		Facilities, Streets, Parks and	
		Pool Capital Expenditures	892,576
		Self-Insurance Trust	1,088,789
	<u>\$2,250,198</u>		<u>\$2,250,198</u>

B) Transfers In/Out

<u>Transfers In</u>	<u>Transfers Out</u>		<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ -	\$ 370,000	\$ 370,000
Nonmajor Governmental Funds	361,500	-	361,500
Internal Service Funds	660,000	-	660,000
Total	<u>\$ 1,021,500</u>	<u>\$ 370,000</u>	<u>\$ 1,391,500</u>

The transfer from nonmajor governmental funds to the General Fund for street-related maintenance, and public and traffic safety expenditures paid out of the General Fund.

The transfers from the General Fund to nonmajor governmental funds were to support building improvements and for annual debt service payments.

The transfers from the General Fund to the internal service funds were to support facilities, streets and park projects, in addition to support for insurance, claims and workers' compensation.

City of Los Alamitos

Notes to the Basic Financial Statements For the Year Ended June 30, 2024

5) CAPITAL ASSETS

A summary of changes in the Governmental Activities capital assets for the fiscal year ended June 30, 2024 are as follows:

Description	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Non-depreciable:				
Land	\$ 5,917,715	\$ -	\$ -	\$ 5,917,715
Construction in process	1,596,162	2,864,784	(826,444)	3,634,502
Total Non-depreciable	7,513,877	2,864,784	(826,444)	9,552,217
Depreciable/amortizable:				
Buildings and improvements	2,336,566	96,102	-	2,432,668
Right-to-use assets - buildings	198,562	201,588	-	400,150
Infrastructure - road system	16,668,358	826,444	-	17,494,802
Equipment	1,521,478	906,866	(57,169)	2,371,175
Right-to-use equipment	-	157,085	-	157,085
Vehicles	1,288,213	191,033	(35,000)	1,444,246
Right-to-use assets - vehicles	393,591	133,961	-	527,552
Total Depreciable Capital Assets	22,406,768	2,513,079	(92,169)	24,827,678
Less accumulated depreciation/amortization for:				
Buildings and improvements	(1,625,331)	(47,400)	-	(1,672,731)
Right-to-use assets - buildings	(22,062)	(155,782)	-	(177,844)
Infrastructure - road system	(3,432,895)	(350,232)	-	(3,783,127)
Equipment	(1,101,422)	(113,295)	57,169	(1,157,548)
Right-to-use assets - equipment	-	(13,090)	-	(13,090)
Vehicles	(1,098,436)	(100,679)	35,000	(1,164,115)
Right-to-use assets - vehicles	(83,780)	(96,116)	-	(179,896)
Total Accumulated Depreciation/Amortization	(7,363,926)	(876,594)	92,169	(8,148,351)
Total Depreciable/Amortizable Capital Assets, Net	15,042,842	1,636,485	-	16,679,327
Total Capital Assets, Net	\$ 22,556,719	\$ 4,501,269	\$ (826,444)	\$ 26,231,544

Depreciation/amortization expense was charged to governmental activities as follows:

	General	Internal Service	Total
General government	\$ 143,106	\$ -	\$ 143,106
Public safety	219,304	-	219,304
Community development	58,853	-	58,853
Recreation and community services	120,184	-	120,184
Public works	78,057	-	78,057
Internal Service Fund	-	257,090	257,090
Totals	\$ 619,504	\$ 257,090	\$ 876,594

City of Los Alamitos

Notes to the Basic Financial Statements For the Year Ended June 30, 2024

5) CAPITAL ASSETS, (CONTINUED)

	Expenditures Spent-to-Date	Remaining Commitment
Construction commitments:		
Government activities:		
Bradbury/Rossmoor Way Signal Light Relocation	\$ 19,877	\$ 151,330
Citywide Trash Receptacles	-	250,000
Civic Ctr Master Plan	27,663	197,338
Community Ctr Kitchens Remodel	-	325,000
Community Ctr Sound System/AV Upgrade	57,614	17,386
Concrete/ADA Ramp Project	150	49,850
Council Chamber Remodel (design)	20,038	79,962
Demo Latv/PW Bldg.	135,258	14,742
Electric Svc & Wiring Upgd - PD	-	40,000
Generator Project	23,764	626,236
Katella Avenue Street Project	13,869	286,131
Labourdette Park Project	63,911	636,089
Laurel Park Tennis Court Project	-	75,000
Median Island Concept & Design Project	9,497	165,503
Outdoor Awning & Lighting Pd	-	130,000
Pd Locker Room Remodel (design)	12,000	63,000
Pd Property Room Remodel	15,668	69,332
Pine Street (design)	30,795	144,205
Residential Street Improvement	1,800	658,200
Room Addition Project (PW Breakroom, Lactating Room)	-	150,000
Signal Light Replacement Project (led)	-	50,000
Sterns Park Project	64,811	885,189
Storage Unit Pd	9,358	5,642
Street Improvement Project	38,837	961,163
Street Markings/stripping	-	85,000
Youth Ctr Remodel (design)	-	250,000

6) COMPENSATED ABSENCES

The following is a summary of changes in compensated absences for the year ended June 30, 2024 is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Compensated absences	\$ 507,005	\$ 349,140	\$(241,472)	\$ 614,673	\$ 240,283

There is no repayment schedule for compensated absences. Employee leave benefits are payable to employees upon usage or termination. The City's policies relating to the payment of these benefits are discussed in Note 1. The liability for compensated absences is typically liquidated through the General Fund.

City of Los Alamitos

Notes to the Basic Financial Statements For the Year Ended June 30, 2024

7) LONG-TERM DEBT

The following is a summary of changes in Governmental Activities long-term debt for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
2015 Certificates of Participation	\$ 3,160,000	\$ -	\$ (85,000)	\$ 3,075,000	\$ 90,000
Unamortized bond premium	100,769	-	(4,352)	96,417	-
Total	<u>\$ 3,260,769</u>	<u>\$ -</u>	<u>\$ (89,352)</u>	<u>\$ 3,171,417</u>	<u>\$ 90,000</u>
Other Long-term Liabilities:					
Lease Payable – Police Vehicles	\$ 329,542	\$ 133,961	\$ (81,096)	\$ 382,407	\$ 111,549
Lease Payable – Warehouse	189,632	168,928	(129,002)	229,558	135,602
Lease Payable – Camera	-	157,085	(30,015)	127,070	30,700
Total	<u>\$ 519,174</u>	<u>\$ 459,974</u>	<u>\$ (240,113)</u>	<u>\$ 739,035</u>	<u>\$ 277,851</u>

A) 2015 Certificates of Participation

On September 1, 2015, the City issued the 2015 Certificates of Participation in the amount of \$3,685,000, as a public offering, to refund the outstanding balance of the 2006 (Laurel Park Acquisition) Certificates of Participation in an advanced refunding transaction, and to finance the design, acquisition, and construction of certain capital improvement projects. There are no finance-related consequences related to significant events of default or termination, and there are no acceleration clauses. There are no assets pledged as collateral, no required reserve, and no unused lines of credit. Interest on the bonds is payable semiannually on October 1 and April 1, commencing April 1, 2016, at rates which range from 2.00% to 5.00%. Principal payments begin October 1, 2017 and continue October 1 of each year through October 1, 2045. The outstanding balance as of June 30, 2024 is \$3,075,000. The annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 90,000	\$ 116,819	\$ 206,819
2026	95,000	112,194	207,194
2027	100,000	107,319	207,319
2028	105,000	103,244	208,244
2029	110,000	100,019	210,019
2030-2034	595,000	444,654	1,039,654
2035-2039	710,000	327,275	1,037,275
2040-2044	870,000	170,000	1,040,000
2045-2046	400,000	16,200	416,200
Total	<u>\$ 3,075,000</u>	<u>\$ 1,497,724</u>	<u>\$ 4,572,724</u>

City of Los Alamitos

Notes to the Basic Financial Statements For the Year Ended June 30, 2024

7) LONG-TERM DEBT, (CONTINUED)

B) Leases Payable

The City has entered into leases as a Lessee for use of various police vehicles, equipment and a warehouse. The initial lease liabilities were recorded in the range between \$16,254 to \$400,149. The City is required to make monthly fixed payments in the range between \$519 to \$12,000. As of June 30, 2024, the value of the lease liability is \$739,035. The leases have an interest rate in the range between 5% to 16.2%. The various police vehicles and the warehouse have a five-year estimated useful life. The value of the right-to-use asset as of June 30, 2024 was \$1,084,787 with accumulated amortization of \$370,830, is included with buildings and vehicles which is detailed in Note 5. In fiscal year ended June 30, 2024, the City made a change in their estimate of interest rate used for the warehouse lease. This increased the liability by \$168,928 and the right-to-use asset by \$201,558 for a trivial net change of \$32,630. Change in estimate was recorded as of July 1, 2023 as additions in the summary of long-term debt above, and capital assets detailed in note 5.

The following future principal and interest payments on the leases payable for June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 277,851	\$ 64,726	\$ 342,577
2026	231,937	39,831	271,768
2027	137,550	19,962	157,512
2028	77,284	6,621	83,905
2029	14,413	995	15,408
Total	<u>\$ 739,035</u>	<u>\$ 132,135</u>	<u>\$ 871,170</u>

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**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

8) RETIREMENT PLANS

A) General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City participates in four rate plans (two miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

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 5 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.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

8) RETIREMENT PLANS, (CONTINUED)

A) General Information about the Pension Plans, (Continued)

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-67	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employer contribution rates	15.95%	7.68%

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% to 2.7%
Required employer contribution rates	27.11%	13.54%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2024 were \$1,403,038. The actual employer payments of \$2,604,174 made to CalPERS by the City during the measurement period ended June 30, 2023, differed from the City's proportionate share of the employer's contributions of \$2,396,409 by \$207,765, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

8) RETIREMENT PLANS, (CONTINUED)

B) Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

8) RETIREMENT PLANS, (CONTINUED)
B) Net Pension Liability, (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Change of Assumptions

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

8) RETIREMENT PLANS, (CONTINUED)

B) Net Pension Liability, (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

C) Proportionate Share of Net Pension Liability

The following table shows the City's proportionate share of the Plan's net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2022 (VD)	\$ 82,240,705	\$ 56,663,354	\$ 25,577,351
Balance at: 6/30/2023 (MD)	86,341,369	59,038,115	27,303,254
Net Changes during 2022-23	<u>\$ 4,100,664</u>	<u>\$ 2,374,761</u>	<u>\$ 1,725,903</u>

Valuation Date (VD), Measurement Date (MD)

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

8) RETIREMENT PLANS, (CONTINUED)

C) Proportionate Share of Net Pension Liability, (Continued)

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov.

The City's proportionate share of the net pension liability for the miscellaneous and safety Plan as of the June 30, 2022 and 2023 measurement dates was as follows:

	Miscellaneous	Safety
Proportion – June 30, 2022	0.2525%	0.2003%
Proportion – June 30, 2023	0.2490%	0.1987%
Change – Increase (Decrease)	-0.0035%	-0.0016%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Proportion – June 30, 2022	36,870,020	25,577,351	16,321,033
Proportion – June 30, 2023	39,074,445	27,303,254	17,651,232
Change – Increase (Decrease)	\$ 2,204,425	\$ 1,725,903	\$ 1,330,199

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

8) RETIREMENT PLANS, (CONTINUED)

C) Proportionate Share of Net Pension Liability, (Continued)

The amortization period differs depending on the source of the gain or loss:

Net difference between 5-year straight-line amortization
projected and actual earnings
on pension plan investments

All other amounts Straight-line amortization over the expected average
remaining service lives (EARS�) of all members that
are provided with benefits (active, inactive and
retired) as of the beginning of the measurement
period

The expected average remaining service lifetime (EARS�) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARS� for PERF C for the measurement period ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

D) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

As of the start of the measurement period (July 1, 2022), the City's net pension liability was \$25,577,351. For the measurement period ending June 30, 2022 (the measurement date), the Local Government incurred a pension expense of \$3,613,977. The City's net pension liability is typically liquidated through the General Fund.

City of Los Alamitos

Notes to the Basic Financial Statements For the Year Ended June 30, 2024

8) RETIREMENT PLANS, (CONTINUED)

D) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension, (Continued)

As of June 30, 2024, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 1,618,518	\$ -
Differences between expected and actual experience	1,726,516	192,020
Net difference between projected and annual earnings on retirement plan investments	4,048,430	-
Changes in proportion and differences between City contributions and proportionate share of contributions	153,090.00	711,672
Changes in employer's proportion	408,786	739,560
City contributions subsequent to the measurement date	1,403,038	-
Total	<u>\$ 9,358,378</u>	<u>\$ 1,643,252</u>

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date \$1,403,038 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous	Safety	Total
2025	\$ 506,366	\$ 1,225,850	\$ 1,732,216
2026	396,500	879,202	1,275,702
2027	1,531,544	1,658,042	3,189,586
2028	57,849	56,735	114,584
2029	-	-	-
Thereafter	-	-	-
Total	<u>\$ 2,492,259</u>	<u>\$ 3,819,829</u>	<u>\$ 6,312,088</u>

E) Payable to the Pension Plan

At June 30, 2024, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year then ended

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

9) OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

A) Plan Description

In addition to providing pension benefits, the City provides certain health care benefits, through a single- employer OPEB Plan (the Plan), for retired employees in accordance with a City Council resolution. Substantially, all the City's employees become eligible for those benefits if they reach normal retirement age while working for the City. Those and similar benefits for active employees are provided through PERS whose premiums are based on the benefits paid during the year.

Retiree health care coverage is segregated into two tiers as follows:

Tier 1 – Employees Hired Before August 1, 1994(1) receive one of the following:

- Miscellaneous and Safety Employees with 10 years of service with the City, with a regular service retirement, shall be eligible to receive 100% of the monthly benefit applicable towards the employee and one dependent, provided that employee plus one dependent coverage was in effect upon the date of retirement, up to Medicare age, and up to \$300 per month thereafter for life.
- Employees age fifty (50) or over received up to \$300 per month for life.

Tier 2 – Employees Hired on or After August 1, 1994(1) receive one of the following:

- Miscellaneous Employees with at least 15 years of continuous service with the City, and have reached the age of fifty-five (55) shall be eligible to receive 100% of the monthly benefit applicable towards the employee and one dependent, provided that employee plus one dependent coverage was in effect upon the date of retirement, up to Medicare age, and up to \$300 per month thereafter for life.
- Safety Employees with 10 years of service with the City shall be eligible to receive 50% of the monthly benefit applicable towards the employee and one dependent, if employee plus one dependent coverage was in effect upon the date of retirement. The percentage increases by 5% per year to 100% at 20 years of service up to Medicare age, and up to \$300 per month thereafter for life.

(1) Applies to police employees hired after January 1, 1995.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

9) OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN, (CONTINUED)

B) Employees Covered

As of the June 30, 2024 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active	69
Inactive employees or beneficiaries currently receiving benefits	<u>45</u>
Total	<u>114</u>

C) Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council, and/or the employee associations. The City is currently funding this OPEB obligation based on a pay-as-you-go basis. For the measurement date ended June 30, 2024, the City made no contributions to the plan, which would be recognized as a reduction of the total OPEB liability. The total OPEB liability is typically liquidated through the General Fund.

D) Actuarial Methods and Assumptions

The City's total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation dated June 30, 2024, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	3.93%
Inflation	2.50%
Salary Increases	2.75% per year
Investment Rate of Return	N/A; OPEB plan is unfunded
Mortality Rate	2021 CalPERS Mortality for Safety Employees, Miscellaneous and Schools Employees
Pre-Retirement Turnover	According to the CalPERS Turnover rate table
Healthcare Trend Rate	4.00% per year

E) Discount Rate

The discount rate used to measure the total OPEB liability was 3.93 percent. The discount rate is based on the Bond Buyer 20 Bond Index. The City does not participate in a trust fiduciary fund.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

9) OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN, (CONTINUED)

F) Changes in the Total OPEB Liability

The changes in the Total OPEB liability for the Plan are as follows:

	Increase (Decrease)
	<u>Total OPEB Liability/(Assets)</u>
Balance at June 30, 2023	\$ 5,633,788
Changes recognized over the measurement period:	
Service cost	326,480
Interest	232,030
Changes of assumptions	(8,106)
Actual and expected experience difference	548,754
Benefit payments	(428,200)
Net Changes	670,958
Balance at June 30, 2024	<u>\$ 6,304,746</u>

G) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

1% Decrease	Current Discount Rate	1% Increase
\$ 6,997,026	\$ 6,304,746	\$ 5,721,785

H) Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the Total OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

1% Decrease	Cost Trend Rates	1% Increase
\$ 5,810,911	\$ 6,304,746	\$ 6,892,704

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

9) OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN, (CONTINUED)

I) OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$691,755. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 1,081,210	\$ 958,719
Difference between expected and actual experience	847,268	681,121
Total	<u>\$ 1,928,478</u>	<u>\$ 1,639,840</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2025	\$ 133,245
2026	133,245
2027	104,055
2028	(99,108)
2029	(102,680)
Thereafter	119,881
Total	<u>\$ 288,638</u>

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

10) JOINT VENTURES

A) Orange County Fire Authority

In January 1995, the City of Los Alamitos entered into a joint powers agreement with 17 other cities within the County of Orange to create the Orange County Fire Authority (Authority). The purpose of the Authority is to provide for mutual fire protection, prevention and suppression services, and related and incidental services including, but not limited to emergency medical and transport services, as well as providing facilities and personnel for such services. The effective date of formation was March 1, 1995. Since the creation of the Authority, five additional cities have joined the Authority as members. The Authority's governing board consists of one representative from each city and two from the County.

The operations of the Authority are funded with structural fire fees collected by the County through the property tax roll for the unincorporated area and on behalf of all member cities except for eight cities. The County pays all structural fire fees it collects to the Authority. The eight cities for which the County does not collect structural fire fees are considered "cash contract cities" and, accordingly, make cash contributions based on the Authority's annual budget.

Upon dissolution of the Authority, all surplus money and property of the Authority will be conveyed or distributed to each member in proportion to all funds provided to the Authority by that member or by the County on behalf of that member during its membership. The City has a financial interest in the Authority; however, it does not have an equity interest or an ongoing financial responsibility. Financial statements of the Authority may be obtained from its office at Post Office Box 57115, Irvine, California 92619.

B) West Communications Financing Authority

The West Communications Financing Authority was established December 23, 1996, pursuant to a Joint Exercise of Powers Agreement by the Cities of Los Alamitos, Seal Beach and Cypress for the purpose of operating a public safety communications center.

The Board of Directors is comprised of three elected officials, one designated by each participating City. Each Director has one vote over budgeting and financial matters. The Authority is a public entity separate from the Cities and is not included in the financial statements of those entities.

Each City pays a contractual fee to the Authority which consists of personal costs, capital expenditures and reserves to fund accrued employee leave and equipment purchases. The contractual fee remains stable from year to year. In 2023-2024, the City of Los Alamitos paid \$774,699 to the Authority. Financial information for the Authority may be obtained from the City of Cypress.

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2024**

10) JOINT VENTURES, (CONTINUED)

C) Integrated Law and Justice Agency for Orange County

In May 2006, the City of Los Alamitos entered into a joint powers agreement with 22 other agencies within the County of Orange to create the Integrated Law and Justice Agency for Orange County. The purpose of the Agency is to facilitate the integration and sharing of criminal justice information for the benefit of the lands and inhabitants within their respective boundaries. The Agency's governing board consists of six Municipal Police Chiefs, each elected for a three-year term by the Orange County Chiefs & Sheriff's Association. The operations of the Agency are funded by grant awards and annual budget appropriations from each member agency. Upon dissolution of the Agency, all surplus money and property of the Agency will be conveyed or distributed to each member in proportion to all funds provided to the Agency by that member. The City has a financial interest in the Authority; however, it does not have an equity interest. Also, the City has an ongoing financial responsibility to the Agency for approximately \$3,000 per year.

Financial information for this arrangement may be obtained from the City of Los Alamitos.

11) SELF-INSURANCE PROGRAM

Effective July 1, 2016, the City rescinded its participation in the California Joint Power Insurance Authority (CJPIA) and joined the California State Association of Counties Excess Insurance Authority (EIA). Beginning July 1, 2016, excess insurance coverage for General Liability and Workers' Compensation was provided through the EIA with self-insured retentions of \$100,000 and \$125,000 per occurrence for each respective program. The EIA provides coverage up to \$25 million per occurrence for General Liability and up to the statutory limit for Workers' Compensation.

The City established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risk of loss when it became a member of EIA for liability, master crime, and workers' compensation coverage. All funds of the City participate in the program and make payments to the Self-Insurance Fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses. The estimated claims liability of \$169,920 reported at June 30, 2024, is based on the requirements of Governmental Accounting Standards Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The above amount includes an estimate for incurred but not reported claims.

During the last three fiscal years none of the above programs of protection have had settlements or judgments that exceeded the insured coverage amount. There have been no significant reductions in insured liability coverage from the prior year.

City of Los Alamitos

Notes to the Basic Financial Statements For the Year Ended June 30, 2024

11) SELF-INSURANCE PROGRAM, (CONTINUED)

Changes in the reported liability for the last two fiscal years are as follows:

	Due Within One-Year Workers' Compensation	Long Term General Liability	Total
Liability balance as of June 30, 2022	\$ 71,875	\$ 151,098	\$ 222,973
Claims and changes in estimates during the fiscal year ended June 30, 2023	1,416,202	-	1,416,202
Claims payments during the fiscal year ended June 30, 2023	(15,386)	-	(15,386)
Liability balance as of June 30, 2023	1,472,691	151,098	1,623,789
Claims and changes in estimates during the fiscal year ended June 30, 2024	155,391	-	155,391
Claims payments during the fiscal year ended June 30, 2024	(1,555,123)	(56,137)	(1,611,260)
Liability balance as of June 30, 2024	<u>\$ 72,959</u>	<u>\$ 94,961</u>	<u>\$ 167,920</u>

12) COMMITMENTS AND CONTINGENCIES

The City is subject to litigation arising in the normal course of business.

The City has received various state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

City of Los Alamitos

Notes to the Basic Financial Statements For the Year Ended June 30, 2024

13) CLASSIFICATION OF FUND BALANCES AND NET POSITION

At June 30, 2024, fund balances are classified in the governmental funds as follows:

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable			
Prepaid costs	\$ 57,166	\$ -	\$ 57,166
Due from employees	4,260	-	4,260
Total Nonspendable	61,426	-	61,426
Restricted			
Transportation	-	873,520	873,520
Cable television	-	57,232	57,232
Public safety	-	550,771	550,771
Air quality	-	187,518	187,518
Parks	-	765,178	765,178
Total Restricted	-	2,434,219	2,434,219
Committed			
Capital projects	1,582,719	432,058	2,014,777
Total Committed	1,582,719	432,058	2,014,777
Assigned			
Other post-employment benefits	500,000	-	500,000
PERS reserves	3,100,000	-	3,100,000
Capital projects	-	416,422	416,422
Total Assigned	3,600,000	416,422	4,016,422
Unassigned	17,466,604	(114,182)	17,352,422
Totals	\$ 22,710,749	\$ 3,168,517	\$ 25,879,266

City of Los Alamitos

Notes to the Basic Financial Statements For the Year Ended June 30, 2024

13) CLASSIFICATION OF FUND BALANCES AND NET POSITION, (CONTINUED)

At June 30, 2024, the City reported the following net position classifications for governmental activities:

Net investment in capital assets:

Governmental capital assets, net	\$ 26,231,544	
2015 Certificates of Participation	(3,075,000)	
Unamortized bond premium	(96,417)	
Deferred loss on refunding	84,863	
Lease liability	(739,035)	
Capital-related liabilities: accounts payable and retainage payable	<u>(306,866)</u>	
Total net investment in capital assets		\$ 22,099,089

Restricted for:

Transportation	873,520	
Cable television	57,232	
Public safety	550,771	
Air quality	187,518	
Parks	<u>765,178</u>	
Total restricted		2,434,219

Unrestricted	<u>(3,441,911)</u>	
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Total net position	<u><u>\$ 21,091,397</u></u>	
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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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City of Los Alamitos

Required Supplementary Information Budgetary Comparison Schedule – General Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Fund Balance, Beginning, as Restated	\$ 20,073,360	\$ 20,073,360	\$ 20,073,360	\$ -
Revenues (Inflows):				
Taxes	19,414,748	19,414,748	20,694,766	1,280,018
Licenses and permits	1,041,900	1,041,900	816,290	(225,610)
Intergovernmental	11,000	11,000	869,653	858,653
Charges for services	808,018	808,018	765,092	(42,926)
Investment earnings	300,000	300,000	1,164,765	864,765
Fines and forfeitures	694,000	694,000	752,508	58,508
Miscellaneous	50,000	50,000	735,099	685,099
Lease acquisition	-	-	-	-
Transfers in	1,370,000	1,370,000	370,000	(1,000,000)
Amount Available for Appropriations	23,689,666	23,689,666	26,168,173	2,478,507
Charges to Appropriations (Outflows):				
General government:				
City council	66,895	66,895	51,287	15,608
City manager / City clerk	1,493,294	1,493,294	1,456,121	37,173
Administrative services	1,011,973	1,011,973	1,003,374	8,599
City attorney	196,000	196,000	423,183	(227,183)
Non-departmental	2,077,631	2,029,631	1,194,080	835,551
Public safety	8,343,859	8,343,859	8,454,827	(110,968)
Community development	2,541,767	2,541,767	2,256,980	284,787
Recreation and community services	2,458,756	2,458,756	2,706,043	(247,287)
Public works	3,465,133	3,465,133	3,800,026	(334,893)
Capital outlay	-	-	1,019,363	(1,019,363)
Debt service:				
Principal	8,930	8,930	129,002	(120,072)
Interest and fiscal charges	39,070	39,070	14,998	24,072
Transfers out	2,211,500	2,211,500	1,021,500	1,190,000
Total Charges to Appropriations	23,914,808	23,866,808	23,530,784	336,024
Fund Balance, Ending	<u>\$ 19,848,218</u>	<u>\$ 19,896,218</u>	<u>\$ 22,710,749</u>	<u>\$ 2,814,531</u>

Required Supplementary Information, (Continued)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2024

1) Budgets and Budgetary Accounting Data

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) The annual budget is adopted by the City Council and provides for the general operation of the City. The operating budget includes proposed expenditures and the means of financing them.
- 2) The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. This “appropriated budget” covers substantially all City expenditures. Actual expenditures may not exceed budgeted appropriations at the department level. The City’s fund structure includes the following departments: City Council, City Manager/City Clerk, Administrative Services, City Attorney, Public Safety, Community Development, Recreation and Community Services, and Public Works. The City Manager is authorized to transfer budgeted amounts between the accounts of any department. Budgets are controlled at the department level. Budget figures used in the financial statements are the final adjusted amounts, including any amendments to the budget during the fiscal year.
- 3) Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Fund types during the fiscal year. Unexpended appropriations of the governmental funds automatically lapse at the end of the fiscal year.
- 4) Budgets for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds, with the exception of the Capital Outlay Capital Projects Fund, are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America (USGAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. No budgetary comparisons are presented for the proprietary funds, as the City is not legally required to adopt a budget for this type of fund.
- 5) Under Article XIIIB of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2024, based on calculations by City management, proceeds of taxes did not exceed appropriations.

City of Los Alamitos

Required Supplementary Information, (Continued) Notes to the Budgetary Comparison Schedule For the Year Ended June 30, 2024

2) Excess of Expenditures over Appropriations

The following departments had expenditures that exceeded the adopted budget:

	Budget	Actual	Variance
City attorney	\$ 196,000	\$ 423,183	\$ (227,183)
Public safety	8,343,859	8,454,827	(110,968)
Recreation and community services	2,458,756	2,706,043	(247,287)
Public works	3,465,133	3,800,026	(334,893)
Capital outlay	-	1,019,363	(1,019,363)

Required Supplementary Information, (Continued)
Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios –
Miscellaneous Plan
For the Year Ended June 30, 2024

Measurement Date	Proportion of the net pension liability ¹	Proportionate share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as a percentage of covered payroll	Proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability
6/30/2014	0.072600%	\$ 4,518,604	\$ 2,042,142	221.27%	79.80%
6/30/2015	0.090100%	6,181,642	2,067,219	299.03%	78.40%
6/30/2016	0.092200%	7,975,904	2,139,951	372.71%	74.10%
6/30/2017	0.092000%	9,127,183	2,067,777	441.40%	73.30%
6/30/2018	0.095300%	8,999,874	1,882,670	478.04%	75.30%
6/30/2019	0.166200%	9,688,016	1,883,036	514.49%	70.40%
6/30/2020	0.179100%	10,333,777	1,853,222	557.61%	69.30%
6/30/2021	0.174000%	7,053,615	1,802,686	391.28%	79.40%
6/30/2022	0.252528%	11,816,355	2,174,409	543.43%	67.45%
6/30/2023	0.248980%	12,449,986	2,726,295	456.66%	67.11%

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

City of Los Alamitos

Required Supplementary Information, (Continued) Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios – Safety Plan For the Year Ended June 30, 2024

Measurement Date	Proportion of the net pension liability ¹	Proportionate share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as a percentage of covered payroll	Proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability
6/30/2014	0.089100%	\$ 5,542,493	\$ 2,385,017	232.39%	79.80%
6/30/2015	0.092200%	6,328,706	2,402,592	263.41%	78.40%
6/30/2016	0.096500%	8,351,809	2,534,307	329.55%	74.10%
6/30/2017	0.098000%	9,719,511	2,655,464	366.02%	73.30%
6/30/2018	0.104700%	9,853,739	2,498,046	394.46%	75.30%
6/30/2019	0.171000%	10,731,155	2,287,551	469.11%	70.40%
6/30/2020	0.069500%	11,805,982	1,935,386	610.01%	69.30%
6/30/2021	0.164300%	7,488,379	2,184,348	342.82%	79.40%
6/30/2022	0.252528%	13,760,996	2,103,050	654.34%	70.04%
6/30/2023	0.198710%	14,853,268	2,416,863	614.57%	69.36%

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

Required Supplementary Information, (Continued)
Schedule of City's Contributions – Pensions – Miscellaneous Plan
For the Year Ended June 30, 2024

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered payroll	Contributions as a Percentage of Covered Payroll
2014-2015	\$ 228,140	\$ (228,140)	\$ -	\$ 2,067,219	11.0%
2015-2016	478,168	(478,168)	-	2,139,951	22.3%
2016-2017	575,534	(575,534)	-	2,067,777	27.8%
2017-2018	607,715	(607,715)	-	1,882,670	32.3%
2018-2019	706,647	(706,647)	-	1,883,036	37.5%
2019-2020	878,063	(878,063)	-	1,853,222	47.4%
2020-2021	902,971	(902,971)	-	1,802,686	50.1%
2021-2022	1,016,424	(1,016,424)	-	2,174,409	46.7%
2022-2023	1,169,151	(1,169,151)	-	2,726,295	42.9%
2023-2024	653,699	(653,699)	-	3,604,377	18.1%

Notes to Schedule:

Change in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

Required Supplementary Information, (Continued)
Schedule of City's Contributions – Pensions – Safety Plan
For the Year Ended June 30, 2024

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered payroll	Contributions as a Percentage of Covered Payroll
2014-2015	\$ 605,370	\$ (605,370)	\$ -	\$ 2,402,592	25.2%
2015-2016	748,750	(748,750)	-	2,534,307	29.5%
2016-2017	797,034	(797,034)	-	2,655,464	30.0%
2017-2018	847,090	(847,090)	-	2,498,046	33.9%
2018-2019	927,772	(927,772)	-	2,287,551	40.6%
2019-2020	1,075,926	(1,075,926)	-	1,935,386	55.6%
2020-2021	1,163,513	(1,163,513)	-	2,184,348	53.3%
2021-2022	1,250,864	(1,250,864)	-	2,103,050	59.5%
2022-2023	1,435,023	(1,435,023)	-	2,416,863	59.4%
2023-2024	749,339	(749,339)	-	2,705,684	27.7%

Notes to Schedule:

Change in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Los Alamitos

Required Supplementary Information, (Continued) Schedule of Changes in the Net OPEB Liability and Related Ratios For the Year Ended June 30, 2024

Fiscal Year	2024	2023	2022	2021	2020	2019
Total OPEB Liability						
Service cost	\$ 326,480	\$ 309,238	\$ 345,491	\$ 333,552	\$ 192,736	\$ 175,452
Interest on the total OPEB liability	232,030	228,224	144,055	143,962	164,133	157,013
Experience (gains)/losses	548,754	(394,896)	542,385	-	(1,087,077)	-
Changes in assumptions	(8,106)	(423,509)	(973,560)	31,397	2,824,825	100,644
Benefit payments	(428,200)	(442,236)	(395,761)	(383,006)	(238,645)	(237,974)
Net change in total OPEB liability	670,958	(723,179)	(337,390)	125,905	1,855,972	195,135
Total OPEB liability - beginning	5,633,788	6,356,967	6,694,357	6,568,452	4,712,480	4,517,345
Total OPEB liability - ending (a)	\$ 6,304,746	\$ 5,633,788	\$ 6,356,967	\$ 6,694,357	\$ 6,568,452	\$ 4,712,480
Covered-employee payroll⁽¹⁾	\$ 5,574,641	\$ 5,131,255	\$ 4,277,459	\$ 4,700,996	\$ 4,502,169	\$ 4,380,716
Total OPEB liability as a percentage of covered-employee payroll	113.10%	109.79%	148.62%	142.40%	145.90%	107.57%

* Historical information is required only for measurement for which GASB 75 is applicable.

Notes to Schedule:

(1) Contributions to the OPEB plan are not based on a measure of pay, therefore covered employee payroll is used. No assets are accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

Changes in assumptions: For 2024, the discount rate increased from 3.86% to 3.93% based on the municipal bond index. Assumed rates of retirement, termination, and mortality were updated to align with those currently being used by the statewide pension systems. For 2023, the discount rate increased from 3.45% to 3.86% based on the municipal bond index. For 2022, the discount rate increased from 2.16% to 3.45% based on the updated municipal bond index.

SUPPLEMENTARY INFORMATION

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City of Los Alamitos

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2024

	Special Revenue Funds			
	Community Development Block Grant	Measure M	Los Alamitos Television	Office of Traffic Safety
ASSETS				
Cash and investments	\$ 360	\$ 810,480	\$ 56,833	\$ 125,629
Receivables:				
Due from other governments	127,868	49,074	3,952	2,212.00
Cash and investments - restricted	-	-	-	-
Total Assets	<u>\$ 128,228</u>	<u>\$ 859,554</u>	<u>\$ 60,785</u>	<u>\$ 127,841</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 32,410	\$ 13,586	\$ 3,553	\$ -
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	210,000	-	-	-
Total Liabilities	<u>242,410</u>	<u>13,586</u>	<u>3,553</u>	<u>-</u>
Fund Balances:				
Restricted	-	845,968	57,232	127,841
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(114,182)	-	-	-
Total Fund Balances (Deficit)	<u>(114,182)</u>	<u>845,968</u>	<u>57,232</u>	<u>127,841</u>
Total Liabilities, Deferred Inflows				
Total Liabilities and Fund Balances	<u>\$ 128,228</u>	<u>\$ 859,554</u>	<u>\$ 60,785</u>	<u>\$ 127,841</u>

City of Los Alamitos

Combining Balance Sheet, (Continued) Nonmajor Governmental Funds June 30, 2024

	Special Revenue Funds			
	Asset Seizure	Public Safety Augmentation	State Law Enforcement Agency	Air Quality
ASSETS				
Cash and investments	\$ 49,091	\$ 26,663	\$ 324,122	\$ 187,518
Receivables:				
Due from other governments	8,800	24,533	-	-
Cash and investments - restricted	-	-	-	-
Total Assets	\$ 57,891	\$ 51,196	\$ 324,122	\$ 187,518
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Unearned revenues	-	-	-	-
Deposits payable	10,279	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	10,279	-	-	-
Fund Balances:				
Restricted	47,612	51,196	324,122	187,518
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	47,612	51,196	324,122	187,518
Total Liabilities, Deferred Inflows	\$ 57,891	\$ 51,196	\$ 324,122	\$ 187,518
Total Liabilities and Fund Balances	\$ 57,891	\$ 51,196	\$ 324,122	\$ 187,518

City of Los Alamitos

Combining Balance Sheet, (Continued) Nonmajor Governmental Funds June 30, 2024

	Special Revenue Funds	Capital Projects Funds		
	State Gas Tax	Park Development	Building Improvement	Residential Streets/ Alleys
ASSETS				
Cash and investments	\$ 277,959	\$ 765,178	\$ 396,724	\$ 7,131
Receivables:				
Due from other governments	92,822	-	-	-
Cash and investments - restricted	-	-	-	-
Total Assets	\$ 370,781	\$ 765,178	\$ 396,724	\$ 7,131
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 16,866	\$ -	\$ -	\$ -
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	16,866	-	-	-
Fund Balances:				
Restricted	-	765,178	-	-
Committed	353,915	-	-	-
Assigned	-	-	396,724	7,131
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	353,915	765,178	396,724	7,131
Total Liabilities, Deferred Inflows	\$ 370,781	\$ 765,178	\$ 396,724	\$ 7,131
Total Liabilities and Fund Balances	\$ 370,781	\$ 765,178	\$ 396,724	\$ 7,131

City of Los Alamitos

Combining Balance Sheet, (Concluded) Nonmajor Governmental Funds June 30, 2024

	Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
	Traffic Improvement	Debt Service	
ASSETS			
Cash and investments	\$ 242,474	\$ 12,318	\$ 3,282,480
Receivables:			
Due from other governments	-	-	309,261
Cash and investments - restricted	-	249	249
Total Assets	\$ 242,474	\$ 12,567	\$ 3,591,990
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 66,415
Unearned revenues	136,779	-	136,779
Deposits payable	-	-	10,279
Due to other funds	-	-	210,000
Total Liabilities	136,779	-	423,473
Fund Balances:			
Restricted	27,552	-	2,434,219
Committed	78,143	-	432,058
Assigned	-	12,567	416,422
Unassigned	-	-	(114,182)
Total Fund Balances (Deficit)	105,695	12,567	3,168,517
Total Liabilities, Deferred Inflows	\$ 242,474	\$ 12,567	\$ 3,591,990
Total Liabilities and Fund Balances	\$ 242,474	\$ 12,567	\$ 3,591,990

City of Los Alamitos

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2024

	Special Revenue Funds			
	Community Development Block Grant	Measure M	Los Alamitos Television	Office of Traffic Safety
REVENUES				
Taxes	\$ -	\$ -	\$ 21,003	\$ -
Intergovernmental	357,396	-	-	-
Investment earnings	463	10,472	1,484	2,890
Fines and forfeitures	-	-	-	23,458
Program revenues	-	357,601	-	-
Miscellaneous	-	-	1,178	-
Total Revenues	357,859	368,073	23,665	26,348
EXPENDITURES				
Current:				
General government	-	-	27,690	-
Public works	-	-	-	-
Capital outlay	357,859	67,352	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	357,859	67,352	27,690	-
Revenues Over (Under) Expenditures	-	300,721	(4,025)	26,348
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(5,000)
Total Other Financing Sources (Uses)	-	-	-	(5,000)
Change in Fund Balances	-	300,721	(4,025)	21,348
Fund Balances (Deficits), Beginning of Year	(114,182)	545,247	61,257	106,493
Fund Balances (Deficits), End of Year	\$ (114,182)	\$ 845,968	\$ 57,232	\$ 127,841

City of Los Alamitos

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, (Continued) Nonmajor Governmental Funds For the Year Ended June 30, 2024

	Special Revenue Funds			
	Asset Seizure	Public Safety Augmentation	State Law Enforcement Agency	Air Quality
REVENUES				
Taxes	\$ -	\$ 152,002	\$ -	\$ -
Intergovernmental	-	-	186,159	16,194
Investment earnings	7,766	452	8,700	4,368
Fines and forfeitures	-	-	-	-
Program revenues	-	-	-	-
Miscellaneous	11,257	-	-	-
Total Revenues	19,023	152,454	194,859	20,562
EXPENDITURES				
Current:				
General government	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	19,023	152,454	194,859	20,562
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(105,000)	(140,000)	-
Total Other Financing Sources (Uses)	-	(105,000)	(140,000)	-
Change in Fund Balances	19,023	47,454	54,859	20,562
Fund Balances (Deficits), Beginning of Year	28,589	3,742	269,263	166,956
Fund Balances, End of Year	\$ 47,612	\$ 51,196	\$ 324,122	\$ 187,518

City of Los Alamitos

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, (Continued) Nonmajor Governmental Funds For the Year Ended June 30, 2024

	Special Revenue Funds	Capital Projects Funds		
	State Gas Tax	Park Development	Building Improvement	Residential Streets/ Alleys
REVENUES				
Taxes	\$ 651,178	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Investment earnings	6,975	18,636	8,953	189
Fines and forfeitures	-	-	-	-
Program revenues	-	-	-	-
Miscellaneous	-	91	-	-
Total Revenues	658,153	18,727	8,953	189
EXPENDITURES				
Current:				
General government	-	-	-	-
Public works	-	-	-	-
Capital outlay	240,727	-	86,730	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	240,727	-	86,730	-
Revenues Over (Under) Expenditures	417,426	18,727	(77,777)	189
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	150,000	-
Transfers out	(120,000)	-	-	-
Total Other Financing Sources (Uses)	(120,000)	-	150,000	-
Change in Fund Balances	297,426	18,727	72,223	189
Fund Balances (Deficits), Beginning of Year	56,489	746,451	324,501	6,942
Fund Balances, End of Year	\$ 353,915	\$ 765,178	\$ 396,724	\$ 7,131

City of Los Alamitos

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, (Concluded) Nonmajor Governmental Funds For the Year Ended June 30, 2024

	Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
	Traffic Improvement	Debt Service	
REVENUES			
Taxes	\$ -	\$ -	\$ 824,183
Intergovernmental	-	-	559,749
Investment earnings	5,933	1,346	78,627
Fines and forfeitures	-	-	23,458
Program revenues	-	-	357,601
Miscellaneous	-	-	12,526
Total Revenues	5,933	1,346	1,856,144
EXPENDITURES			
Current:			
General government	-	-	27,690
Public works	82	-	82
Capital outlay	-	-	752,668
Debt service:			
Principal	-	85,000	85,000
Interest and fiscal charges	-	122,518	122,518
Total Expenditures	82	207,518	987,958
Revenues Over (Under) Expenditures	5,851	(206,172)	868,186
OTHER FINANCING SOURCES (USES)			
Transfers in	-	211,500	361,500
Transfers out	-	-	(370,000)
Total Other Financing Sources (Uses)	-	211,500	(8,500)
Change in Fund Balances	5,851	5,328	859,686
Fund Balances (Deficits), Beginning of Year	99,844	7,239	2,308,831
Fund Balances, End of Year	\$ 105,695	\$ 12,567	\$ 3,168,517

City of Los Alamitos

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Community Development Block Grant Special Revenue Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance (Deficit), Beginning	<u>\$ (114,182)</u>	<u>\$ (114,182)</u>	<u>\$ -</u>
Revenues (Inflows):			
Intergovernmental	300,000	357,396	57,396
Investment earnings	<u>-</u>	<u>463</u>	<u>463</u>
Amount Available for Appropriations	<u>300,000</u>	<u>357,859</u>	<u>57,859</u>
Charges to Appropriations (Outflows):			
Capital outlay	<u>650,000</u>	<u>357,859</u>	<u>292,141</u>
Total Charges to Appropriations	<u>650,000</u>	<u>357,859</u>	<u>292,141</u>
Fund Balance (Deficit), Ending	<u><u>\$ (464,182)</u></u>	<u><u>\$ (114,182)</u></u>	<u><u>\$ 350,000</u></u>

City of Los Alamitos

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Measure M Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance, Beginning	<u>\$ 545,247</u>	<u>\$ 545,247</u>	<u>\$ -</u>
Revenues (Inflows):			
Investment earnings	3,300	10,472	7,172
Program revenues	<u>227,000</u>	<u>357,601</u>	<u>130,601</u>
Amount Available for Appropriations	<u>230,300</u>	<u>368,073</u>	<u>137,773</u>
Charges to Appropriations (Outflows):			
Capital outlay	<u>560,000</u>	<u>67,352</u>	<u>492,648</u>
Total Charges to Appropriations	<u>560,000</u>	<u>67,352</u>	<u>492,648</u>
Fund Balance, Ending	<u><u>\$ 215,547</u></u>	<u><u>\$ 845,968</u></u>	<u><u>\$ 630,421</u></u>

City of Los Alamitos

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Los Alamitos Television Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance, Beginning	<u>\$ 61,257</u>	<u>\$ 61,257</u>	<u>\$ -</u>
Revenues (Inflows):			
Taxes	20,000	21,003	1,003
Investment earnings	500	1,484	984
Miscellaneous	<u>-</u>	<u>1,178</u>	<u>1,178</u>
Amount Available for Appropriations	<u>20,500</u>	<u>23,665</u>	<u>3,165</u>
Charges to Appropriations (Outflows):			
General government	<u>34,320</u>	<u>27,690</u>	<u>6,630</u>
Total Charges to Appropriations	<u>34,320</u>	<u>27,690</u>	<u>6,630</u>
Fund Balance, Ending	<u><u>\$ 47,437</u></u>	<u><u>\$ 57,232</u></u>	<u><u>\$ 9,795</u></u>

City of Los Alamitos

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Office of Traffic Safety Special Revenue Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance, Beginning	<u>\$ 106,493</u>	<u>\$ 106,493</u>	<u>\$ -</u>
Revenues (Inflows):			
Investment earnings	500	2,890	2,390
Fines and forfeitures	<u>15,000</u>	<u>23,458</u>	<u>8,458</u>
Amount Available for Appropriations	<u>15,500</u>	<u>26,348</u>	<u>10,848</u>
Charges to Appropriations (Outflows):			
Transfers out	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Charges to Appropriations	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 116,993</u></u>	<u><u>\$ 127,841</u></u>	<u><u>\$ 10,848</u></u>

City of Los Alamitos

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Asset Seizure Special Revenue Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance, Beginning	<u>\$ 28,589</u>	<u>\$ 28,589</u>	<u>\$ -</u>
Revenues (Inflows):			
Investment earnings	50	7,766	7,716
Miscellaneous	<u>-</u>	<u>11,257</u>	<u>11,257</u>
Amount Available for Appropriations	<u>50</u>	<u>19,023</u>	<u>18,973</u>
Fund Balance, Ending	<u><u>\$ 28,639</u></u>	<u><u>\$ 47,612</u></u>	<u><u>\$ 18,973</u></u>

City of Los Alamitos

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Public Safety Augmentation Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance, Beginning	<u>\$ 3,742</u>	<u>\$ 3,742</u>	<u>\$ -</u>
Revenues (Inflows):			
Taxes	141,672	152,002	10,330
Investment earnings	<u>150</u>	<u>452</u>	<u>302</u>
Amount Available for Appropriations	<u>141,822</u>	<u>152,454</u>	<u>10,632</u>
Charges to Appropriations (Outflows):			
Transfers out	<u>105,000</u>	<u>105,000</u>	<u>-</u>
Total Charges to Appropriations	<u>105,000</u>	<u>105,000</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 40,564</u></u>	<u><u>\$ 51,196</u></u>	<u><u>\$ 10,632</u></u>

City of Los Alamitos

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual State Law Enforcement Agency Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance, Beginning	<u>\$ 269,263</u>	<u>\$ 269,263</u>	<u>\$ -</u>
Revenues (Inflows):			
Intergovernmental	170,000	186,159	16,159
Investment earnings	<u>1,200</u>	<u>8,700</u>	<u>7,500</u>
Amount Available for Appropriations	<u>171,200</u>	<u>194,859</u>	<u>23,659</u>
Charges to Appropriations (Outflows):			
Transfers out	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Total Charges to Appropriations	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 300,463</u></u>	<u><u>\$ 324,122</u></u>	<u><u>\$ 23,659</u></u>

City of Los Alamitos

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Air Quality Special Revenue Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance, Beginning, As Restated	<u>\$ 166,956</u>	<u>\$ 166,956</u>	<u>\$ -</u>
Revenues (Inflows):			
Intergovernmental	15,000	16,194	1,194
Investment earnings	<u>700</u>	<u>4,368</u>	<u>3,668</u>
Amount Available for Appropriations	<u>15,700</u>	<u>20,562</u>	<u>4,862</u>
Fund Balance, Ending	<u>\$ 182,656</u>	<u>\$ 187,518</u>	<u>\$ 4,862</u>

City of Los Alamitos

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual State Gas Tax Special Revenue Fund For the Year Ended June 30, 2024

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance, Beginning	<u>\$ 56,489</u>	<u>\$ 56,489</u>	<u>\$ -</u>
Revenues (Inflows):			
Taxes	639,853	651,178	11,325
Investment earnings	<u>1,300</u>	<u>6,975</u>	<u>5,675</u>
Amount Available for Appropriations	<u>641,153</u>	<u>658,153</u>	<u>17,000</u>
Charges to Appropriations (Outflows):			
Capital outlay	960,000	240,727	719,273
Transfers out	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Total Charges to Appropriations	<u>1,080,000</u>	<u>360,727</u>	<u>719,273</u>
Fund Balance, Ending	<u>\$ (382,358)</u>	<u>\$ 353,915</u>	<u>\$ 736,273</u>

City of Los Alamitos

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Park Development Capital Projects Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance, Beginning	<u>\$ 746,451</u>	<u>\$ 746,451</u>	<u>\$ -</u>
Revenues (Inflows):			
Investment earnings	5,000	18,636	13,636
Miscellaneous	<u>-</u>	<u>91</u>	<u>91</u>
Amount Available for Appropriations	<u>5,000</u>	<u>18,727</u>	<u>13,727</u>
Fund Balance, Ending	<u>\$ 751,451</u>	<u>\$ 765,178</u>	<u>\$ 13,727</u>

City of Los Alamitos

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Building Improvement Capital Projects Fund For the Year Ended June 30, 2024

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance, Beginning	<u>\$ 324,501</u>	<u>\$ 324,501</u>	<u>\$ -</u>
Revenues (Inflows):			
Investment earnings	400	8,953	8,553
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Amount Available for Appropriations	<u>150,400</u>	<u>158,953</u>	<u>8,553</u>
Charges to Appropriations (Outflows):			
Capital outlay	<u>72,000</u>	<u>86,730</u>	<u>(14,730)</u>
Total Charges to Appropriations	<u>72,000</u>	<u>86,730</u>	<u>(14,730)</u>
Fund Balance, Ending	<u><u>\$ 402,901</u></u>	<u><u>\$ 396,724</u></u>	<u><u>\$ (6,177)</u></u>

City of Los Alamitos

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Residential Streets/Alleys Capital Projects Fund
For the Year Ended June 30, 2024**

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance, Beginning	<u>\$ 6,942</u>	<u>\$ 6,942</u>	<u>\$ -</u>
Revenues (Inflows):			
Investment earnings	<u>50</u>	<u>189</u>	<u>139</u>
Amount Available for Appropriations	<u>50</u>	<u>189</u>	<u>139</u>
Fund Balance, Ending	<u><u>\$ 6,992</u></u>	<u><u>\$ 7,131</u></u>	<u><u>\$ 139</u></u>

City of Los Alamitos

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Traffic Improvement Capital Projects Fund For the Year Ended June 30, 2024

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance, Beginning	<u>\$ 99,844</u>	<u>\$ 99,844</u>	<u>\$ -</u>
Revenues (Inflows):			
Charges for services	2,000	-	(2,000)
Investment earnings	<u>3,000</u>	<u>5,933</u>	<u>2,933</u>
Amount Available for Appropriations	<u>5,000</u>	<u>5,933</u>	<u>933</u>
Charges to Appropriations (Outflows):			
Public works	<u>-</u>	<u>82</u>	<u>(82)</u>
Total Charges to Appropriations	<u>-</u>	<u>82</u>	<u>(82)</u>
Fund Balance, Ending	<u><u>\$ 104,844</u></u>	<u><u>\$ 105,695</u></u>	<u><u>\$ 851</u></u>

City of Los Alamitos

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Debt Service Fund For the Year Ended June 30, 2024

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Fund Balance, Beginning	<u>\$ 7,239</u>	<u>\$ 7,239</u>	<u>\$ -</u>
Revenues (Inflows):			
Investment earnings	-	1,346	1,346
Transfers in	<u>211,500</u>	<u>211,500</u>	<u>-</u>
Amount Available for Appropriations	<u>211,500</u>	<u>212,846</u>	<u>1,346</u>
Charges to Appropriations (Outflows):			
Debt Service:			
Principal	85,000	85,000	-
Interest and fiscal charges	<u>126,769</u>	<u>122,518</u>	<u>4,251</u>
Total Charges to Appropriations	<u>211,769</u>	<u>207,518</u>	<u>4,251</u>
Fund Balance, Ending	<u><u>\$ 6,970</u></u>	<u><u>\$ 12,567</u></u>	<u><u>\$ 5,597</u></u>

City of Los Alamitos

Combining Statement of Net Position All Internal Service Funds June 30, 2024

	Garage	Technology Replacement	Police Capital Expenditures	Facilities, Streets, Parks and Pool Capital Expenditures	Self- Insurance Trust	Total
ASSETS						
Current assets:						
Cash and investments	\$ 8,961	\$ -	\$ 48,399	\$ -	\$ -	\$ 57,360
Accounts receivable	-	-	-	-	1,513,082	1,513,082
Total Current Assets	8,961	-	48,399	-	1,513,082	1,570,442
Noncurrent assets:						
Capital assets - net of accumulated depreciation	971,993	-	143,995	325,317	-	1,441,305
Total Noncurrent Assets	971,993	-	143,995	325,317	-	1,441,305
Total Assets	980,954	-	192,394	325,317	1,513,082	3,011,747
LIABILITIES						
Current liabilities:						
Accounts payable	24,975	144,298	-	72,657	64,263	306,193
Accrued interest	1,279	-	-	-	-	1,279
Due to other funds	-	58,833	-	892,576	1,088,789	2,040,198
Accrued claims and judgements	-	-	-	-	72,959	72,959
Leases payable	111,549	-	30,700	-	-	142,249
Total Current Liabilities	137,803	203,131	30,700	965,233	1,226,011	2,562,878
Long-term liabilities:						
Claims and judgements	-	-	-	-	94,961	94,961
Leases payable	270,858	-	96,370	-	-	367,228
Total Long-term Liabilities	270,858	-	96,370	-	94,961	462,189
Total Liabilities	408,661	203,131	127,070	965,233	1,320,972	3,025,067
NET POSITION (DEFICIT)						
Net investment in capital assets	589,586	-	16,925	325,317	-	931,828
Unrestricted	(17,293)	(203,131)	48,399	(965,233)	192,110	(945,148)
Total Net Position	\$ 572,293	\$ (203,131)	\$ 65,324	\$ (639,916)	\$ 192,110	\$ (13,320)

City of Los Alamitos

Combining Statement of Revenues, Expenses, and Changes in Net Position All Internal Service Funds For the Year Ended June 30, 2024

	Garage	Technology Replacement	Police Capital Expenditures	Facilities, Streets, Parks and Pool Capital Expenditures	Self- Insurance Trust	Total
OPERATING REVENUES						
Charges for services:						
Garage	\$ 373,510	\$ -	\$ -	\$ -	\$ -	\$ 373,510
Technology replacement	-	190,000	-	-	-	190,000
Miscellaneous	-	-	-	-	622,557	622,557
Total Operating Revenues	<u>373,510</u>	<u>190,000</u>	<u>-</u>	<u>-</u>	<u>622,557</u>	<u>1,186,067</u>
OPERATING EXPENSES						
Supplies and materials	152,925	256,895	24,106	-	-	433,926
Outside services	99,861	171,623	-	1,427,611	-	1,699,095
Claims expense	-	-	-	-	-	-
Depreciation	236,660	-	13,090	7,340	-	257,090
Total Operating Expenses	<u>489,446</u>	<u>428,518</u>	<u>37,196</u>	<u>1,434,951</u>	<u>-</u>	<u>2,390,111</u>
Operating loss	<u>(115,936)</u>	<u>(238,518)</u>	<u>(37,196)</u>	<u>(1,434,951)</u>	<u>622,557</u>	<u>(1,204,044)</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest expense	(55,044)	-	(3,585)	-	-	(58,629)
Total Non-operating Revenues (Expenses)	<u>(55,044)</u>	<u>-</u>	<u>(3,585)</u>	<u>-</u>	<u>-</u>	<u>(58,629)</u>
INCOME BEFORE TRANSFERS	<u>(170,980)</u>	<u>(238,518)</u>	<u>(40,781)</u>	<u>(1,434,951)</u>	<u>622,557</u>	<u>(1,262,673)</u>
Transfers in	-	-	-	100,000	560,000	660,000
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>560,000</u>	<u>660,000</u>
Change in Net Position	(170,980)	(238,518)	(40,781)	(1,334,951)	1,182,557	(602,673)
Net Position, Beginning of Year	<u>743,273</u>	<u>35,387</u>	<u>106,105</u>	<u>695,035</u>	<u>(990,447)</u>	<u>589,353</u>
Net Position, End of Year	<u>\$ 572,293</u>	<u>\$ (203,131)</u>	<u>\$ 65,324</u>	<u>\$ (639,916)</u>	<u>\$ 192,110</u>	<u>\$ (13,320)</u>

City of Los Alamitos

Combining Statement of Cash Flows All Internal Service Funds For the Year Ended June 30, 2024

	Garage	Technology Replacement	Police Capital Expenditures	Facilities, Streets, Parks and Pool Capital Expenditures	Self- Insurance Trust	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from interfund charges for garage services	\$ 373,510	\$ -	\$ -	\$ -	\$ -	\$ 373,510
Receipts from interfund charges for technology replacement services	-	190,000	-	-	-	190,000
Payments to suppliers and service providers	(256,095)	(299,452)	(54,106)	(1,378,391)	(1,424,716)	(3,412,760)
Cash received from (payments to) others	-	-	-	-	(890,525)	(890,525)
Net Cash Provided by (Used for) Operating Activities	117,415	(109,452)	(54,106)	(1,378,391)	(2,315,241)	(3,739,775)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	-	100,000	560,000	660,000
Net borrowings (repayments) to other funds	-	58,833	-	892,576	1,088,789	2,040,198
Net Cash Provided by Non-Capital Financing Activities	-	58,833	-	992,576	1,648,789	2,700,198
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(401,572)	-	-	-	-	(401,572)
Principal paid on capital debt	(81,096)	-	(30,015)	-	-	(111,111)
Interest paid on capital debt	(55,044)	-	(3,585)	-	-	(58,629)
Net Cash Used for Capital and Related Financing Activities	(537,712)	-	(33,600)	-	-	(571,312)
Net increase (decrease) in cash and cash equivalents	(420,297)	(50,619)	(87,706)	(385,815)	(666,452)	(1,610,889)
Cash and equivalents, beginning of year	429,258	50,619	136,105	385,815	666,452	1,668,249
Cash and equivalents, end of year	\$ 8,961	\$ -	\$ 48,399	\$ -	\$ -	\$ 57,360
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating loss	\$ (115,936)	\$ (238,518)	\$ (37,196)	\$ (1,434,951)	\$ 622,557	\$ (1,204,044)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:						
Depreciation	236,660	-	13,090.00	7,340	-	257,090
Changes in operating assets and liabilities:						
(Increase) decrease in accounts receivable	-	-	-	-	(1,513,082)	(1,513,082)
Increase (decrease) in accounts payable	(3,309)	129,066	(30,000)	49,220	31,153	176,130
Increase (decrease) in claims and judgements	-	-	-	-	(1,455,869)	(1,455,869)
Total Adjustments	233,351	129,066	(16,910)	56,560	(2,937,798)	(2,535,731)
Net Cash Provided by (Used for) Operating Activities	\$ 117,415	\$ (109,452)	\$ (54,106)	\$ (1,378,391)	\$ (2,315,241)	\$ (3,739,775)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Lease liability	\$ 133,961	\$ -	\$ 157,085	\$ -	\$ -	\$ 291,046
Lease acquisition	(133,961)	-	(157,085)	-	-	(291,046)

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STATISTICAL SECTION

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City of Los Alamitos

Statistical Section For the Year Ended June 30, 2023

This part of the City of Los Alamitos's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

<u>CONTENTS</u>	<u>Page</u>
<u>Financial Trends</u> : These schedules contain trend information to help the reader understands how the City's financial performance and well-being has changed over time	101
<u>Revenue Capacity</u> : These schedules contain trend information to help the reader assesses the factors affecting the City's most significant revenue source, property tax	108
<u>Debt Capacity</u> : These schedules present information to help the reader assesses the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	115
<u>Demographic and Economic Information</u> : These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place	118
<u>Operating Information</u> : These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs	120

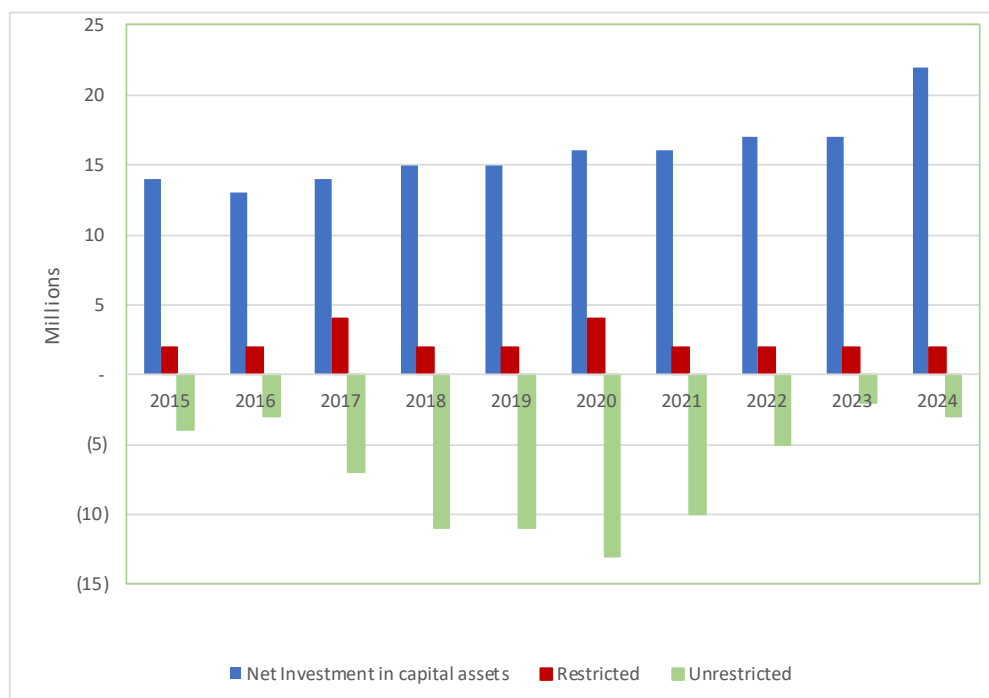
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City of Los Alamitos

Net Position by Component Last Ten Fiscal Years (Accrual basis of accounting) (Amounts expressed in thousands)

	2015*	2016	2017**	2018	2019
Governmental activities:					
Net investment in capital assets	\$ 13,519	\$ 12,658	\$ 14,156	\$ 15,281	\$ 15,315
Restricted	713	1,334	764	761	1,350
Unrestricted	(4,126)	(3,828)	(5,506)	(10,679)	(10,746)
Total governmental activities net position	<u>\$ 10,106</u>	<u>\$ 10,164</u>	<u>\$ 9,414</u>	<u>\$ 5,363</u>	<u>\$ 5,919</u>

	2020	2021	2022	2023	2024
Governmental activities:					
Net investment in capital assets	\$ 15,776	\$ 15,623	\$ 16,545	\$ 17,439	\$ 22,099
Restricted	1,453	2,153	2,353	1,950	2,434
Unrestricted	(11,287)	(9,608)	(5,197)	(1,899)	(3,442)
Total governmental activities net position	<u>\$ 5,942</u>	<u>\$ 8,168</u>	<u>\$ 13,701</u>	<u>\$ 17,490</u>	<u>\$ 21,091</u>



Source: City of Los Alamitos, Finance Department

* In Fiscal Year 2014-15 the City implemented GASB Statement No. 68, which resulted in a \$12.8 million decrease to the City's net position in relation to accounting for the City's net pension liability and related deferrals.

** In Fiscal Year 2017-18 the City implemented GASB Statement No. 75, which resulted in a \$3.6 million decrease to the City's net position in relation to accounting for the City's total OPEB liability.

City of Los Alamitos

Changes in Net Position Last Ten Fiscal Years (Accrual basis of accounting) (Amounts expressed in thousands)

	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 2,646	\$ 2,976	\$ 2,830	\$ 3,517	\$ 3,135
Public safety	5,463	5,732	6,922	6,311	6,556
Community development	714	685	775	1,104	986
Recreation and community services	1,772	1,834	1,783	1,811	1,746
Public works	2,592	2,339	2,306	2,314	2,415
Interest and fiscal charges	138	302	148	141	142
Total governmental activities expenses	13,325	13,868	14,764	15,198	14,980
Program Revenues					
Governmental activities:					
Charges for services					
General government	205	225	272	814	831
Public safety	752	808	825	859	916
Community development	141	80	100	198	3
Recreation and community services	1,301	1,225	1,087	956	937
Public works	2	139	-	-	167
Operating grants	293	398	453	151	442
Capital grants and contributions	629	530	369	391	254
Total governmental activities program revenues	3,323	3,405	3,106	3,369	3,550
Net (expense)/revenue					
Governmental activities	(10,002)	(10,463)	(11,658)	(11,829)	(11,430)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property	2,954	3,118	3,603	3,773	3,946
Utility users tax	2,210	2,092	2,037	2,034	1,968
Transient occupancy	132	156	159	167	160
Sales	3,064	3,357	3,160	3,336	3,597
Franchise	712	709	669	691	688
Business license	563	566	609	647	684
Other	348	251	339	429	557
	9,983	10,249	10,576	11,077	11,600
Investment income	30	86	63	102	271
Gain on Sale of property	-	-	-	19	-
Other	146	185	269	182	115
Total governmental activities	10,159	10,520	10,908	11,380	11,986
Changes in Net Position					
Governmental activities	\$ 157	\$ 57	\$ (750)	\$ (449)	\$ 556

Source: City of Los Alamitos Finance Department

City of Los Alamitos

Changes in Net Position, (Continued) Last Ten Fiscal Years (Accrual basis of accounting) (Amounts expressed in thousands)

	2020	2021	2022	2023	2024
Expenses					
Governmental activities:					
General government	\$ 3,586	\$ 3,493	\$ 2,548	\$ 3,617	\$ 4,744
Public safety	6,912	7,135	6,382	8,824	10,882
Community development	1,091	957	1,344	2,121	2,608
Recreation and community services	1,758	1,471	2,043	2,808	3,267
Public works	2,572	2,907	3,226	3,333	2,360
Interest and fiscal charges	58	331	138	227	191
Total governmental activities expenses	15,977	16,294	15,681	20,930	24,052
Program Revenues					
Governmental activities:					
Charges for services					
General government	1,335	914	1,036	1,557	1,829
Public safety	711	478	841	390	604
Community development	3	2	7	1	-
Recreation and community services	781	527	892	545	460
Public works	508	353	549	-	-
Operating grants	628	1,872	-	1,071	1,824
Capital grants and contributions	249	241	-	264	375
Total governmental activities program revenues	4,215	4,387	3,325	3,828	5,092
Net (expense)/revenue					
Governmental activities	(11,762)	(11,907)	(12,356)	(17,102)	(18,960)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property	4,169	4,455	4,732	5,067	5,301
Utility users tax	1,988	1,834	2,123	2,308	2,830
Transient occupancy	132	223	522	635	598
Sales	3,227	4,855	9,671	10,718	9,632
Franchise	611	725	1,071	862	882
Business license	730	886	728	631	1,141
Other	564	548	640	671	803
	11,421	13,526	19,487	20,892	21,187
Investment income	254	78	(665)	(132)	1,243
Gain on Sale of property	-	-	-	-	-
Other	110	528	83	131	131
Total governmental activities	11,785	14,132	18,905	20,891	22,561
Changes in Net Position					
Governmental activities	\$ 23	\$ 2,225	\$ 6,549	\$ 3,789	\$ 3,601

Source: City of Los Alamitos Finance Department

City of Los Alamitos

Fund Balances of Governmental Funds Last Ten Fiscal Years (Modified accrual basis of accounting) (Amounts expressed in thousands)

	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ 684	\$ 59	\$ 17	\$ 18	\$ 56
Committed	-	-	-	-	3,607
Assigned	7,484	7,347	7,481	7,662	4,589
Unassigned	(644)	3	56	49	588
Total General Fund	<u>7,524</u>	<u>7,409</u>	<u>7,554</u>	<u>7,729</u>	<u>8,840</u>
All Other Governmental Funds					
Restricted	1,063	1,333	1,334	1,334	1,180
Committed	-	-	-	-	-
Assigned	390	1,001	345	129	99
Unassigned	-	-	-	-	(4)
Total All Other Governmental Funds	<u>1,453</u>	<u>2,334</u>	<u>1,679</u>	<u>1,463</u>	<u>1,275</u>
Total All Governmental Funds	<u>\$ 8,977</u>	<u>\$ 9,743</u>	<u>\$ 9,233</u>	<u>\$ 9,192</u>	<u>\$ 10,115</u>

Source: City of Los Alamitos, Finance Department

City of Los Alamitos

Fund Balances of Governmental Funds, (Continued) Last Ten Fiscal Years (Modified accrual basis of accounting) (Amounts expressed in thousands)

	2020	2021	2022	2023	2024
General Fund					
Nonspendable	\$ 14	\$ 7	\$ 4	\$ 35	\$ 61
Committed	3,286	3	3	1,583	1,583
Assigned	4,196	4,203	4,196	3,900	3,600
Unassigned	2,785	9,403	12,570	14,555	17,467
Total General Fund	10,281	13,616	16,773	20,073	22,711
All Other Governmental Funds					
Restricted	1,453	2,153	2,353	1,950	2,434
Committed	-	-	-	134	432
Assigned	200	109	243	339	416
Unassigned	(9)	(10)	(114)	(114)	(114)
Total All Other Governmental Funds	1,644	2,252	2,482	2,309	3,168
Total All Governmental Funds	\$ 11,925	\$ 15,868	\$ 19,255	\$ 22,382	\$ 25,879

Source: City of Los Alamitos, Finance Department

City of Los Alamitos

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (Modified accrual basis of accounting) (Amounts expressed in thousands)

	2015	2016	2017	2018	2019
Revenues					
Taxes	\$ 10,337	\$ 10,559	\$ 10,724	\$ 11,078	\$ 11,600
Licenses and permits	205	225	272	814	831
Intergovernmental	1,609	245	609	323	294
Charges for services	1,403	1,459	1,202	1,169	1,121
Investment earnings	30	86	63	106	271
Fines and forfeitures	737	781	810	844	900
Other	454	460	476	398	349
Total Revenues	14,775	13,815	14,156	14,732	15,366
Expenditures					
General government	2,379	2,735	2,029	2,243	2,299
Public safety	5,513	5,711	5,777	5,751	5,886
Community development	694	657	715	1,044	928
Recreation and community services	1,730	1,739	1,646	1,598	1,590
Public works	1,771	1,963	1,963	1,943	2,064
Capital outlay	830	213	1,972	1,068	332
Debt service:					
Principal retirement	75	75	70	70	70
Payment to refunded bond escrow agent	-	220	-	-	-
Interest and fiscal charges	138	311	142	140	139
Total Expenditures	13,130	13,624	14,314	13,857	13,308
Excess of revenues over/(under) expenditures	1,645	191	(158)	875	2,058
Other Financing Sources (Uses)					
Lease acquisition	-	-	-	-	-
Transfers in	684	681	1,280	832	597
Transfers out	(1,892)	(1,203)	(2,201)	(1,752)	(1,157)
Refunding bonds issued	-	3,685	-	-	-
Bond premium	-	133	-	-	-
Payment to refunded bond escrow agent	-	(2,722)	-	-	-
Total other financing sources	(1,208)	574	(921)	(920)	(560)
Net change in fund balances	\$ 437	\$ 765	\$ (1,079)	\$ (45)	\$ 1,498
Debt service as a percentage of noncapital expenditures	1.813%	2.865% ⁽¹⁾	1.713%	1.640%	1.611%

(1) Increase in debt service related to issuance of Certificates of Participation

Source: City of Los Alamitos Administrative Services Department

City of Los Alamitos

Changes in Fund Balances of Governmental Funds, (Continued) Last Ten Fiscal Years (Modified accrual basis of accounting) (Amounts expressed in thousands)

	2020	2021	2022	2023	2024
Revenues					
Taxes	\$ 11,422	\$ 13,526	\$ 19,487	\$ 21,116	\$ 21,519
Licenses and permits	1,462	914	1,035	815	816
Intergovernmental	684	1,888	699	691	1,429
Charges for services	1,310	890	905	881	765
Investment earnings	254	78	(665)	(132)	1,243
Fines and forfeitures	694	468	401	575	776
Other	301	610	324	774	1,105
Total Revenues	16,127	18,374	22,186	24,720	27,653
Expenditures					
General government	2,405	2,240	2,993	3,055	4,156
Public safety	5,585	5,938	6,617	7,699	8,455
Community development	1,052	1,185	1,292	1,903	2,257
Recreation and community services	1,615	1,391	1,911	2,485	2,706
Public works	1,983	2,379	2,952	3,034	3,800
Capital outlay	865	490	957	2,597	1,772
Debt service:					
Principal retirement	75	75	80	94	214
Payment to refunded bond escrow agent	-	-	-	-	-
Interest and fiscal charges	136	134	130	165	138
Total Expenditures	13,716	13,832	16,932	21,032	23,498
Excess of revenues over/(under) expenditures	2,411	4,542	5,254	3,688	4,155
Other Financing Sources (Uses)					
Lease acquisition	-	-	-	199	-
Transfers in	808	733	828	736	732
Transfers out	(1,409)	(1,334)	(1,678)	(1,496)	(1,392)
Refunding bonds issued	-	-	-	-	-
Bond premium	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources	(601)	(601)	(850)	(561)	(660)
Net change in fund balances	\$ 1,810	\$ 3,941	\$ 4,404	\$ 3,127	\$ 3,495
Debt service as a percentage of noncapital expenditures	1.642%	1.566%	1.315%	1.429%	1.774%

(1) Increase in debt service related to issuance of Certificates of Participation

City of Los Alamitos

2023/24 Use Category Summary - Basic Property Value Table Last Ten Fiscal Years (Amounts expressed in thousands)

Category	2015	2016	2017	2018	2019
Residential	\$ 1,031,002	\$ 1,091,854	\$ 1,143,395	\$ 1,200,335	\$1,266,083
Commercial	318,001	359,002	365,544	393,211	405,241
Industrial	271,390	278,399	292,535	292,689	308,001
Miscellaneous	-	-	-	-	1,793
Vacant land	8,449	9,710	9,905	11,648	10,088
SBE Nonunitary	222	222	222	222	970
Cross Reference	3,265	3,083	3,998	4,139	4,109
Unsecured	143,801	138,386	154,478	163,741	161,257
Totals	<u>\$ 1,776,130</u>	<u>\$ 1,880,656</u>	<u>\$ 1,970,077</u>	<u>\$ 2,065,985</u>	<u>\$2,157,542</u>
Direct rate	0.11568%	0.11571%	0.11578%	0.11578%	0.11821%

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.

Source: HdL Coren and Cone, Orange County Assessor Tax Rate Table

City of Los Alamitos

2023/24 Use Category Summary - Basic Property Value Table, (Continued) Last Ten Fiscal Years (Amounts expressed in thousands)

Category	2020	2021	2022	2023	2024
Residential	\$ 1,332,806	\$ 1,408,761	\$ 1,479,534	\$ 1,601,740	\$1,698,428
Commercial	427,330	459,279	506,538	532,835	584,480
Industrial	315,346	382,149	417,895	438,566	520,831
Miscellaneous	608	555	-	572	2,205
Vacant land	19,185	14,902	10,998	948	834
SBE Nonunitary	970	970	401	361	361
Cross Reference	4,177	3,976	4,002	4,215	4,368
Unsecured	164,509	158,443	189,648	183,150	175,911
Totals	<u>\$ 2,264,931</u>	<u>\$ 2,429,035</u>	<u>\$ 2,609,016</u>	<u>\$ 2,762,387</u>	<u>\$2,987,418</u>
Direct rate	0.11848%	1.17510%	0.11703%	0.11703%	0.11656%

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.

Source: HdL Coren and Cone, Orange County Assessor Tax Rate Table

City of Los Alamitos

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years (Amounts expressed in thousands)

Fiscal Year Ended June 30	Secured	Unsecured	Less: Exemptions (1)	Taxable Assessed Value (2)	Total Direct Tax Rate
2015	\$1,632,107	\$ 143,801	\$ -	\$ 1,775,908	0.117
2016	1,742,048	138,386	-	1,880,434	0.116
2017	1,806,377	154,478	-	1,960,855	0.116
2018	1,902,022	163,742	-	2,065,764	0.116
2019	1,995,314	161,257	-	2,156,571	0.116
2020	2,099,452	164,509	-	2,263,961	0.116
2021	2,269,621	158,443	-	2,428,064	0.116
2022	2,418,967	189,648	-	2,608,615	0.117
2023	2,578,876	183,150	-	2,762,026	0.117
2024	2,811,508	175,910	-	2,987,418	0.117

(1) Exemptions are netted against the individual property categories.

(2) Total includes Nonunitary Taxable Assessed Values.

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.

Source: HdL Coren and Cone, Orange County Assessor Combined Tax Rolls

City of Los Alamitos

Direct and Overlapping Property Tax Rates (Rate per \$100 of assessed value) Last Ten Fiscal Years

	2015	2016	2017	2018	2019
City Direct Rate	0.117	0.116	0.116	0.116	0.116
Overlapping Rates:					
Los Alamitos City General Fund	0.101	0.101	0.101	0.101	0.101
Los Alamitos City Lighting Reorganization	0.016	0.016	0.016	0.016	0.016
Educational Revenue Augmentation Fund	0.144	0.145	0.145	0.145	0.145
Los Alamitos Unified General Fund	0.411	0.412	0.412	0.412	0.412
North Orange Co. Community College District	0.059	0.059	0.059	0.059	0.059
Orange County Department of Education	0.031	0.031	0.031	0.031	0.031
Orange County Fire Authority	0.095	0.095	0.095	0.095	0.095
Orange County Flood Control District General	0.017	0.017	0.017	0.017	0.017
Orange County General Fund	0.052	0.052	0.052	0.052	0.052
Orange County Harbors Beaches & Parks CSA 26	0.013	0.013	0.013	0.013	0.013
Orange County Public Library	0.014	0.014	0.014	0.014	0.014
Orange County Sanitation District 3 Operating	0.027	0.027	0.027	0.027	0.027
Orange County Transit Authority	0.002	0.002	0.002	0.002	0.002
Orange County Vector Control	0.001	0.001	0.001	0.001	0.001
Orange County Water District reserve	0.006	0.006	0.006	0.006	0.006
Orange County Water District reserve	0.001	0.000	0.000	0.000	0.000
Rossmoor/Los Alamitos Sewer District	0.010	0.010	0.010	0.010	0.010
Total Prop 13 Rate	1.000	1.000	1.000	1.000	1.000
Anaheim High School District	0.024	0.049	0.043	0.022	0.042
Cypress Elementary	0.023	0.025	0.024	0.031	0.030
Garden Grove Unified School District	0.041	0.047	0.045	0.075	0.068
Los Alamitos Sfid	0.048	0.052	0.048	0.047	0.049
Metropolitan Water District	0.004	0.004	0.004	0.004	0.004
N. Orange County Community College	0.017	0.030	0.029	0.029	0.028
Total Voter Approved tax Rate	0.157	0.207	0.192	0.207	0.221
Total Tax Rate	1.157	1.207	1.192	1.207	1.220

Source: HdL Coren and Cone, Orange County Assessor 2011/2012 - 2020/2021 Tax Rate Table

City of Los Alamitos

Direct and Overlapping Property Tax Rates, (Continued) (Rate per \$100 of assessed value) Last Ten Fiscal Years

	2020	2021	2022	2023	2024
City Direct Rate	0.116	0.116	0.117	0.117	0.117
Overlapping Rates:					
Los Alamitos City General Fund	0.101	0.101	0.101	0.101	0.101
Los Alamitos City Lighting Reorganization	0.016	0.016	0.016	0.016	0.016
Educational Revenue Augmentation Fund	0.145	0.145	0.145	0.145	0.145
Los Alamitos Unified General Fund	0.412	0.412	0.412	0.412	0.412
North Orange Co. Community College District	0.059	0.059	0.059	0.059	0.059
Orange County Department of Education	0.031	0.031	0.031	0.031	0.031
Orange County Fire Authority	0.095	0.095	0.095	0.095	0.095
Orange County Flood Control District General	0.017	0.017	0.017	0.017	0.017
Orange County General Fund	0.052	0.052	0.052	0.052	0.052
Orange County Harbors Beaches & Parks CSA 26	0.013	0.013	0.013	0.013	0.013
Orange County Public Library	0.014	0.014	0.014	0.014	0.014
Orange County Sanitation District 3 Operating	0.027	0.027	0.027	0.027	0.027
Orange County Transit Authority	0.002	0.002	0.002	0.002	0.002
Orange County Vector Control	0.001	0.001	0.001	0.001	0.001
Orange County Water District reserve	0.006	0.006	0.006	0.006	0.006
Orange County Water District reserve	0.000	0.000	0.000	0.000	0.000
Rossmoor/Los Alamitos Sewer District	0.010	0.010	0.010	0.010	0.010
Total Prop 13 Rate	1.000	1.000	1.000	1.000	1.000
Anaheim High School District	0.040	0.040	0.038	0.030	0.032
Cypress Elementary	0.030	0.033	0.030	0.032	0.031
Garden Grove Unified School District	0.069	0.070	0.074	0.063	0.067
Los Alamitos Sfid	0.080	0.093	0.079	0.082	0.072
Metropolitan Water District	0.004	0.004	0.004	0.004	0.004
N. Orange County Community College	0.024	0.032	0.029	0.028	0.017
Total Voter Approved tax Rate	0.247	0.271	0.253	0.238	0.222
Total Tax Rate	1.247	1.271	1.253	1.238	1.222

Source: HdL Coren and Cone, Orange County Assessor 2013/2014 - 2022/2023 Tax Rate Table

City of Los Alamitos

Principal Property Taxpayers Current Year and Ten Years Ago (Amounts expressed in thousands)

	2024		2015	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Los Alamitos APG LLC	\$ 130,455	4.397%		
Regents The	111,606	3.762%		
Duke Realty Los Alamitos LP	67,120	2.262%		
Fine US Long Beach LLC	61,384	2.069%		
JCB Merger Sub LLC	44,995	1.517%		
Trend Offset Printing Inc.		0.000%	\$ 50,512	2.844%
Bar Bakers LLC	30,630	1.032%		
Lampson Park Place LLC	27,030	0.911%		
Los Alamitos Luxury Apartments LLC	26,626	0.897%		
Los Alamitos Medical Center	26,561	0.895%	79,470	4.474%
Los Alamitos Corporation Center JV	-	0.000%	54,177	3.050%
Epson America USA	23,690	0.799%		
CGM Katella LLC		0.000%	17,875	1.006%
JCB Inc Tinicum Corporation		0.000%	15,369	0.865%
Bayport Los Alamitos Associates LP			30,937	1.742%
Fine US Long Beach LLC			17,381	0.979%
Davenport KCC Partners LLC			12,659	0.713%
Arrowhead Products Corporation			12,386	0.697%
Los Alamitos LLC			11,100	0.625%
Top Ten Totals	<u>\$ 550,097</u>	<u>18.542%</u>	<u>\$ 301,866</u>	<u>16.996%</u>
City Totals	<u>\$ 2,762,386</u>		<u>\$ 1,669,324</u>	

Source: HdL Coren and Cone, Orange County Assessor 2013/14 and 2022/23 Tax Rolls

City of Los Alamitos

Property Tax Levies and Collections Last Ten Fiscal Years (Amounts expressed in thousands)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of Levy		Collections for Prior Years (1)	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2015	\$ 2,130,906	\$ 2,081,181	97.666%	\$ 19,659	\$ 2,100,840	98.589%
2016	2,261,032	2,220,841	98.222%	18,519	2,239,360	99.041%
2017	2,347,295	2,314,148	98.588%	17,812	2,331,960	99.347%
2018	2,457,342	2,440,391	99.310%	16,019	2,456,410	99.962%
2019	2,679,049	2,629,318	98.144%	16,951	2,646,269	98.776%
2020	2,786,377	2,742,208	98.415%	21,973	2,764,181	99.203%
2021	2,903,005	2,761,268	95.118%	18,858	2,780,126	95.767%
2022	2,950,445	2,737,154	92.771%	18,843	2,755,997	93.410%
2023	3,007,393	2,762,386	91.853%	22,187	2,784,573	92.591%
2024	3,155,501	2,987,413	94.673%	22,741	3,068,332	97.238%

(1) Total amount of delinquent taxes collected in each fiscal year; information regarding levy year to which delinquent tax collections pertain is not provided by the Orange County Auditor-Controller.

Source: Orange County Auditor - Controller

City of Los Alamitos

Ratio of Outstanding Debt by Type Last Ten Fiscal Years

(Amounts expressed in thousands, except per capita)

Fiscal Year	Governmental Activities		Total Primary Government	Debt as a Percentage of Personal Income ¹	Debt Per Capita ¹
	Certificates of Participation	Leases Payable			
2015	\$ 2,895	\$ -	\$ 2,895	0.662%	\$ 246.91
2016	3,685	-	3,685	0.874%	313.94
2017	3,615	270	3,615	0.849%	307.95
2018	3,545	204	3,749	0.871%	316.02
2019	3,475	137	3,612	0.869%	308.16
2020	3,400	69	3,469	0.782%	299.90
2021	3,325	68	3,393	0.704%	294.07
2022	3,245	62	3,307	0.688%	278.53
2023	3,261	688	3,949	0.772%	325.58
2024	3,171	739	3,910	0.687%	327.28

¹Ratio is calculated using personal income and population data for the prior calendar year.

Source: City of Los Alamitos, Finance Department

City of Los Alamitos

Direct and Overlapping Governmental Activity Debt As of June 30, 2024 (Amounts expressed in thousands)

2023-2024 Taxable Assessed Valuation: \$2,953,284,115

	Total Debt 6/30/2024	Percent Applicable to City (1)	City's Share of Debt 6/30/2024
DIRECT DEBT			
Vehicle leases payable	\$ 382	100.000%	\$ 382
Warehouse leases payable	230	100.000%	230
Camera lease debt	127	100.000%	127
Bonded debt	3,075	100.000%	3,171
TOTAL DIRECT DEBT			3,910
OVERLAPPING TAX ASSESSMENT DEBT:			
Metropolitan Water District	18,210	0.076%	14
N.O.C Community College 2014 Bond Series B	291,561	1.725%	5,029
Garden Grove USD 2016 Series 2019	571,805	0.010%	51,781
Los Alamitos SFID #1 2008 Series A	215,670	23.648%	51,002
Anaheim High 2014 Bond Series 2019	229,079	0.098%	224
Cypress Elementary 2008 Bond, Series B1 & B2	31,789	0.665%	211
TOTAL OVERLAPPING TAX ASSESSMENT DEBT:			108,261
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Orange County General Fund Obligations	440,385	0.384%	1,691
Orange County Board of Education Cert of Participations	10,030	0.384%	39
Los Alamitos SFID #1 2008 Series 2020G	30,433	21.265%	6,472
Anaheim High 2018 Bond Series 2014	28,320	0.098%	28
Cypress Elementary 2008 Bond Series A	2,726	0.665%	18
N.O.C Community College 2014 Bond Series A	7,350	1.771%	130
City of Los Alamitos Certificate of Participation	3,075	100.000%	3,075
Lease Payables	739	100.000%	739
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT:			12,192
TOTAL DIRECT DEBT			3,910
TOTAL OVERLAPPING DEBT			116,639
TOTAL DIRECT & OVERLAPPING DEBT			\$ 120,549

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value. of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to Assessed Valuation:

Total Direct Debt 0.10%
Overlapping Debt 1.91%
Net Combined Total Debt2.01%

Source - HdL Coren & Cone, Orange County Assessor and Auditor Combined 2023/24 Lien Date Tax Rolls.

City of Los Alamitos

Legal Debt Margin Information Last Ten Fiscal Years

Legal Debt Margin Calculation for the Current Year

Assessed value	\$ 2,953,284,115
Debt limit (15% of assessed value)	442,992,617
Legal debt margin - Current Year	<u>\$ 442,992,617</u>

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Debt as Percentage of Limit
2015	\$ 266,419,511	\$ -	\$ 266,419,511	-
2016	282,098,369	-	282,098,369	-
2017	294,616,529	-	294,616,529	-
2018	309,897,790	-	309,897,790	-
2019	323,585,613	3,612,467	319,973,146	1.12%
2020	343,305,168	3,565,517	339,739,651	1.04%
2021	367,857,100	3,325,000	364,532,100	0.90%
2022	394,702,562	3,350,121	391,352,441	0.85%
2023	414,562,396	3,260,769	411,301,627	0.79%
2024	442,992,617	3,075,000	439,917,617	0.69%

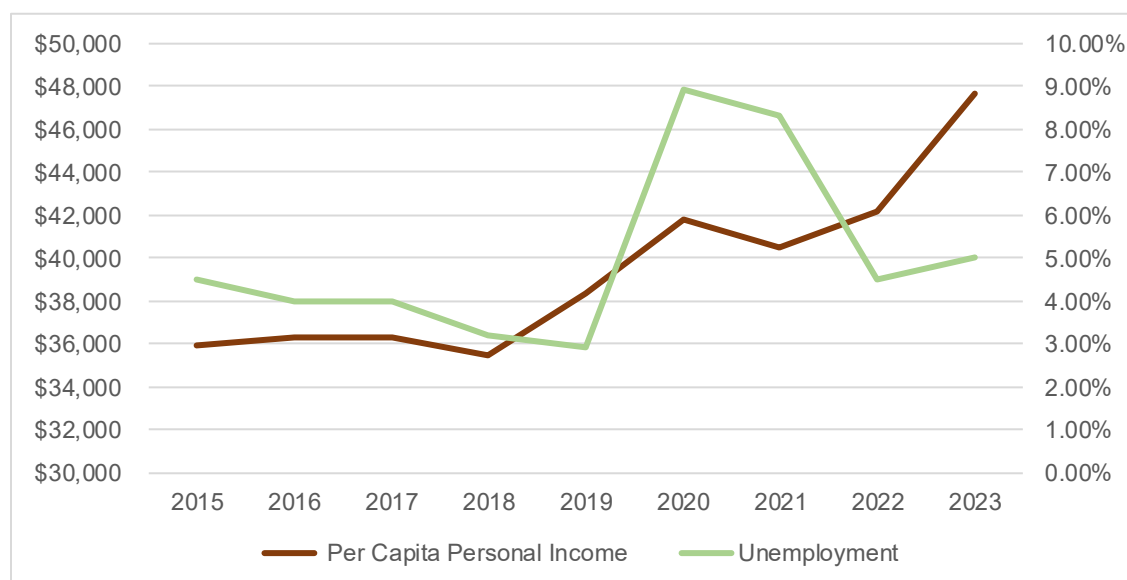
Source: City of Los Alamitos, Finance Department

City of Los Alamitos

Demographic and Economic Statistics Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2014	\$ 11,725	\$ 437,214	\$ 37,289	5.50%
2015	11,738	421,786	35,933	4.50%
2016	11,739	425,943	36,284	4.00%
2017	11,863	430,396	36,280	4.00%
2018	11,721	415,852	35,479	3.20%
2019	11,567	443,756	38,363	2.90%
2020	11,538	481,688	41,747	8.90%
2021	11,873	480,337	40,456	8.30%
2022	12,129	511,316	42,156	4.50%
2023	11,947	569,293	47,651	5.00%

Per Capita Personal Income and Unemployment



Sources:

Population: California State Department of Finance

Unemployment Rate: California Employment Development Department

Personal Income and Per Capita Income: ESRI

City of Los Alamitos

Full-Time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Government										
City Council	5	5	5	5	5	5	5	5	5	5
Administration	8	8	8	8	8	6	6	7	8	10
Community Development										
Administration	1	1	1	1	1	1	1	1	3	6
Planning	1	1	1	1	1	1	1	1	1	1
Code enforcement	1	1	1	1	1	1	1	1	1	1
Police										
Administration	4	4	4	4	4	4	4	5	5	5
Patrol	19	19	19	18	18	13	13	15	15	15
Investigation	3	3	3	3	3	3	2	3	4	3
Records	2	2	2	2	2	2	3	3	3	3
Crossing guards	3	3	3	1	1	1	1	1	1	1
Other PD support	2	2	2	2	2	2	3	3	0	3
Public Works										
Admin./engineering	1	1	1	1	1	1	1	4	3	1
Maintenance	10	10	10	9	9	7	7	6	6	10
Recreation and Community Services										
Administration	5	5	5	4	4	4	2	7	3	6
Recreation/cultural	15	15	15	11	11	11	9	11	5	6

Source: City of Los Alamitos, Finance Department

City of Los Alamitos

Operating Indicators by Function/Program Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019
Community Development					
Number of:					
Business licenses	2,227	2,169	2,068	2,153	1,806
Plan checks	95	96	93	108	98
NPDES inspections	104	60	60	157	85
Code violations	121	267	267	483	420
Police					
Number of:					
Part 1 crimes	299	252	268	209	193
Parking violations	3,283	3,963	2,997	4,043	4,221
Traffic (moving) violations	1,786	1,473	2,885	1,430	1,114
Incident and crime reports	1,381	1,167	1,254	896	752
Public Works					
Square yd. of street resurfacing/repair	15,000	-	-	-	-
Miles of street sweeping	33	33	33	33	33
Number of:					
Street signal maintained	25	25	25	25	25
Trees pruned per year	615	991	991	991	991
Square feet graffiti removal	1,245	1,205	1,205	1,205	1,205
Recreation and Community Services					
Total in attendance:					
Aquatics	235,000	163,000	-	-	-
Community Services/Seniors	10,500	13,180	14,000	14,100	18,390
Day Camp	2,900	2,800	3,000	4,040	3,500
Park Program	4,385	4,262	4,140	4,040	3,000
Sports	N/A	35,500	30,000	30,500	28,234
Classes	6,900	8,900	8,900	8,800	10,300
Special Events	34,200	30,475	34,820	35,000	38,225

NA - Not Available

Source: City of Los Alamitos, Finance Department

City of Los Alamitos

Operating Indicators by Function/Program, (Continued) Last Ten Fiscal Years

Function/Program	2020	2021	2022	2023	2024
Community Development					
Number of:					
Business licenses	2,046	2,630	2,413	2,220	2,317
Plan checks	74	81	338	408	398
NPDES inspections	79	9	55	75	85
Code violations	451	946	1,892	1,194	1,006
Police					
Number of:					
Part 1 crimes	189	330	157	343	197
Parking violations	1,471	1,470	3,835	1,915	2,794
Traffic (moving) violations	342	636	677	1,313	784
Incident and crime reports	729	1,046	1,044	1,116	863
Public Works					
Square yd. of street resurfacing/repair	-	-	62,445	75,750	15,000
Miles of street sweeping	33	33	858	3,604	3,604
Number of:					
Street signal maintained	21	22	28	72	21
Trees pruned per year	995	1,375	1,529	1,832	272
Square feet graffiti removal	900	1,100	1,836	2,412	108
Recreation and Community Services					
Total in attendance:					
Aquatics	-	-	-	885	3,000
Community Services/Seniors	17,040	16,000	21,600	23,760	23,000
Day Camp	3,200	4,500	4,400	4,840	4,900
Park Program	2,400	2,250	1,800	2,000	2,000
Sports	14,970	13,000	15,550	17,248	17,200
Classes	9,960	8,000	11,000	12,100	12,000
Special Events	31,600	20,000	35,020	41,650	42,000

NA - Not Available

Source: City of Los Alamitos, Finance Department

City of Los Alamitos

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Community Development										
Code enforcement vehicles	1	1	1	1	1	1	2	2	2	3
EV Vehicles (Cart)										2
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	7	7	8	8	8	8	10	13	9	11
Other vehicles	9	9	9	9	9	9	11	11	16	19
Public Works										
Streets (miles)	32.9	32.9	32.9	32.9	32.9	32.9	32.9	32.9	32.9	32.9
Street lights	911	911	911	911	911	911	911	911	911	911
Traffic signals	25	25	25	25	25	25	25	25	25	25
Public works vehicles	13	13	13	11	11	11	11	11	10	15
Recreation and Community Services										
Youth centers	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Parks	9	9	9	9	9	9	9	9	9	9
Community service vehicles	2	2	2	3	3	3	3	3	5	6

Source: City of Los Alamitos, Administrative Services Department

Top 10 Businesses for Fiscal Years 2023/24

Ranking	Firm Name
1	Ganahl Lumber
2	Shell
3	Grating Pacific
4	Gemini Forrest Products
5	Siteone Landscape Supply
6	Trend Offset Printing
7	Mamas Comfort Food
8	Katella Bakery & Deli
9	Adamson Police Products
10	Chevron

City of Los Alamitos

Principal Employers Current Year and Ten Years Ago

<u>Employer</u>	FY 2023-24			FY 2014-15		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Los Alamitos Medical Center	1,059	1	7.27%	1,047	1	7.41%
Arrowhead Products	100	8	0.05%	661	2	0.05%
Trend Offset Printing				632	3	0.04%
Epson America	501	3	0.04%			
Bar Bakers, LLC	563	2	0.02%			
Mittera California, Inc.	193	5	0.01%	186	5	0.04%
Super Media Sales, Inc.	-			158	6	0.04%
Alliance Space Systems	100	9	0.01%	145	8	0.01%
Katella Delicatessen-Restaurant-Bakery, Inc.	197	4	0.01%	190	4	0.01%
Bearing Inspection, Inc.	102	7	0.01%			
Ganahl Lumber				122	9	0.01%
Alamitos West Health & Rehabilitation	139	6	0.01%	152	7	0.01%
Maderas	99	10	0.01%			
Millie & Severson Inc.				105	10	0.01%
Total	<u>3,053</u>		<u>7.44%</u>	<u>3,398</u>		<u>7.63%</u>

Source: HdL Companies, City Planning Department, and State of California Employment Development Department



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Los Alamitos
Los Alamitos, 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, each major fund, and the aggregate remaining fund information of the City of Los Alamitos (the entity), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated March 3, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2024-002 to be a significant deficiency. Item 2024-002 was previously communicated as 2023-004.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2024-001 to be a material weaknesses. Item 2024-001 was previously communicated as 2023-003.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the entity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Entity's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
March 3, 2025

City of Los Alamitos
Schedule of Findings and Responses
For the Year Ended June 30, 2024

2024-001 – Reliability of Financial Information
Material Weakness

Criteria

The financial information for the year ended June 30, 2024, included errors in certain balance sheet accounts that were the result of ineffective monitoring procedures and closing processes throughout the year. These errors caused misstatements on both the balance sheet and income statement, and in certain circumstances resulted in audit adjustments. Because these errors were not detected prior to the information being provided for audit, there is an indication that the closing procedures, specifically the monitoring and review of financial information by management, are not being effectively performed. It is our understanding that these errors were present throughout the year and were not corrected in the year-end closing process.

Condition

During our audit of the City, there was various audit adjustments proposed to correct numerous accounts.

Cause

Due to staff turnover in finance, there was insufficient staffing to maintain proper closing procedures.

Effect

This will prevent incorrect balances or entries from being recorded.

Recommendation

We strongly recommend that a closing process be implemented that requires all of the balance sheet accounts be reconciled to supporting statements and subsidiary ledgers. In addition, we strongly recommend that the City implement the use of a closing checklist for yearend procedures. This oversight will help to ensure that the periodic financial statements being provided include an accurate reporting of the City's operations.

Management's Response

The City has consistently used a closing checklist as part of its year-end procedures. Each year, improvements are made to the list to accurately incorporate changes and any additional requirements as a result of new GASB pronouncements. For the majority of the year, interim staffing was in place to augment the vacancy of the Finance Manager. Following the successful hiring and onboarding of the position in mid-November, there was not adequate time for transition or training to bring the new individual up to speed in the midst of the audit. Therefore, some additional entries were necessary and made following the completion of the final fieldwork. The new Finance Manager has received formalized training in Governmental Fund Accounting and experience with a government audit and expectations of year-end work and is expected to successfully manage the process for the next audit for FY24-25.

City of Los Alamitos
Schedule of Findings and Responses
For the Year Ended June 30, 2024

2024-002 – Bank Reconciliations
Significant Deficiency

Criteria

Bank reconciliations should be prepared, reviewed and approved in a timely manner.

Condition

During our audit of the City, we noted that bank reconciliations selected for the month ending September 2023, October 2023, December 2023, and February 2024 were prepared and approved between eighty and one hundred and eighty days after the month end.

Cause

Due to staff turnover in finance, there was insufficient staffing to maintain the timely reconciliation of the bank accounts.

Effect

Unauthorized transactions could go through the bank accounts without detection for an extended period of time if accounts are not reconciled regularly.

Recommendation

We recommend that the City ensure that all bank reconciliations are prepared, reviewed and approved in a timely manner and documentation of when the preparation and review are completed should be maintained.

Management's Response

For the majority of the year, interim staffing was in place to augment the vacancy of the Finance Manager. As such, bank reconciliations were being performed as quickly as possible, given staffing shortages. Some periods required additional time to research to correct any errors between the bank and the general ledger. A new process was implemented in 2023 to reflect when the bank reconciliation is completed and when it is reviewed and approved. With a permanent Finance Manager in place, this has been given top priority, and all bank reconciliations will be targeted for completion within 45 to 60 days from the close of a monthly period.



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March 3, 2025

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Terry P. Shea, CPA (Partner Emeritus)

To the Honorable City Council
City of Los Alamitos, California

We have audited the financial statements of the City of Los Alamitos (the entity) as of and for the year ended June 30, 2024, and have issued our report thereon dated March 3, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 7, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material weaknesses and material noncompliance, and other matters noted during our audit in a separate letter to you dated March 3, 2025.

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Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We have evaluated whether certain nonattest services performed by our firm during the audit have created a significant threat to our independence in relation to the entity. We have identified a threat to our independence (preparation of the entity's financial statements, creating a self-review threat) that if not reduced to an acceptable level, would impair our independence. In order to reduce the threat to an acceptable level, we have applied the following safeguard:

Prior to the issuance of the entity's financial statements, another partner or manager, independent of the engagement, will review the financial statements.

Significant Risks Identified

We have identified the possibility of the following significant risks:

Management's override of internal controls over financial reporting – Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

Revenue recognition – Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the entity is included in Note 1 to the financial statements. The City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections* during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the entity's financial statements are:

Management's estimate of the net pension liability and related deferred inflows and outflows of resources are based on actuarial reports by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the liability for other post-employment benefits (OPEB) and related deferred inflows and outflows of resources are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosures affecting the entity's financial statements relate to:

The disclosure of fair value of investments in the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets (and related accumulated depreciation) in the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of net pension liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

The disclosures of the other post-employment benefits (OPEB) liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

The disclosure of claims payable in the basic financial statements is based on claims loss reports from third party claims management companies. Actual future liabilities may vary from disclosed estimates.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Attachment A reflects all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the entity's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 3, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the entity, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the entity's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have:

Read the transmittal letter and statistical section other information and considered whether a material inconsistency existed between the other the information and the basic financial statements, or the other information otherwise appears to be materially misstated. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the City Council and management of the entity and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Rogers, Anderson, Malody & Scott, LLP.

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 101			
To recognize unearned revenue to CY expenditures			
56-2002	ARPA UNEARNED REVENUE	679,857.19	
56-4899	ARPA MISC REVENUE		679,857.19
Total		679,857.19	679,857.19
Adjusting Journal Entries JE # 102			
To correct fund balance			
57-2002	UNEARNED REVENUE	500,000.00	
57-3000	FUND BALANCE		500,000.00
Total		500,000.00	500,000.00
Adjusting Journal Entries JE # 103			
To correct for amortization already captured in FY2023 for warehouse lease, to reverse double posting of A/D for warehouse lease, to correct warehouse lease asset, to correct CIP for invoice not accrued			
88-1301	BUILDINGS	201,587.45	
88-1308	CONSTRUCTION IN PROGRESS	247,849.17	
88-1311	DEPRECIATION BUILDINGS	22,062.00	
88-1311	DEPRECIATION BUILDINGS	66,187.33	
88-3003	INVESTMENT IN GEN FIXED ASSETS		22,062.00
88-3003	INVESTMENT IN GEN FIXED ASSETS		201,587.45
88-3003	INVESTMENT IN GEN FIXED ASSETS		247,849.17
88-3003	INVESTMENT IN GEN FIXED ASSETS		66,187.33
Total		537,685.95	537,685.95
Adjusting Journal Entries JE # 104			
To amortize deferred charge on refunding			
89-3000	FUND BALANCE	5,688.00	
89-1560	DEFERRED REFUNDING LOSS		5,688.00
Total		5,688.00	5,688.00
Adjusting Journal Entries JE # 105			
To record CY debt service payment			
89-2750	2015 COP LAUREL PARK	85,000.00	
89-3000	FUND BALANCE		85,000.00
Total		85,000.00	85,000.00
Adjusting Journal Entries JE # 106			
To clear balance in accounts that were revenue/expense accounts, but recognized as balance sheet accounts by City accounting system			
10-4900	LEASE ACQUISITION	198,562.00	
10-570-5501.1709	RIGHT TO USE ASSET ACQUISITION		198,562.00
Total		198,562.00	198,562.00
Adjusting Journal Entries JE # 205			
To correct PARS unfunded liability to PERS reserve			
10-3208	PERS RESERVE	300,000.00	
10-560-5290	ADD'L UAL FUNDING TO TRUST	300,000.00	
10-2500.2400	PARS TRUST FUNDING		300,000.00
10-3000	FUND BALANCE		300,000.00
Total		600,000.00	600,000.00
Adjusting Journal Entries JE # 206			
To accrue additional AP invoice			
10-570-5501.2401	COMMUNITY CTR ROOF REPAIR	247,849.17	
10-2000	AP PENDING (Due to Pool)		247,849.17
Total		247,849.17	247,849.17
Adjusting Journal Entries JE # 208			
To record missed subscription liability addition and related 2024 activity			
51-1301	Equipt Asset	157,085.17	
51-2100	Equipt Liability	30,015.32	
51-525-5450	Depreciation Expense	13,090.43	
51-525-5500	Interest Expense	3,584.68	
51-1321	Accum Depreciation		13,090.43
51-2100	Equipt Liability		157,085.17
51-525-5420	EQUIPMENT		33,600.00
Total		203,775.60	203,775.60
Total Adjusting Journal Entries		3,058,417.91	3,058,417.91



March 3, 2025

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the basic financial statements of City of Los Alamitos (the entity) as of June 30, 2024, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the entity in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 3, 2025:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 7, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.

- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, if any, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- We have evaluated all of our lease and subscription agreements and have given you our assessment as to whether each agreement is subject to GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription Based Information Technology Arrangements*.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to preparation of the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, a process to monitor the system of internal controls.

- There have been no changes or updates to legal information disclosed to you by our attorney(s) since the date of such legal response and now.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All information provided in electronic form are true representations of the original documents.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet

date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Use of a Specialist

- We agree with the findings of specialists in evaluating the entity's net pension and net other post-employment benefit liabilities and related deferred amounts and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances

Cybersecurity

- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.

- We believe any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Accounting Estimates and Related Disclosures

- The significant judgments made in making the accounting estimates have taken into account all relevant information of which we are aware.
- We have consistently and appropriately selected and applied methods, assumptions, and data when making accounting estimates.
- The assumptions we used in making and disclosing accounting estimates appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity, when relevant to the accounting estimates and disclosures.
- The disclosures related to accounting estimates, including those disclosures describing estimation uncertainty, are complete and are reasonable in the context of the applicable financial reporting framework.
- We have obtained and applied appropriate specialized skills and expertise in making accounting estimates.
- We are not aware of any events subsequent to the date of the financial statements that require adjustment to our accounting estimates and related disclosures included in the financial statements.



Craig Koehler, Finance Director

City of Los Alamitos

CITY COUNCIL AGENDA REPORT

MEETING DATE: March 24, 2025

ITEM NUMBER: 11C

To: Mayor Shelley Hasselbrink & Members of the City Council
Presented By: Barbara Biscocho, Finance Manager
Subject: Award Professional Services Agreement with Rogers, Anderson, Malody, & Scott, LLP for Auditing Services

SUMMARY

This report seeks consideration of a Professional Services Agreement with Rogers, Anderson, Malody & Scott (RAMS) for auditing services in the amount of \$61,860.

RECOMMENDATION

Authorize the Mayor to enter into a Professional Services Agreement (PSA) with Rogers, Anderson, Malody & Scott, LLP, (RAMS) in an amount not to exceed \$61,860 for auditing services for a three-year contract for FY2024-25, 2025-26, and FY2026-27.

BACKGROUND

In fiscal year 2020-21, the City Council approved a contract with Gruber & Associates, CPAs, a CPA firm with local government auditing experience. In 2022, the firm changed ownership and became Gruber & Lopez, Inc. The original contract was for three fiscal years, with two additional single-year options, which the City did not exercise. In the final two fiscal years of the five-year term (2023 and 2024), the City contracted with RAMS, one of the proposers of the original RFP. A new RFP was issued on December 16, 2024, with responses due by January 23, 2025. A report was taken to the Budget Standing Committee at a Special Meeting on February 10, 2025, to discuss and review the results of the RFP.

DISCUSSION

In connection with the RFP, the City received two responses, RAMS and the Pun Group. The current audit firm, RAMS, has served the City well as its auditor for the prior two fiscal years (FY2022-23, FY2023-24). RAMS has assisted with implementing new GASB pronouncements and additional work in connection with lease and subscription accounting. Their proposal is the most qualified for the City's needs and meets all the requirements (Attachment 1). In addition, their cost is less than that proposed by the other firm (Attachment 2). Staff recommends RAMS as the firm best suited to provide the City with auditing services.

FISCAL IMPACT

The contract for auditing services will be for a term of three years, covering fiscal years 2024-25, 2025-26, and 2026-27, for a not-to-exceed amount of \$179,290, with two additional one-year options (2027-28 and 2028-29). Funding for this is included in Finance Contractual

Services (10-512-5260).

- Attachment:
1. Professional Services Agreement - RAMS
 2. Exhibit A - RAMS Proposal
 3. RFP Response Cost Comparison

PROFESSIONAL SERVICES AGREEMENT
Rogers, Anderson, Malody & Scott. LLP (RAMS)

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into, to be effective this 1st day of July, 2025, by and between the CITY OF LOS ALAMITOS, a California charter city and municipal corporation, (“City”) and Rogers, Anderson, Malody & Scott LLP (RAMS), LLP., a Limited Liability Partnership, (“Firm”). City and Firm are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as the “Parties.”

RECITALS

A. City has determined that it requires the services of a qualified firm to provide auditing services for fiscal year 2025, 2026, and 2027, with two one-year options (2028 and 2029) (“Project”).

B. Firm has submitted to City a written proposal, dated January 23, 2025 to provide auditing services for the Project.

C. Firm represents and maintains that it is uniquely qualified by virtue of its experience, training, education, reputation, and expertise, to provide the necessary services to City and has agreed to provide such services as set forth herein.

D. City desires to engage Firm to provide such services subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual obligations, covenants, and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. SERVICES OF FIRM

1.1 Scope of Services and Standard of Performance. Firm shall provide those services set forth in the Letter Proposal, dated January 23, 2025, attached hereto as Exhibit “A” (“Scope of Services” and/or “Project Services”). Firm shall provide the Project Services in compliance with all terms and conditions of this Agreement. Firm warrants that all Project Services shall be performed in a skillful, competent, professional and satisfactory manner in accordance with all standards prevalent in the same profession in the State of California. Firm represents and warrants that it is skilled in the professional discipline necessary to perform the Project Services. Firm represents and warrants that it and all employees, subconsultants and subcontractors providing any services pursuant to this Agreement shall have sufficient skill and experience to perform the Project Services. All Project Services shall be completed to the reasonable satisfaction of City.

1.1.1 Resolution of Inconsistencies. In the event of any inconsistency between or among the terms and conditions contained in the main body of this Agreement and the Scope of Services, such inconsistency shall be resolved by applying the provisions in the highest priority of the documents containing such inconsistency, which shall be determined in the following order of declining priority: (1st) the main body of this Agreement; and (2rd) the Scope of Services.

1.2 Compliance with Law. All Project Services shall be provided in accordance with all laws, ordinances, resolutions, statutes, rules, and regulations of City and any federal, state or local governmental agency of competent jurisdiction. Firm shall be liable for all violations of such laws, ordinances, resolutions, statutes, rules and regulations in connection with performance of the Project Services. If Firm performs any Project Services in violation of such laws, ordinances, resolutions, statutes, rules or regulations, Firm shall be solely responsible for all penalties and costs arising therefrom. Firm shall defend, indemnify, and hold City, its officials, officers, employees, agents and volunteers, free and harmless from and against any claim or liability arising out of any failure or alleged failure to comply with such laws, ordinances, resolutions, statutes, rules or regulations.

1.3 Licenses and Permits. Prior to performing any Project Services, Firm shall obtain all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Project Services. Firm represents and warrants to City that Firm shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement and any extension, any license, permit, qualification, or approval that is legally required for Firm to perform the Project Services. Firm shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Firm's performance of the Project Services, and shall defend, indemnify, and hold the City, its officials, officers, employees, agents and volunteers, free and harmless from and against any claim or liability arising out of any failure or alleged failure to obtain such license, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Project Services.

1.4 Familiarity with Work. By executing this Agreement, Firm warrants that Firm (a) has thoroughly investigated and considered the Project Services to be performed, (b) has carefully considered how the Project Services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the Project Services under this Agreement.

1.5 Care in Performance of Project Services. Firm shall adopt reasonable methods during the term of the Agreement to prevent losses or damage to materials, papers or other components of the Project Services, and shall be responsible for all such damages, to persons or property, until acceptance of the Project Services by the City, except such losses or damages as may be caused by City's own negligence.

1.6 Non-Exclusive Agreement. Firm acknowledges that City may enter into agreements with other firms, contractors, consultants, or vendors for services similar to the services that are the subject of this Agreement. Firm further acknowledges that City may have its own employees perform services similar to the services that are the subject of this Agreement.

2. COMPENSATION

2.1 Maximum Contract Amount. Firm shall be compensated for the Project Services performed, including authorized reimbursements, if any, in accordance with the rates and charges for a term of three years, covering years 2025, 2026, and 2027 in an amount not to exceed One Hundred Seventy-Nine Thousand Two Hundred Ninety Dollars (\$179,290.00) , with two additional one-year options (2028-2029) set forth in the Scope of Services in an amount not to exceed One Hundred Twenty-Eight Thousand Six Hundred Eighty Dollars (\$128,680.00). The maximum amount of City's payment obligation under this Agreement is the amount specified in this section.

2.2 Method of Payment. In any month in which Firm wishes to receive payment, Firm shall no later than first working day of such month, submit to the City, in a form approved by the City Manager or his designee, an invoice for services rendered prior to the date of the invoice. Such requests shall be based upon the amount and value of the services performed by Firm and accompanied by such reporting data including an itemized breakdown of all costs incurred and tasks performed during the period covered by the invoice, as may be required by the City. Within thirty (45) calendar days of receipt of invoice, City shall pay all undisputed amounts included on the invoice.

2.3 Changes in Scope. In the event any change or changes in the Scope of Services is requested by the City, the Parties shall execute a written amendment to this Agreement, signed by an individual authorized to formally bind the Party for which he/she is signing, setting forth with particularity all terms of such amendment, including, but not limited to, any additional professional fees. An amendment may be entered into: (a) to provide for revisions or modifications to documents or other work product when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product, or work; and/or, (b) to provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Firm's profession.

2.4 Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefore by the Los Alamitos City Council for each fiscal year covered by the term of this Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the City.

3. SCHEDULE OF PERFORMANCE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement. The time for completion of the Project Services to be performed by Firm is an essential condition of this Agreement.

3.2 Schedule of Performance. Firm shall prosecute regularly and diligently the Project Services according to the periods specified in the Scope of Services. When requested by Firm, extensions of the time period(s) specified in the Scope of Services may be approved in writing by the Contract Officer; however, the City shall not be obligated to grant any such extension.

3.3 Force Majeure. The time for performance of the Project Services may be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Firm (financial inability excepted), including, but not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the City, if Firm, within ten (10) calendar days of the commencement of such delay, notifies the City Manager in writing of the causes of the delay. The City Manager shall ascertain the facts and the extent of delay, and extend the time for performing the Services for the period of the enforced delay when and if in the judgment of the City Manager such delay is justified. The City Manager's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Firm be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Firm's sole remedy being extension of the Agreement pursuant to this section.

3.4 Term. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall commence upon the Effective Date and shall continue in full force and effect for a period of three years, ending on June 30, 2027, with two additional one-year options (2028-2029), unless extended by mutual written agreement of the Parties.

4. COORDINATION OF PROJECT SERVICES

4.1 Firm's Representative. The following principal of Firm is hereby designated as being the principal and representative of Firm authorized to act on its behalf with respect to the Project Services and to make all decisions in connection therewith: Rogers, Anderson, Malody & Scott LLP (RAMS). It is expressly understood that the experience, knowledge, education, capability, expertise, and reputation of the foregoing principal is a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Firm and devoting sufficient time to personally supervise the Project Services performed hereunder. The foregoing principal may not be changed by Firm without prior written approval of the Contract Officer.

4.2 City's Contract Officer. The City's Contract Officer shall be Craig Koehler, Finance Director, and is subject to change by the City Manager. It shall be the Firm's responsibility to ensure that the Contract Officer is kept fully informed of the progress of the performance of the Project Services, and the Firm shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.3 Prohibition Against Subcontracting or Assignments. The experience, knowledge, capability, expertise, and reputation of Firm, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Firm shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, voluntarily or by operation of law, without the prior written consent of City. Firm shall not contract with any other entity to perform the Project Services without prior written consent of City. If Firm is permitted by City to subcontract any part of this Agreement, Firm shall be responsible to City for

the acts and omissions of its subcontractor(s) in the same manner as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationships between any subcontractor and City. All persons engaged in the performance of Project Services will be considered employees of Firm. City will deal directly with and will make all payments to Firm. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated, or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written consent of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Firm, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release Firm or any surety of Firm from any liability hereunder without the express written consent of City.

4.4 Independent Contractor.

4.4.1 The legal relationship between the Parties is that of an independent contractor; nothing herein shall be deemed to make Firm a City employee. During the performance of this Agreement, Firm and its officers, employees, and agents shall act in an independent capacity and shall not act as City officers or employees. Firm will determine the means, methods and details of performing the Project Services subject to the requirements of this Agreement. The personnel performing the Project Services on behalf of Firm shall at all times be under Firm's exclusive direction and control. Neither City nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of Firm or any of its officers, employees, or agents, except as set forth in this Agreement. Firm, its officers, employees or agents, shall not maintain a permanent office or fixed business location at City's offices. City shall have no voice in the selection, discharge, supervision, or control of Firm's officers, employees, or agents or in fixing their number, compensation, or hours of service. Firm shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Project Services and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. City shall not in any way or for any purpose be deemed to be a partner of Firm in its business or otherwise a joint venturer or a member of any joint enterprise with Firm.

4.4.2 Firm shall not incur or have the power to incur any debt, obligation, or liability against City, or bind City in any manner.

4.4.3 No City benefits shall be available to Firm, its officers, employees, representatives, agents, subconsultants or subcontractors in connection with the performance of any Project Services. Except for professional fees paid to Firm as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Firm for the performance of any Project Services. City shall not be liable for compensation or indemnification to Firm, its officers, employees, representatives, agents, subconsultants or subcontractors, for injury or sickness arising out of the performance of any Project Services. If for any reason any court or governmental agency determines that the City has financial obligations, other than pursuant to Section 2 herein, of any nature relating to salary, taxes, or benefits of Firm's officers, employees, representatives, agents, or subconsultants or subcontractors, Firm shall defend, indemnify, and hold harmless City from

and against all such financial obligations.

4.5 PERS Eligibility Indemnification.

4.5.1 In the event that Firm or any officer, employee, representative, agent, subconsultant or subcontractor of Firm providing any Project Services claims or is determined by a court of competent jurisdiction or the California Public Employee Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Firm shall indemnify, defend, and hold harmless City against (1) all such claims and determinations, (2) for the payment of any employee and/or employer contributions for PERS benefits on behalf of Firm or its officers, employees, representatives, agents, subconsultants or subcontractors, and (3) the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the City.

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

5. INSURANCE

5.1 Compliance with Insurance Requirements. Firm shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to City, all insurance required under this section. Firm shall not commence any Project Services unless and until it has provided evidence satisfactory to City that it has secured all insurance required under this section. If Firm's existing insurance policies do not meet the insurance requirements set forth herein, Firm agrees to amend, supplement or endorse the policies to do so.

5.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement, and without limiting the indemnity provisions set forth in this Agreement, Firm shall obtain and maintain in full force and effect during the term of this Agreement, including any extension thereof, the following policies of insurance:

5.2.1 Professional Liability/Errors and Omissions Insurance ("PLI"). Firm shall obtain and maintain a policy of Professional Liability or Errors and Omissions Insurance appropriate to Firm's profession with per-claim and aggregate limits of no less than Two Million Dollars (\$2,000,000.00). Covered professional services shall specifically include all Project Services to be performed under the Agreement and the policy shall be endorsed to delete any exclusions that may exclude coverage for claims within the minimum PLI limits set forth herein for the Project Services to be performed under this Agreement.

5.2.1.1 The PLI policy shall be endorsed to delete any Contractual Liability Exclusion. The PLI shall include contractual liability coverage applicable to this Agreement. The policy must “pay on behalf of” the insured, and include a provision establishing the insurer’s duty to defend the insured.

5.2.1.2 If the PLI policy is written on a “claims-made” basis, the policy shall be continued in full force and effect at all times during the term of this Agreement, and for a period of three (3) years from the date of the completion of all Project Services provided hereunder (the “PLI Coverage Period”). If any PLI policy is replaced, cancelled, non-renewed, discontinued, or otherwise terminated, or if the limits of a PLI policy are reduced or the available coverage depleted below the required minimum coverage amounts for any reason during the PLI Coverage Period, Firm shall immediately obtain replacement PLI coverage meeting the requirements of this Section 5.2.1. Such replacement coverage shall satisfy all requirements herein, and shall include coverage for the prior acts or omissions of Firm during the time period during which any Project Services were performed. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended “tail” coverage with the present or new carrier or other insurance arrangements providing for complete coverage, either of which shall be subject to the written approval by the City.

5.2.1.3 If the PLI policy is written on an “occurrence” basis, the policy shall be continued in full force and effect during the term of this Agreement, or until completion of the Project Services provided for in this Agreement, whichever is later. In the event of termination of the PLI policy during this period, new coverage shall immediately be obtained, and written evidence of the policy shall be immediately provided to the City, to ensure PLI coverage during the entire course of performing the Project services.

5.2.1.4 Firm shall not perform any Project Services at any time during which required types or amounts of PLI insurance are not in effect, and the City shall have no obligation to pay Firm for Project Services performed while required PLI insurance is not in effect.

5.2.2 Commercial General Liability Insurance. Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Commercial General Liability Insurance (CGL). Coverage shall be at least as broad as ISO Form CG 00 01 written on a per occurrence basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the general aggregate. The policy shall not contain any endorsements or provisions limiting coverage for (1) contractual liability, (2) cross liability exclusion for claims or suits by one insured against another, or (3) contain any other exclusion contrary to the Agreement.

5.2.3 Automobile Liability Insurance. Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Automobile Liability Insurance. Coverage shall be at least as broad as ISO Form CA 00 01 written on a per occurrence basis, covering Code 1 (any auto), or if the Firm has no owned autos, Code 8 (hired) and Code 9 (non-owned), with limits of no less than One Million Dollars (\$1,000,000.00) for each occurrence covering bodily injury and property damage.

5.2.4 Workers' Compensation Insurance. Firm shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Workers' Compensation Insurance in at least the minimum statutory amounts, and in compliance with all other statutory requirements, as required by the State of California. Firm agrees to waive and obtain endorsements from its workers' compensation insurer waiving all subrogation rights under its workers' compensation insurance policy against the City, its officials, officers, employees, agents and volunteers, and to require each of its subconsultants and subcontractors, if any, to do likewise under their workers' compensation insurance policies. Firm shall also obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Employer's Liability Insurance written on a per occurrence basis with limits of at least One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. Notwithstanding the foregoing, Firm shall not be required to procure either Worker's Compensation Insurance or Employer's Liability Insurance if Firm provides written verification to the City that Firm does not have any employees.

5.3 Acceptability of Insurers. Insurance required by this section shall be issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A:-VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of Approved Surplus Lines Insurers (LASLI)), by the latest edition of A.M. Best's Key Rating Guide, except that the City will accept workers' compensation insurance from the State Compensation Fund. In the event the City determines that the work or Project Services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Firm agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the City. Firm shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein.

5.4 Specific Insurance Provisions and Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for written approval. Required insurance policies shall contain the following provisions, or Firm shall provide endorsements on forms approved by the City to add the following provisions to the insurance policies:

5.4.1 CGL and Auto Liability Endorsements. The policy or policies of insurance required by this section for CGL and Automobile Liability Insurance shall be endorsed as follows:

5.4.1.1 Additional Insured. The City, its officials, officers, employees, agents and volunteers, shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement; and

5.4.1.1.1 Additional Insured Endorsements. Additional insured endorsements shall not (1) be restricted to "ongoing operations", (2) exclude "contractual liability", (3) restrict coverage to "sole" liability of Firm, or (4) contain any other exclusions contrary to the Agreement; and, the coverage shall contain no special limitations on the scope of protection afforded to additional insureds.

5.4.1.2 Primary and Non-Contributing Insurance. Each CGL and Automobile Liability Insurance policy shall be endorsed to be primary, and any other insurance, deductible, or self-insurance maintained by the City, its officials, officers, employees, agents or volunteers, shall not contribute with this primary insurance.

5.4.1.3 Waiver of Subrogation. Each CGL and Automobile Liability Insurance policy shall contain or be endorsed to waive subrogation against the City, its officials, officers, employees, agents and volunteers, or shall specifically allow Firm or others providing insurance evidence in compliance with the requirements set forth in this section to waive their right to recovery prior to a loss. Firm hereby agrees to waive its own right of recovery against the City, its officials, officers, employees, agents and volunteers, and Firm hereby agrees to require similar written express waivers and insurance clauses from each of its subconsultants or subcontractors.

5.4.2 Notice of Cancellation. Each policy of any type shall be endorsed to provide that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) calendar days prior written notice has been provided to the City. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of Firm's failure to pay the insurance premium, the notice provided by the insurer to City shall be by not less than ten (10) calendar days prior written notice. (A statement that notice will be provided "in accordance with the policy terms" or words to that effect is inadequate to meet the requirements of this section.)

5.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be approved in writing by the City in advance. The decision whether to approve or withhold approval of a deductible or self-insured retention shall be made by the City in the City's sole and absolute discretion.

5.6 Evidence of Coverage. Concurrently with the execution of the Agreement, Firm shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required by this section. Firm shall promptly furnish, at City's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents City may require to verify coverage.

5.6.1 Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for written approval.

5.6.2 Authorized Signatures. The certificates of insurance and original endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf.

5.6.3 Renewal/Replacement Policies. At least fifteen (15) calendar days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Firm shall, within ten (10) calendar days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or

has been provided through another insurance company or companies meeting all requirements of this Agreement.

5.7 Requirements Not Limiting. Requirement of specific coverage or minimum limits contained in this section are not intended as a limitation on coverage, limits, or other requirements, or a waiver of any coverage normally provided by any insurance. Nothing in this section shall be construed as limiting in any way the indemnification provision contained in this Agreement, or the extent to which Firm may be held responsible for payments of damages to persons or property.

5.8 Enforcement of Agreement (Non-Estoppel). Firm acknowledges and agrees that actual or alleged failure on the part of the City to inform Firm of any non-compliance with any of the insurance requirements set forth in this section imposes no additional obligation on the City nor does it waive any rights hereunder.

5.9 Insurance for Subconsultants. Firm shall either: (1) include all subconsultants or subcontractors engaged in the performance of Project Services on behalf of Firm as additional named insureds under the Firm's insurance policies; or (2) Firm shall be responsible for causing its subconsultants or subcontractors to procure and maintain the appropriate insurance in compliance with the terms of the insurance requirements set forth in this section, including adding the City, its officials, officers, employees, agents and volunteers, as additional insureds to their respective policies. Firm shall not allow any subconsultant or subcontractor to commence any work or services relating to this Agreement unless and until it has provided evidence satisfactory to City that the subconsultant or subcontractor has secured all insurance required under this section.

5.10 Other Insurance Requirements. The following terms and conditions shall apply to the insurance policies required of Firm and its subconsultants and subcontractors, if any, pursuant to this Agreement:

5.10.1 Firm shall provide immediate written notice to City if (1) any of the insurance policies required herein are terminated, cancelled or suspended, (2) the limits of any of the insurance coverages required herein are reduced, or (3) the deductible or self-insured retention is increased.

5.10.2 All insurance coverage and limits provided by Firm and available or applicable to this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations shall limit the application of such insurance coverage.

5.10.3 None of the insurance coverages required herein will be in compliance with the requirements of this section if they include any limiting endorsement which substantially impairs the coverages set forth herein (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the City and approved in writing.

5.10.4 Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay commencement of the Project. It is Firm's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.

5.10.5 Firm agrees to ensure that subconsultants and subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by Firm, provide the same minimum insurance coverage required of Firm. Firm agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Firm agrees that upon request, all agreements with subcontractors and others engaged in the provision of Project Services will be submitted to the City for review.

5.10.6 Firm agrees to provide immediate written notice to City of any claim, demand or loss against Firm arising out of the work or Project Services performed under this Agreement and for any other claim, demand or loss which may reduce the insurance available to pay claims, demands or losses arising out of this Agreement.

6. INDEMNIFICATION

To the fullest extent permitted by law, Firm shall defend (at Firm's sole cost and expense with legal counsel reasonably acceptable to City), indemnify and hold the City, its officials, officers, employees, agents and volunteers, free and harmless from any and all claims, demands, orders, causes of action, costs, expenses, liabilities, losses, penalties, judgments, arbitration awards, settlements, damages or injuries of any kind, in law or in equity, including but not limited to property or persons, including wrongful death, (collectively "Claims") in any manner arising out of, pertaining to, related to, or incident to any alleged acts, errors or omissions, or willful misconduct of Firm, its officers, directors, employees, subconsultants, subcontractors, agents or invitees in connection with performance under this Agreement, or in any manner arising out of, pertaining to, related to, or incident to an alleged breach of this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses.

Notwithstanding the foregoing, and only to the extent that the Project Services performed by Firm are subject to California Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Firm.

Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Firm's indemnification obligation or other liability hereunder. Notwithstanding the foregoing, such obligation to defend, hold harmless and indemnify the City, its officials, officers, employees, agents and volunteers, shall not apply to the extent that such Claims are caused by the sole negligence or willful misconduct of that indemnified party.

7. REPORTS AND RECORDS

7.1 Records. Firm shall keep complete, accurate, and detailed accounts of all time, costs, expenses, and expenditures pertaining in any way to this Agreement. Firm shall keep such books and records as shall be necessary to properly perform the Project Services required by this Agreement and to enable the Contract Officer to evaluate the performance of such Project Services. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

7.2 Reports. Firm shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the Project Services as the Contract Officer shall require.

7.3 Ownership of Documents. All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Firm, its employees, subconsultants, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be promptly delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Firm shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Firm may retain copies of such documents for its own use. Firm shall have an unrestricted right to use the concepts embodied therein. Firm shall ensure that all of its subconsultants and subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Firm fails to secure such assignment, Firm shall indemnify City for all damages resulting therefrom.

7.4 Release of Documents. Except to the extent otherwise required by law, no drawing, specification, report, record, document, or other material prepared by Firm, its employees, subconsultants, subcontractors and agents in the performance of Project Services shall not be released publicly without the prior written approval of the Contract Officer.

8. ENFORCEMENT OF AGREEMENT

8.1 California Law and Venue. This Agreement shall be construed and interpreted both as to validity and as to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such County, and Firm covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

8.2 Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of City shall be deemed to waiver or render unnecessary City's consent to or approval of any subsequent act of Firm. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.3 Rights and Remedies Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are

cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

8.4 Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

8.5 Termination Prior to Expiration of Term. City reserves the right to terminate this Agreement, at any time, with or without cause, upon thirty (30) calendar days written notice to Firm, except that where the continuation of services would constitute a danger to health, safety or general welfare, the period of notice shall be such shorter time as may be appropriate. Upon receipt of the notice of termination, Firm shall immediately cease all Project Services, except as may be specifically approved by the Contract Officer. Firm shall be entitled to compensation for all Project Services rendered prior to receipt of the notice of termination and for any Project Services authorized by the Contract Officer thereafter.

8.6 Termination for Default of Firm.

8.6.1 Firm's failure to comply with any provision of this Agreement shall constitute a default.

8.6.2 If the Contract Officer determines that Firm is in default in the performance of any of the terms or conditions of this Agreement, he/she shall notify Firm in writing of such default. If such default is capable of being cured, Firm shall have ten (10) calendar days, or such longer period as City may designate, to cure the default by rendering satisfactory performance. In the event Firm fails to cure its default within such period of time, or if such default is not capable of being cured, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice of any remedy to which City may be entitled at law, in equity, or under this Agreement. Firm shall be liable for any and all reasonable costs incurred by City as a result of such default. Compliance with the provisions of this section shall not constitute a waiver of any City right to take legal action in the event that the dispute is not cured, provided that nothing herein shall limit City's right to terminate this Agreement without cause pursuant to Section 8.5.

8.6.3 If termination is due to the failure of Firm to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 8.6.2, take over the Project Services and prosecute the same to completion by contract or otherwise, and Firm shall be liable to the extent that the total direct and indirect costs for completion of the Project Services required hereunder exceeds the Maximum Contract Amount, and City may withhold any payments to Firm for the purpose of set-off toward the cost of completion of the Project Services. The withholding or failure to withhold payments to Firm shall not limit Firm's liability for completion of the Project Services as provided herein.

8.7 Attorneys' Fees. In the event any dispute between the Parties with respect to this

Agreement results in litigation or any non-judicial proceeding, the prevailing Party shall be entitled, in addition to such other relief as may be granted, to recover from the non-prevailing Party all reasonable costs and expenses, including but not limited to reasonable attorneys' fees, expert witness fees, court costs and all fees, costs, and expenses incurred in any appeal or in collection of any judgment entered in such proceeding. To the extent authorized by law, in the event of a dismissal by the plaintiff or petitioner of the litigation or non-judicial proceeding within thirty (30) calendar days of the date set for trial or hearing, the other Party shall be deemed to be the prevailing Party in such litigation or proceeding. For purposes of this section, "Reasonable attorney fees" shall be calculated by multiplying the actual number of hours reasonably expended by the attorney(s) handling the dispute on behalf of the prevailing Party by the hourly rate actually paid by the prevailing Party, but in no case shall the hourly rate exceed Two Hundred and Fifty Dollars (\$250.00) per hour.

9. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

9.1 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Firm, or any successor-in-interest, in the event of any default or breach by the City or for any amount which may become due to the Firm or to its successor, or for breach of any obligation of the terms of this Agreement.

9.2 Covenant Against Discrimination. Firm covenants that, by and for itself, its heirs, executors, assigns, subcontractors, subconsultants and all persons claiming under or through them, that there shall be no discrimination or segregation in the performance of or in connection with this Agreement regarding any person or group of persons on account of race, disability, medical condition, color, creed, religion, sex, sexual orientation, marital status, age, national origin, or ancestry. Firm shall take affirmative action to insure that applicants and employees are treated without regard to their race, disability, medical condition, color, creed, religion, sex, sexual orientation, marital status, national origin, or ancestry.

10. MISCELLANEOUS PROVISIONS

10.1 Confidentiality. Information obtained by Firm in the performance of this Agreement shall be treated as strictly confidential and shall not be used by Firm for any purpose other than the performance of this Agreement without the written consent of the Contract Officer.

10.2 Patent and Copyright Infringement.

10.2.1 To the fullest extent permitted by law, and in lieu of any other warranty by City or Firm against patent or copyright infringement, statutory or otherwise, it is agreed that Firm shall defend at its expense any claim or suit against City on account of any allegation that any item furnished under this Agreement, or the normal use or sale thereof arising out of the performance of this Agreement, infringes upon any presently existing U.S. letters patent or copyright and Firm shall pay all costs and damages finally awarded in any such suit or claim, provided that Firm is promptly notified in writing of the suit or claim and given authority, information and assistance at Firm's expense for the defense of same, and provided such suit or claim arises out of, pertains to, or is related to the alleged negligence, recklessness or willful misconduct of Firm. However, Firm

will not indemnify City if the suit or claim results from City's alteration of a deliverable where such alteration created the infringement upon any presently existing U.S. letters patent or copyright.

10.2.2 Firm shall have sole control of the defense of any such claim or suit and all negotiations for settlement thereof, Firm shall not be obligated to indemnify City under any settlement made without Firm's consent or in the event City fails to cooperate in the defense of any suit or claim, provided, however, that such defense shall be at Firm's expense. If the use or sale of such item is enjoined as a result of the suit or claim, Firm, at no expense to City, shall obtain for City the right to use and sell the item, or shall substitute an equivalent item acceptable to City and extend this patent and copyright indemnity thereto.

10.3 Notices. Any notice, demand, request, consent, approval, or communication either Party desires or is required to give to the other Party or any other person shall be in writing and either served personally during normal hours of operation of the Party receiving the notice, or sent by pre-paid, first-class mail to the address set forth below. Either Party may change its address by notifying the other Party of the change of address in writing. Notice shall be deemed communicated on the day personally served, or two (2) business days from the date of mailing if mailed as provided in this section. Additionally, notices by email will be considered legal notice if such communications include the following text in the Subject field: FORMAL LEGAL NOTICE – RAMS.

To City:

Windmera Quintanar, MMC, City Clerk
City of Los Alamitos
3191 Katella Ave.
Los Alamitos, CA 90720
WQuintanar@cityoflosalamitos.org

With copy to:

Michael S. Daudt, City Attorney
Woodruff & Smart, APC
555 Anton Blvd., Suite 1200
Costa Mesa, CA 92626
mdaudt@woodruff.law

To Firm:

Rogers, Anderson, Malody & Scott, LLP
735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
GDuran@ramscpa.net

10.4 Entire Agreement; Amendments in Writing. This Agreement constitutes the entire agreement between the Parties and is intended as an integrated agreement, superseding all prior negotiations, arrangements, agreements, representations, and understandings, if any, made by or among the Parties with respect to the subject matter hereof. No amendments or other modifications of this Agreement shall be binding unless executed in writing by both Parties hereto,

or their respective successors, assigns, or grantees.

10.5 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the Parties hereunder.

10.6 Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assignees.

10.7 Third Party Beneficiary. Except as expressly provided herein, nothing contained in this Agreement is intended to confer, nor shall this Agreement be construed as conferring, any rights, including, without limitation, any rights as a third-party beneficiary or otherwise, upon any entity or person not a party hereto.

10.8 Recitals. The above-stated Recitals are hereby incorporated into the Agreement as though fully set forth herein and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.

10.9 Prevailing Wages. Firm is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"). Firm agrees to fully comply with all applicable federal and state labor laws (including, without limitation, if applicable, the Prevailing Wage Laws). It is agreed by the Parties that, in connection with the work or Project Services provided pursuant to this Agreement, Firm shall bear all risks of payment or non-payment of prevailing wages under California law, and Firm hereby agrees to defend, indemnify, and hold the City, its officials, officers, employees, agents and volunteers, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. The foregoing indemnity shall survive termination of this Agreement.

10.0 Corporate Authority. Each of the undersigned represents and warrants that (i) the Party for which he/she is executing this Agreement is duly authorized and existing, (ii) he/she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he/she is signing, (iii) by so executing this Agreement, the Party for which he/she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which the Party for which he/she is signing is bound.

[SIGNATURES ON NEXT PAGE]

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

“City”

City of Los Alamitos

By: _____
Chet Simmons, City Manager

APPROVED AS TO FORM.

Woodruff, & Smart, APC

ATTEST:

By: _____
Michael S. Daudt
City Attorney

By: _____
Windmera Quintanar, MMC
City Clerk

“Firm”

**Rogers, Anderson, Malody & Scott. LLP
(RAMS)**

By: _____
Gardenya Duran, CPA Partner
GDuran@ramscpa.net

By: _____
Scott Manno, CPA Partner
Smanno@ramscpa.net

EXHIBIT “A”

FIRM’S PROPOSAL/ SCOPE OF SERVICES

DATED: January 23, 2025



JANUARY 23, 2025

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
FOR THE FISCAL YEARS ENDING JUNE 30, 2025, THROUGH 2027
(WITH THE OPTION FOR TWO ONE-YEAR PERIODS)

CONTACT PERSONS:

GARDENYA DURAN, CPA, CGMA
gduran@ramscpa.net

SCOTT W. MANNO, CPA, CGMA
smanno@ramscpa.net

909.889.0871

PREPARED BY

ROGERS ANDERSON MALODY & SCOTT, LLP
735 E Carnegie Drive, Suite 100
San Bernardino, CA 92408

LICENSE #2596
FEIN 95-2662063

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Table of Contents

	<u>Page</u>
Transmittal letter	i
Technical Proposal	
License to practice	1
Independence	1
Business license	1
Insurance	1
Workpaper retention and access to workpapers	1
Firm Qualifications and experience	1
<i>About our firm</i>	
Capabilities	2
<i>Range of services</i>	
<i>Housing Authority and Successor Agency experience</i>	
<i>Single Audit experience</i>	
<i>ACFR preparation</i>	
<i>References</i>	
Point of contact	5
<i>Partner, supervisory, and staff qualifications and experience</i>	
<i>Partner and supervisory staff involvement</i>	
<i>Staff continuity</i>	
<i>Continuing professional education</i>	
<i>Assigned personnel</i>	
<i>Engagement team resumes</i>	
Methodology and approach to work	14
<i>Services to be provided</i>	
<i>Engagement approach</i>	
<i>Identification of anticipated potential audit problems</i>	
<i>Proposed audit segmentation</i>	
<i>Level of staff and approximate number of hours assigned to each segment</i>	
<i>Sample sizes (including for compliance testing)</i>	
<i>Intelligent audit technology</i>	
<i>Analytical procedures</i>	
<i>Understanding of internal control over financial reporting</i>	
<i>Approach in determining applicable laws and regulations</i>	
<i>Auditing in a remote environment</i>	
<i>Proposed audit timing</i>	
Philosophy and ethical standards	24
<i>Why choose RAMS?</i>	
<i>Equal opportunity employer</i>	
<i>Government Audit Quality Center</i>	
<i>Engagement quality control</i>	
<i>External quality control review</i>	
<i>Disciplinary action</i>	
Fee proposal	26

Attachment A: Government clients served



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

i35 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5351 F
ramscpa.net

January 23, 2025

City of Los Alamitos
3191 Katella Avenue
Los Alamitos, CA 90720

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA

Dear Purchasing Officer:

Bradford A. Welebir, CPA, MIA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schuh, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

We are pleased to respond, on behalf of Rogers, Anderson, Malady & Scott, LLP, (RAMS) to your request for a proposal regarding professional auditing services. As a recognized industry leader and innovator, our goal for the past 75 years has been to provide honest, objective and high-quality results to all our clients, including governmental organizations such as yours. Our success in these efforts is witnessed by the continued organic growth of our firm and our list of long-term clients, some we have served for over 20 years.

MANAGERS/ STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Vernica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA
Jacob Weitherbie, CPA, MSA
Bolin Han, CPA, MAcc
Anny Gonzalez, CPA

At RAMS, we are committed to providing the highest quality audit possible. We understand the complexity of performing governmental audits and that is why we have a *dedicated team of auditors* that possess the specialized knowledge and experience to help ensure our audits are planned and executed in a way that maximizes audit efficiency and effectiveness and provides you the highest quality services.

We are aware that City of Los Alamitos (the City) will be reviewing other proposals during this process, but we believe that RAMS would be an exceptional choice for the audit for the following reasons. Our firm:

- Utilizes *Teammate Analytics*, a suite of more than 200 Computer Aided Audit Tools (CAATs). This software empowers our audit teams with the ability to perform powerful, meaningful data analysis which builds upon our other robust, substantive audit procedures. This value-added service also helps to identify specific transactions or amounts which may be indicative of fraud.
- Performs an intelligent, risk-based audit (using our CAAT) which enables us to focus on key audit areas allowing us to become more efficient resulting in a higher quality audit at a reasonable fee.
- Currently provides auditing services to over 70 governmental agencies and not-for-profit organizations, including over 30 cities, most of which have enterprise activities and over 35 special districts.
- Developed a comprehensive remote working environment for our audits. All our staff currently have the tools for working remotely in an effective and efficient manner allowing us to still provide a quality audit. Our ultimate goal is to continue to meet your needs, but in a safe environment.
- Has an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service with high quality reporting to our clients.
- Is committed to helping you meet all reporting/auditing deadlines, resolving any issues encountered during your audit (e.g., accounting or auditing, new pronouncements, etc.), and providing you with quality audit services.

MEMBERS

American Institute of
Certified Public Accountants

PCPS Tile A/CPA Alliance
for CPA Firms

GovEmmenrol Audit
Quality Center

California Society of
Certified Public Accountants

Proud Member of
AlliottGlobalAlliance

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STABILITY ACCURACY. TRUST.

- Understands the audit process can be a stressful experience for you and your staff; we understand that you will have other commitments and your regular workloads during the audit. We make every effort to ensure the audit process, from the interim fieldwork to the preparation of any required financial reports, will be as trouble-free as possible for you and your staff. We accomplish this by comprehensively planning the audit and utilizing our staff and audit technologies in the most efficient and effective manner while keeping disruptions and miscommunications to a minimum.
- Has audit team members that are personable and easy to work with, yet still focused on the audit. Through open and responsive communication with all parties involved in the audit process, we work to have the most efficient audit possible by minimizing operational distractions of your staff, while maximizing quality service.
- Has an extensive internal quality control review process to ensure your financial reports meet the highest standards. In addition to the preparation of financial reports by the engagement team and reviewed by the engagement manager, *each report is also examined by 2 partners and at least 1 professional proofreader.*
- Has assisted many of our clients with the preparation of their Annual Comprehensive Financial Reports, and all our clients that have submitted their reports for the Government Finance Officers Association (GFOA) or California Society of Municipal Finance Officers (CSMFO) awards have received the awards. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.
- Believes that our fee estimate provides a fair and reasonable investment, commensurate with level of service provided and the experience of the audit team members. While we may not be the lowest bidder, that is not our objective. We focus on delivering the best value and price our prospective engagements accordingly.
- Is a local Southern California firm. All our employees live, work, and shop in the region, allowing our local cities to benefit from our sales and property taxes.
- Is independent with respect to the City
- Is an Equal Opportunity Employer

As you will see from our proposal, it was prepared in a clear, concise and simple manner in accordance with the request for proposal. We feel our firm, staff and reputation as a leader in governmental auditing exceeds the need for the excess information you may see in other proposals.

Rogers, Anderson, Malody & Scott, LLP is properly licensed to practice in California, including all the assigned professional staff to the engagement. Mrs. Duran, Partner, and Mr. Manno, Partner, are authorized to represent the firm, are empowered to submit the bid and authorized to sign a contract with the City. We understand the work to be done as listed in the section of this proposal titled *Services to be provided*. In addition, we will be committed to meeting any agreed upon time frames. This proposal is a firm and irrevocable offer for sixty (90) days.

We can be reached at: 735 E. Carnegie Drive, Suite 100, San Bernardino, CA 92408, (909) 889-0871, gduran@ramscpa.net or smanno@ramscpa.net.

Thank you for the opportunity to present our proposal to the City. We will be committed to exceeding your expectations of an auditor and believe this proposal provides you with information about our firm, the service team members and our customized audit approach. We look forward to having a long and mutually beneficial relationship with the City. Please feel free to contact us if you have any questions regarding this proposal.

Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Gardenya Duran CPA, CGMA, Partner



CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

General information and experience

License to practice

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. Our key professional staff, which includes the partners, managers, and supervisors, are all certified public accountants licensed to practice in the State of California and follow all applicable Board of Accountancy standards.

Independence

Rogers, Anderson, Malody & Scott, LLP is independent of the City and any component units, as defined by general standard number two of the generally accepted auditing standards, and by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards*.

Business license

If selected, we will obtain a City of Los Alamitos Business License as well as any subcontractors, if applicable.

Insurance

We will obtain the City's minimum insurance requirements of \$2,000,000 for Professional Liability, Errors and Omissions, Workers Compensation, Comprehensive General Liability and Auto prior to commencement of audit services.

Workpaper retention and access to workpapers

Our firm will retain audit workpapers for a minimum of five (5) years, unless notified in writing by the City of the need to extend the retention period. In accordance with professional standards, workpapers are available upon requests to regulators.

Firm qualifications and experience

About our firm

We are a local firm founded in 1948 and located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. We provide a full range of services as expected of a full-service accounting firm. We are one of



the oldest, most trusted, and respected CPA firms in Southern California, with over 74 years of public practice experience, specializing in governmental agency and not-for-profit organization auditing, accounting, and management advisory services. Over *sixteen thousand hours per year* are devoted to this area of our practice, which includes cities, redevelopment successor agencies, water districts, other special districts, not-for-profit corporations, and joint power authorities. We do not use our government accounting and auditing practice as "fill work" for the firm, it is one of our primary focuses thus allowing us to provide quality services to local governments.

We understand your desire to engage auditors that have a thorough understanding of the ever-changing complex accounting and compliance issues confronting governments today. Our firm has an extensive history of governmental accounting and auditing. During that time, we have gained valuable experience, acquired an in-depth knowledge of, and obtained the technical expertise needed to perform high quality governmental audits. This expertise has enabled us to provide exceptional, high-quality service and to provide solutions at fees we feel represent our value to our clients. In addition, we use our participation in various industry associations to continuously update our knowledge with respect to issues relating to governmental

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience (continued)

accounting, auditing, and operations. Any insight we gain is immediately passed on to our clients if we feel they will benefit from it.

Our firm has a total staff of forty-four people, which includes sixteen certified public accountants. The staff consists of seven partners, five managers, ten supervisors/senior accountants, seventeen staff accountants, and five support staff. The audit staff consists of twenty-one members who devote over 80% of their time to municipal engagements. The engagement team assigned to the City's engagement will consist of the following full-time staff: one audit partner, one audit manager, one audit supervisor, and two to three senior/staff auditors. All personnel are out of our San Bernardino office.

Capabilities

Range of services

Our firm provides various other services in addition to auditing services to governmental entities, including:

- SB 341 compliance (Successor Agencies)
- Internal control agreed upon procedures
- Finance director and accounting support services
- Study and evaluation of financial condition and fiscal policies
- Transient Occupancy Tax agreed upon procedures
- Franchise (refuse, cable) agreed upon procedures
- Accounting policies and procedures
- Cash management studies
- Financing and public bond offering assistance
- Franchise agreement assistance (ambulance, cable, television, refuse, etc.)

In addition, the firm provides accounting, auditing, attest, and consulting services to for profit and not-for-profit entities. We also provide tax preparation and tax consulting services to individuals, corporations, and partnerships. **We provide our municipal audit clients tax consultation at no extra charge.**

Housing Authority and Successor Agency experience

Over the past five fiscal years, the firm has audited the Housing Authorities and Successor Agencies for the following entities:

City of South Pasadena	City of San Bernardino
City of Thousand Oaks	City of La Verne
City of San Marcos	City of San Jacinto
City of Moorpark	City of Twentynine Palms
City of Fillmore	City of La Mesa
City of Sierra Madre	City of Rosemead
- City of El Cajon	City of Hawthorne
Town of Yucca Valley	City of West Covina
City of Poway	City of Claremont

CITY OF *Los* ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Capabilities (continued)

Single audit experience

Most of our municipal clients, and some of our other governmental and not-for-profit clients, have been subject to an audit in accordance with *Uniform Guidance*. We recently performed single audits for the following entities:

City of San Bernardino
City of El Cajon
City of San Marcos
City of Twentynine Palms
City of Woodlake
City of Exeter
City of Live Oak

City of Menifee
Elsinore Valley Municipal Water District
City of Imperial Beach
Town of Yucca Valley
City of Thousand Oaks
San Joaquin Regional Rail Commission
City of Hawthorne

Our specialized Single Audits Team is led by Partners and Managers with Intermediate and Advanced Single Audit Certifications issued by the AICPA guaranteeing a successful and thorough engagement.

ACFR preparation

We have extensive experience in the preparation of Annual Comprehensive Financial Reports (ACFR). For the fiscal years ended June 30, 2022 and 2023, our staff prepared over 25 ACFR's, with each entity receiving the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. For the fiscal year ended June 30, 2024, again, our staff prepared over 25 ACFR's for our clients for submittal to the GFOA. In addition, we have helped many cities and special districts develop their first year's report for submittal. Four of our audit partners and four of our supervisory staff are technical reviewers for the GFOA award program. In addition, we review all the ACFR's for compliance with the GFOA certificate program checklist, as well as addressing any prior year comments, if applicable, to insure they have been addressed.

P POSAL FOR PROFESSIONAL AUDITING SERVICES

References

Date: Years ending June 30, 2021 - present

Scope of work: Financial Audit/ACFR*/Single Audit

Project location: San Dimas, California

Total hours: Approximately 350 hours each year

Engagement partner: Mrs. Gardenya Duran

Contact person: Mr. Michael O'Brien Finance Director, (909) 394-6200

Address: 245 E Bonita Avenue, San Dimas, CA91773

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Date: _____ Years ending June 30, 2021 - present

Scope of work: Financial Audit/Single Audit

Project location: Imperial Beach, California

Total hours: Approximately 350 hours each year

Engagement partner: Mrs. Gardenya Duran

Contact person: Ms. Lily Flyte, Finance Director, (619) 628-1361

Address: 825 Imperial Beach Blvd, Imperial Beach, CA91932

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Date: Years ending June 30, 2019 - present

Scope of work: Financial Audit/ACFR*

Project location: Imperial Beach, California

Total hours: Approximately 250 hours each year

Engagement partner: Mr. Scott Manno

Contact person: Mr. Mike Whitehead, Mmin. Services Director, (310) 377-1577, ext 112

Address: 4045 Palos Verdes Qrive North, Rolling Hills Estates, CA90274

4. The following table shows the results of the regression analysis for the dependent variable "W" (Wage) and the independent variable "a" (Age).

Date: _____ Years ending June 30, 2018 - present

Scope of work: Financial Audit VACFR*/Single Audit

Project location: San Marcos, California

Total hours: Approximately 400 hours each year

Engagement partner: Mr. Scott Manno

Contact person: Ms. Donna Apar, Finance Director, (760) 744-1050 x3133

Address: 1 Civic Center Drive, San Marcos, CA, 92069

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Date: _____ Years ending June 30, 2013 - present

Scope of work: Financial Audit/ACFR*/Single Audit'Successor ency

Project location: El Cajon, California

Total hours: Approximately 400 hours each year

Engagement partner: Mr. Scott Manno

Contact person: Mr. Luca Gonzales, Financial Operations Manager, (619) 441-1543

Address: 200 Civic Center Way, El Cajon, CA 92020

See Attachment A for a listing of current and recent government clients seNed.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

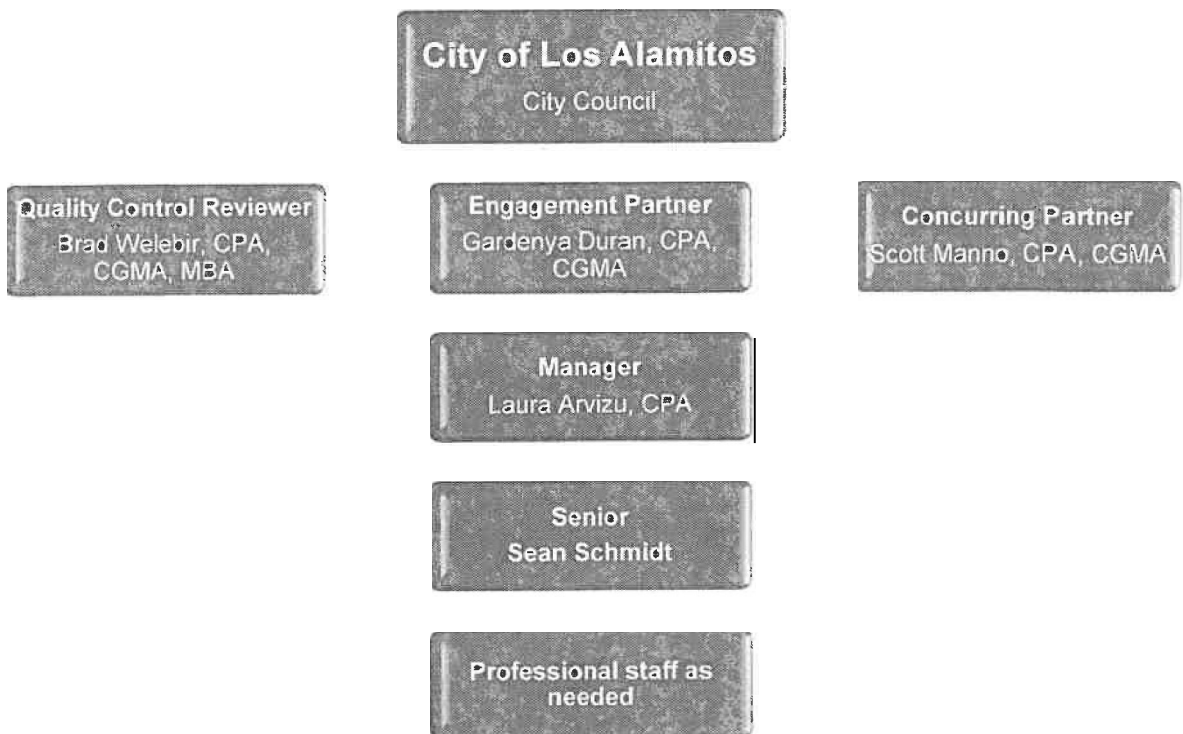
Point of contact

Partner, supervisory, and staff qualifications and experience

-The quality of service you receive is dependent on the capabilities of the individuals assigned to the engagement, and the manner in which those personnel resources are organized to efficiently focus their abilities on providing you with the requested audit services. These professionals are highly trained and knowledgeable and have a thorough understanding of the environment in which governmental and not-for-profit entities operate. This experience is a critical component in providing the City with an effective and efficient audit

Our engagement team will provide significant experience coupled with an extensive, practical understanding of governmental accounting and auditing along with a broad business perspective. Each member will have access to a wide range of technical resources and knowledge bases which will enable them to provide the City with practical observations and effective solutions.

Below is our proposed organizational chart for the audit:



CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)

Partner and supervisory staff involvement

All partners and supervisory staff are working professionals and are actively and continually involved in all aspects of their engagements. We believe that partner and supervisory staff involvement in all areas of the audit is a key aspect of the overall audit process. This involvement includes being on-site for interim and year-end fieldwork, thus facilitating a proper, efficient, and effective audit, with minimal disruption of your staff. In addition, the time spent on-site by the partners and supervisory staff ensures they gain an understanding of the entire City's accounting processes and procedures. This understanding will enable them to evaluate and develop opportunities for efficiency, as well as offer practical and functional advice for improving your accounting processes and procedures.

All professionals on this engagement have worked on audits similar in nature to the City's, therefore, the City will not have to train our engagement team.

Staff continuity

Continuity of audit staff is a principal concern with our firm. In order to retain our staff, we offer extremely competitive wages, opportunities for advancement, generous medical packages, a retirement plan, bonus opportunities, as well as educational benefits. Even with the benefits we provide, we realize we may lose staff at any given time. Knowing this, we plan to provide staff continuity from year to year, which **is** in the best interest of the City and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. Since we cannot guarantee staff will remain with us, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be changed if those personnel leave the firm or are promoted. **However, the City reserves the right to accept or reject replacements.**

We believe that due to the significant involvement of the partners on all our engagements, any staff transition would have a minimal effect on the audit efficiency and effectiveness of subsequent years.

Continuing professional education

Our team of auditor specialists stays current in this highly technical practice area by adhering to, and typically exceeding, the continuing professional education requirements of *Government Auditing Standards* as well as the State Board of Accountancy guidelines. All professionals at our firm participate in continuing professional education (CPE) programs, which are sponsored by various organizations including the Government Finance Officers Association, the American Institute of Certified Public Accountants, the California State Society of Certified Public Accountants, the California Society of Municipal Finance Officers and the Association of Government Accountants. Participation in these programs helps us to ensure that our clients are serviced with the best trained and most proficient government auditors and accountants available. In addition, we periodically provide in-house training taught by our partners and senior level staff using published resources. All staff are required to attend fraud and ethics training. It is our goal to provide our professional staff continuing education which exceeds the minimum standard of 80 hours over two years.

In accordance with our firm's Quality Control document and *Government Auditing Standards (GAS)*, all staff members who work on audits subject to GAS are required to complete CPE in accordance with GAS standards which require 24 hours directly related to governmental accounting and auditing.

In addition to the required CPE, we also use the following to increase our technical knowledge: view the Governmental Audit Quality Center Annual Webcast Update and other relevant seminars and review monthly publications from the AICPA, the GFOA, and various other resources. We also attend conferences and seminars sponsored by the GFOA, California Society of Municipal Finance Officers, California State Society of Certified Public Accountants and the California Special Districts Association.

CITY OF *Los* ALAMITOS
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)

Assigned personnel

It is our goal to provide you with capable, competent, and personable individuals who offer an extensive background, not only in governmental accounting and auditing, but also in general business practices. By doing so, it allows us to offer practical solutions, as well as provide technical support. This enables you to stay at the forefront of governmental accounting and provides you with the support you need in dealing with the complex issues confronting entities such as yours.

In addition, our engagement team has the managerial and supervisory experience to provide **the** City with a comprehensive audit of the highest quality, while still focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented below. The following individuals will be assigned to the engagement for the entire contract period (see staff *Continuity* section of this proposal):

Gardenya Duran, CPA, CGMA - Partner, Engagement Partner

Gardenya is also a municipal audit partner with the firm. She is licensed to practice as a certified public accountant in the State of California. Gardenya has 15 years of public accounting experience and has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various not-for-profit organizations. As the engagement partner, she will be responsible for overall engagement quality, as well as ensuring that the engagement is performed in the most effective and efficient manner. Gardenya will directly oversee all engagement staff while assisting in planning and performing the engagement, as well as reviewing all work-papers prepared during the engagement, in addition to all required reports. Gardenya is a working partner and will be actively and continually involved in all aspects of the engagement.

Scott Manno, CPA - Partner, Concurring Partner

Scott will be the Concurring Partner. He is licensed to practice as a certified public accountant in the State of California. He has over 25 years of practical, governmental accounting and auditing experience. As the concurring partner Scott will work directly with Gardenya in planning and performing the engagement. In addition, he will provide technical consultation for the engagement team.

Brad Wefebir, CPA, CGMA, MBA - Partner, Quality Control Reviewer

Brad will be the Quality Control Reviewer. He is licensed to practice as a certified public accountant in the State of California. He has over 20 years of practical, governmental accounting and auditing experience. Brad will be responsible for the final quality control review of all released opinions and related reports.

Laura Arvizu, CPA - Engagement Manager

Laura is a manager with the firm and is licensed to practice as a certified public accountant in the State of California. Laura has over 8 years of experience in providing accounting and auditing services for municipalities, special districts, and various nonprofit organizations. As the engagement manager, she will work directly with the audit in-charge and partner, while supervising the engagement team during all phases of the engagement. In conjunction with the audit in-charge, she will also oversee the preparation of any required reports.

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- Point of contact (continued)

Partner and supervisory staff involvement (continued)

Sean Schmidt - Audit Senior

Sean is an Audit Senior with the firm. Sean has over 3 years' experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit senior, he will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all work-papers prepared for the engagement. In addition, he will also be responsible for the preparation of any required reports.

Staff level accountants

All staff accountants employed by us and working on governmental audits are qualified to perform such audits. Prior to "audit season", our staff are subject to a rigorous training regimen in which we go over all aspects of our audit process and audit programs ensuring staff members have a solid foundation prior to starting fieldwork. Each staff member is encouraged to take on increased responsibility for engagements previously worked on. This enables our staff to grow on each engagement and allows them to continue to gain the skills and knowledge required to perform the audits.

In summary, we want to emphasize the credentials of the above professionals who will be directly responsible for the quality of service that you will receive. Additionally, our audit team has another attribute that is very important, even though it is intangible -- the professionals assigned to the audits have previously worked together as a multi-disciplined team, thus ensuring a smooth, efficient, and effective audit. We are committed to allocating the necessary resources to ensure that we provide continuity of personnel throughout the term of our relationship with the City.

Full engagement team resumes are provided as follows.

CITY OF **Los Alamitos**
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)

Engagement team resumes



Gardenya Duran, CPA, CGMA
Engagement Partner

Professional experience

Mrs. Duran joined Rogers, Anderson, Malody & Scott, LLP in 2010. She works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Currently, Mrs. Duran serves as a technical reviewer for the GFOA ACFR Award program. Prior to joining our firm, she was an Information Systems Technician in the U.S. Navy for nine years.

Education/licenses

Bachelor of Science- California State University, San Bernardino
Certified Public Accountant - State of California
Chartered Global Management Accountant - American Institute of Certified Public Accountants

Related professional experience

Partial listing of recent relevant governmental agencies served (*includes enterprise fund accounting):

City of Hawthorne*	City of Signal Hill*	City of Aliso Viejo	City of Capitola
City of Imperial Beach*	City of San Jacinto*	City of San Bernardino	City of Calimesa
City of Canyon Lake	City of San Marcos*	City of Carpinteria	City of West Covina*
City of La Mesa	City of Thousand Oaks*	City of San Dimas	City of Santee

Continuing professional education

Mrs. Duran has completed 120 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- Thomson Reuters, *Audits of State and Local Governments*
- American Institute of Certified Public Accountants, *Foundations in Governmental Accounting*
- California Society of CPAs Education Foundation, *Governmental Accounting and Auditing Update*
- American Institute of Certified Public Accountants, *Applying A-133 to Nonprofit and Governmental Organizations*

Professional affiliations

Mrs. Duran is a member of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- Government Finance Officers Association (GFOA)
- California Society of Municipal Finance Officers (CSMFO)

CITY OF Los ALAMITOS
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)



Scott W. Manno, CPA, CGMA
Concurring Partner

Professional experience

Mr. Manno began his career with Thomas, Bigbie and Smith in 1995 after serving in the United States Army. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various not-for-profit organizations. He joined Rogers, Anderson, Malady & Scott, LLP in July 2001. Currently, Mr. Manno serves as a technical reviewer for the GFOA ACFR Award program.

In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting and Auditing Committee which meets periodically to discuss current events, pronouncements, etc.

Education/licenses

Bachelor of Science, Business Administration - California State University, San Bernardino
Certified Public Accountant - State of California
Chartered Global Management Accountant - American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of El Cajon*	Town of Yucca Valley	City of La Mesa*	City of La Verne
City of Sierra Madre*	City of Fillmore*	City of Chino*	City of 29 Palms
City of Moreno Valley*	City of Beaumont*	City of San Marcos*	City of Loma Linda*
City of Claremont*	City of Perris*	City of Exeter*	City of Woodlake*
City of San Jacinto*	City of Menifee	City of Rolling Hills Est	City of Poway*

Mr. Manno has completed over 220 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- ♦ Government Auditing Standards and Foundations
- 2022 Fraud Review
- Governmental Accounting and Auditing Update

Professional affiliations

Mr. Manno is a member of the following organizations:

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- Association of Government Accountants (AGA)
- Association of Certified Fraud Examiners (ACFE)
- Government Finance Officers Association (GFOA)
- California Special Districts Association (CSDA)
- California Society of Municipal Finance Officers (CSMFO)

t, AICPA
GAQC Member

CITY OF LOS ALAMITOS
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

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Point of contact (continued)

Brad A. Welebir, CPA, CGMA, MBA
Quality Control Partner



Professional experience

Mr. Welebir joined Rogers, Anderson, Malody & Scott, LLP in 2004. He primarily provides audits and advisory services to governmental agencies, small to mid-sized businesses, and not-for-profit organizations. Mr. Welebir serves as a technical reviewer for the GFOA ACFR Award program. He also serves as the CalCPA Inland Empire chapter chair of the governmental accounting and auditing committee and as the representative for the chapter at the state committee.

Education/licenses

Master of Business Administration, Accounting Emphasis - California State University, Fullerton

Bachelor of Arts in Business Administration - La Sierra University

Certified Public Accountant - State of California

Chartered Global Management Accountant - American Institute of Certified Public Accountants

Refated professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Fountain Valley
 City of Sierra Madre•
 City of Moorpark*
 City of Claremont*

City of Loma Linda•
 City of Fillmore*
 City of Rosemead
 Town of Yucca Valley

City of San Bernardino
 City of Poway*
 City of Redondo Beach*
 City of Aliso Viejo

City of La Verne
 City of Poway
 City of San Marcos*
 City of San Jacinto*

Continuing professional education

Mr. Welebir has completed over 120 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- Governmental Accounting and Auditing Update
- ♦ Single Audit Update
- Auditing Fraud Risk in the Current Environment
- Annual Conference Sessions
- ♦ GAAP Update

Professional affiliations

Mr. Welebir is a member of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- ♦ California Society of Certified Public Accountants (CalCPA)
- Government Finance Officers Association (GFOA)
- California Society of Municipal Finance Officers (CSMFO)
- California Special Districts Association (CSDA)

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)

Laura Arvizu, CPA
Audit Manager



Professional Experience

Laura is an Audit Manager with the firm. She has over 8 years of experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit manager, she will work closely with the engagement partner and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports. Currently, Laura serves as a technical reviewer for the GFOA ACFR Award program.

Education

Bachelor of Arts - California State University, San Bernardino
Certified Public Accountant - State of California

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Imperial Beach*	City of Yorba Linda*	City of El Cajon*	City of Brawley*
City of Twentynine Palms*	City of Claremont*	City of Ojai*	City of La Mesa*
City of San Dimas	City of Fountain Valley*	City of Wildomar	City of Hawthorne*
City of Sierra Madre*	City of Mission Viejo*	City of Live Oak***	

Continuing Professional Education

Ms. Arvizu has completed over 120 hours of continuing professional education courses over the past two years of which the following select courses are relevant to this engagement:

- + GASB Update
- Governmental Accounting and Auditing Update
- Frequent Frauds Found in Government
- Government Risk Assessments

Professional affiliations

Ms. Arvizu is a member of the following professional organizations:

- ♦ American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- ♦ California Society of Municipal Finance Officers (CSMFO)

CITY OF *Los* ALAMITOS
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)



Sean Schmidt
Audit Senior

Professional Experience

Mr. Schmidt joined Rogers, Anderson, Malody & Scott, LLP in May 2021, primarily providing accounting and auditing services for municipalities, special districts, and various nonprofit organizations. As an audit senior, he will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, he will also be responsible for the preparation of any required reports.

Education

Bachelor of Arts in Business Administration - California State University, San Bernardino
Master of Science in Accountancy - California State University, San Bernardino

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of San Dimas	City of Menifee	City of Twentynine Palms
City of Hawthorne*	City of Thousand Oaks*	City of San Bernardino
City of Calabasas*	City of Moreno Valley*	City of El Cajon*
City of Loma Linda	City of Santee	City of Santee

Continuing Professional Education

Mr. Schmidt has completed the following select courses that are relevant to this engagement:

- Assets and Liabilities: State and Local Governments
- Audits of State and Local Government
- What's Going on at GASB

Professional affiliations

Mr. Schmidt is a member of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- ♦ California Society of Certified Public Accountants (CalCPA)
- California Society of Municipal Finance Officers (CSMFO)

CITY OF **Los** ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work

Services to be provided

The City desires an Annual Comprehensive Financial Report (ACFR) to be audited by the independent auditor for the fiscal year ended June 30, 2025, and each of the subsequent years included in the audit firm's contract with the City. The City will submit the ACFR to the Government Finance Officers' Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting Program.

In addition, we shall:

- Apply certain limited procedures related to Management's Discussion and Analysis and Required Supplementary Information and provide an "in-relation-to" report on the combining and individual fund financial statements, including budgetary comparison schedules. In addition, auditors will determine that information provided by the City for the introductory and statistical section of the City's ACFR confirms to amounts reported in the basic financial statements.
- Provide opinions as to the compliance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance). RAMS is to provide an "in relation-to" report on the Schedule of Expenditures of Federal Awards based on the auditing procedures applied during the audit of the financial statements. Auditors will also review the materials included in the reporting package accompanying the data collection form.
- Perform Agreed-Upon Procedures to test compliance with Article XIIIB pertaining to the City's appropriation limit (GANN limit) and prepare an Agreed-Upon Procedures report to the City Council regarding compliance.
- Be available to the City Council or management to answer questions related to the audit.
- Assess the ACFR to determine that the requirements of the GFOA Certificate of Achievement in Financial Reporting Program.
- Keep City staff informed of new guidance and developments that may affect municipal accounting and finance.
- Hold meetings prior to the commencement of fieldwork at the beginning of the audit and after the first draft of financial statements has been prepared. The engagement partner will attend the meetings.
- Be responsive to questions or requests made by the City during the contract period.
- At the request of the City, render additional services to supplement the services listed above or perform additional work. Additional fees and scope of work will be determined by the City and RAMS as an addendum to the contract.
- If an extended scope is determined, we shall provide the City with all ascertainable facts with an estimate of additional services required and the proposed price.
- Have the Engagement Partner available to present at City Council Meetings, as required and requested by the City or City Council, for the contract award and for submission of the annual reports.
- If requested, prepare the basic financial statements and required supplementary information (RSI) sections of the City's ACFR, including providing the ACFR in PDF format, compliant with ASA, GFOA and Single Audit requirements.

Methodology and approach to work (continued)

Services to be provided (continued)

Our audit(s) will be in accordance with:

- Generally Accepted Auditing Standards as promulgated by the American Institute of Certified Public Accountants, including requirements found in the most recent AICPA audit guide *Audits of State and Local Governments*.
- *Government Auditing Standards* issued by the Comptroller of the United States of America.
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance).
- Specific auditing standards related to any grant agreement determined to be material by the auditors for purposes of examination of the basic financial statements.
- Any other applicable standards for other items outlined in the Scope of Work to be performed and/or reports to be issued.

Reports to be issued:

- Independent Auditor's Report on the fair presentation of the financial statements in conformity with **GAAP**.
- 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* (material weaknesses or significant deficiencies).
- Single Audit Report in compliance with requirements applicable to each major federal program and internal control over compliance in accordance with the *Uniform Guidance*.
- Prepare Management Letter that includes significant and less significant (i.e., reportable and non-reportable) recommendations for improvements to internal control.
- We will issue reports to those charged with governance (SAS 114 letters) as required by auditing standards.
- Appropriations (GANN) Limit Agree-Upon Procedures Report

RAMS will also perform the following:

- Make an immediate, written notification of all irregularities and illegal acts or indication of illegal acts of which we become aware to the following: City Manager and Attorney.
- We will be available to present the audit plan prior to beginning field work, and provide regular updates as listed in the RFP.

Engagement approach

Our engagement approach for your audit will be developed, in part, by using established goals which will enable measurement of the audits progress by the engagement partner and lead auditor. This involves frequent communication between the partner and the engagement team to ensure that all audit objectives are achieved in accordance with our goals and that any issues which may arise are communicated and dealt with on a timely basis. In addition, our in-depth knowledge and expertise in governmental accounting and auditing has allowed us to identify key audit and accounting risks in the government environment. More importantly, the approach provides for a complete reassessment of the control environment in each year's audit and thus enables us to respond to any needed risk assessment changes.

Methodology and approach to work (continued)

Engagement approach (continued)

Our engagement approach has been developed and refined over many years. The foundation of our approach revolves around the following:

- **Knowledge and experience.** We have been auditing governmental entities like the City, both large and small, for over 74 years. This experience has allowed us to gain in-depth knowledge of the governmental environment which in turn allows us to perform a more efficient and effective audit. It also enables us to perform detailed risk assessment procedures allowing us to identify significant audit risk areas within the City and its control environment.
- **Intelligent design.** As discussed later in our proposal, all our audits are designed to be intelligent using our powerful audit software/data analytic tools (Engagement and *Teammate Analytics*). This allows us to analyze large amounts of data in seconds increasing both the efficiency and, more importantly, the effectiveness of all our audit engagements.
- **Oversight.** Professional judgment is not developed overnight. Our partners, managers and supervisors have been deeply involved in governmental audits on a continuous basis for most of their professional careers. By having direct partner and manager oversight, we can design audit strategies that result in effective and efficient audits.
- **Timeliness.** Deadlines are not just "dates" to us, they are professional commitments. All required deadlines will be met.
- **Open communication.** Open lines of communication with all parties (the engagement team members and City Management and staff) throughout the audit process helps to eliminate "surprises." Proper planning and proper use of experienced engagement personnel tend to provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.
- **Availability.** All engagement team members are available throughout the year for any questions or additional consultation. City staff will have direct access to the partner, manager, and other supervisory staff at all times during the engagement, as well as after.
- **Cost effectiveness.** Our customized audit approach and procedures and our experienced auditors help to reduce your overall audit costs while still providing an effective audit and high-quality reports.
- **Risk based approach.** Our detailed risk assessment procedures will consist of activities performed to obtain an understanding of the City and its environment, including its internal control. Evidence from these activities will provide the basis for our assessment of risks of material misstatement at the financial statement and relevant assertion levels. While performing our risk assessment procedures and we may choose to perform further audit procedures concurrently with risk assessment procedures as deemed necessary. In addition, risk assessment procedures will provide some of the necessary evidence about the relevant assertions related to classes of transactions, account balances, or disclosures and about the operating effectiveness of controls.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work (continued)

Engagement approach (continued)

As indicated in the previous section of the proposal, the overall objective of the engagement with the City is to conduct an audit of the financial statements in accordance with required auditing standards and the expression of an opinion(s) on those financial statements. Beyond that initial objective, we believe that our engagement approach provides certain other value-added characteristics, at no additional cost, that will benefit the City over the long-term:

- All our audits are designed to be performed in an efficient and effective way to minimize disruption to the office operations.
- We offer practical observations and recommendations relating to internal control issues, implementation of accounting standards and the policies and procedures regarding both.
- We identify opportunities for operating efficiencies which can be used to decrease operating costs of the City.

Identification of anticipated potential audit problems

One potential problem could be the implementation of any future GASBs. With our deep understanding of governmental accounting and auditing, constant training, and broad resources, we do not anticipate any issues during a GASS implementation. Our approach to any GASB statement implementation would be as follows: gain a thorough understanding of the pronouncement; determine applicability to the City; if applicable, discuss the statement and how it will affect the City with City staff; and provide guidance to City staff on the accounting and financial reporting implications.

Proposed audit segmentation

The following is a summary of the audit team's audit approach for the engagement. The audit will be divided into the following segments:

Segment 1 - Interim testing - planning, pre-audit administration, and internal control testing

During this phase of the audit, our principal objectives will be to gather information about the City and its environment, including its internal control over financial reporting.

In order to achieve the desired objectives of this phase of the audit, we will:

- Meet with the City's staff in order to determine convenient dates *in* which we can begin our audit and to discuss the assistance to be provided by the City's staff.
- Hold brainstorming sessions with engagement team members to discuss the susceptibility of the City's financial statements to material misstatement and fraud.
- Review and evaluate the City's accounting and reporting processes by reviewing the prior year's audit workpapers, any City-prepared documents such as budgets, in-house financial reports, policies and procedures manuals, minutes of governance meetings, etc., and by using various analytical procedures. Analytical procedures will enhance our understanding of the City and will help us identify areas that may need further assessment and additional testing.
- Review and retain copies of any pertinent local, state and federal statutes, regulations, or charters that apply to the City.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work (continued)

Proposed audit segmentation (continued)

- Evaluate the design of controls that are relevant to the audit by obtaining a thorough understanding of the City's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiring of the City's personnel, and observing and reviewing key supporting documentation (a more thorough explanation of this process is discussed later in the technical proposal).
- Test controls, if control risk is to be assessed below maximum, by selecting a sample of transactions within the audit area being tested and reviewing supporting documentation to determine whether the relevant controls are in place and functioning properly.
- Document and review with management, any findings noted during the testing of internal controls and provide a preliminary management letter that will include our recommendations for improving any weaknesses in operations. The letter will also include suggestions for improving the efficiency of the City's operations.
- Utilize our powerful audit data analytic software allowing us to analyze large amounts of data in seconds and focusing on areas/transactions that are red flagged.

In addition, we will perform the following procedures related to IT General Controls that "touch" financial data:

- *Security access (including physical) controls:* evaluate the general system security settings and password parameters; evaluate the process for adding, deleting, and changing security access; evaluate the access capabilities of various types of users; evaluate access controls to networks and financial applications; evaluate access controls related to data files; and evaluate physical access to networks, servers, etc.
- *Computer operations:* Evaluate backup and recovery processes and review processes of identifying and handling operational problems.
- *System development and system changes:* Evaluate processes related to system development and system changes (if applicable).
- *Application testing:* We will determine if the testing of application controls is deemed necessary based on our professional judgment in the planning stages of the engagement.

This phase of the engagement for the audit will be performed by the audit senior and two/three staff accountants with direct supervision by the audit manager and partner.

Segment 2 - Year-end testing- substantive testing

During this phase of the audit, our principal objectives will be to assess the risk of material misstatement at the financial statement level and specific assertions, design overall responses to assessed risks and further audit procedures, perform substantive tests, and complete the audit and evaluate audit findings, if applicable.

In order to achieve the desired objectives of this phase of the audit, we will:

- Identify significant risks and develop a detailed audit plan using the results in Segment 1.
- Design substantive tests of account balances designed and modified specifically for the City's operations and assessed level of risk. Substantive procedures will consist of testing material balance sheet accounts, material revenue and expenditure/expense accounts along with various analytical procedures as deemed necessary. In addition, various accounts may be confirmed with outside parties (cash, investments, etc.).

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CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work (continued)

Proposed audit segmentation (continued)

- Determine whether our testing supports the assessed level of risk initially assigned at the financial statement level and at the assertion level.

This phase of the engagement for the audit will be performed by the senior accountant and two/three staff accountants with direct supervision by the audit manager and partner.

If any proposed audit adjustments are noted during this phase, we will discuss and explain them, in detail, with the appropriate level of management prior to posting.

Segment 3 - Reporting - report preparation/audit conclusion (workpaper review)

During this phase of the audit, our principal objectives will be to evaluate whether the financial statements, taken as a whole, are free from material misstatement and form an opinion(s) and issue our report.

In order to achieve the desired objectives of this phase of the audit, we will:

- Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. This will provide the basis for our opinion(s).
- Review all audit workpapers to ensure that the audit was performed in accordance with the required standards (GAAS, GAGAS, etc.) and prepare drafts of all required reports by the agreed-upon dates.
- Conduct an independent review of the financial statement draft by the engagement's quality control partner and issue all reports by the agreed-upon dates.

This phase of the engagement will be performed by the audit senior and one staff accountant with direct supervision by the audit manager and partner. In addition, the engagement's quality control partner will perform a detailed quality control review of the financial statements.

The above procedures are a general list of procedures to be performed. After our initial review of the City and our detailed risk assessment, we will customize the engagement and gear it towards the needs of the City and the audit itself. In doing so, we will determine which procedures to perform relative to our risk assessment. All our audits are customized to each entity, helping to ensure a complete, effective, and efficient audit. The foundation of the above approach is based on open communication coupled with a strong knowledge of the City's operations and detailed planning at the initial stages of the audit.

Our firm is dedicated to performing a timely audit engagement. Prior to the start of the audit, we will meet with City staff and decide on adequate timeframes, agreed upon by both the City and us, for the performance of the audit and the release of the financial statements. *We will dedicate the necessary resources to meet any agreed upon time frames.*

Level of staff and approximate number of hours assigned to each segment

Segment	Partner	Manager	Seni		
Segment 1	6	7	18	54	85
Segment 2	11	12	28	71	122
Segment 3	14	10	25	17	66
Totals*	31	29	71	142	273

*=excludes Single Audit hours and tax return preparation hours

Methodology and approach to work (continued)

Sample sizes (including for compliance testing)

Our sample sizes will be determined in accordance with the AICPA's *Audit and Accounting Guide, Audit Sampling*, and will be selected using professional judgment or our TeamMate Analytics software, depending upon circumstance, as permitted by Statement on Auditing Standards. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, our planned substantive testing and analytical procedures as well as our professional judgement.

We utilize our Computer Aided Audit Tools (CAAT) software, Teammate Analytics, to draw our audit samples. The software allows us to generate random samples, systematic samples, stratified samples, attributes samples as well as monetary unit samples (also called probability-proportional-to-size or dollar unit sampling).

Intelligent audit technology

Our audits are designed to be intelligent using our powerful audit software tools (Engagement and Teammate Analytics). In addition, all audit team members are linked to each other using wireless connections which enables them to share information at an almost real-time speed. Below are some of the benefits of our audit technologies:

- ***We utilize Teammate Analytics, a suite of more than 200 dynamic Computer Aided Audit Tools (CAATs). This allows us to analyze large amounts of data in seconds. Using data received directly from the City, we can perform the following: search for duplicate checks, detect transactions occurring on holidays/weekends or during unusual hours, perform Benford's Law analysis, and identify instances when a vendor has issued multiple invoices with sequential references along with many other tests. The software empowers our audit teams with the ability to perform powerful, meaningful data analysis which will build upon our other value-added services.***
- We can create our own analytical schedules allowing for easy analysis of current balances to prior year balance, current vs budget balance, thus reducing significant City staff time.
- Once your trial balances and financial statements are entered into our software, we can observe your financial statements in the field allowing us to notice any variances and address them immediately.
- We link the financial statement schedules directly to our audit software trial balances, and as a result, we can provide the City with fund financial statements almost immediately after importing the trial balances.
- We can provide the City with our audited trial balances which show the coding of the financial statement schedules for ease of review for City staff. These reports show each account coded to a specific financial statement line item/function as well as journal entries posted during the audit.
- We have the capability to perform effective and efficient audits remotely as well.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work (continued)

Analytical procedures

In order to properly utilize analytical procedures, industry background and knowledge are needed. With our firm's long history and qualified staff, we believe we have the necessary knowledge and experience to effectively apply analytical procedures. We will utilize analytical review procedures throughout our audit of the City.

- During the *interim* phase of our audit, we will compare current and prior year unadjusted balances to determine which areas may need additional analysis; we will also compare current year actual amounts to the City's annual budget (both original and adopted).
- During the *final* phase of our audit, we will perform procedures like those mentioned above, as well as compare certain financial ratios for current and prior years. We will also conduct certain "reasonableness" tests. Any significant variances are investigated further through inquiry and other substantive testing as deemed necessary until resolved to our satisfaction.
- Finally, after we have completed our fieldwork, we will compare current and prior year audited balances, keeping in mind expected relationships obtained from our knowledge of the City, similar entities and the general economic environment. In addition, we may choose to use various other analytical techniques such as trend analysis, etc.

Unlike other audit firms, we use analytical procedures to supplement our substantive testing, not supplant them.

Understanding of internal control over financial reporting

Our approach to obtaining an understanding of the City's internal control over financial reporting will be performed in accordance with professional standards as promulgated by the American Institute of Certified Public Accountants -- our understanding will include the *Control Environment*, *Risk Assessment*, *Control Activities*, *Information and Communication*, and *Monitoring*. We will use customized procedures which we have developed internally to evaluate your internal control systems. By combining our customized procedures and our detailed knowledge of the City and its environment, we will be able to provide constructive feedback in areas we feel need improvement. In addition to our customized procedures, we will also perform the following:

Control Environment. Through inquiry of the City's personnel, prompted by questionnaires, personal knowledge, and review of the minutes of the governing body meetings, we will obtain an understanding of management's and the governing body's attitudes, awareness, and actions concerning the control environment, focusing on the substance of the controls rather than their form.

Risk Assessment. Through inquiry of the City's personnel and the use of questionnaires, we will obtain sufficient knowledge of the City's risk assessment process to understand how management considers risks relevant to financial reporting objectives and decides upon actions to address those risks. This will include understanding how management identifies risks, estimates the significance of these risks, assesses the likelihood of their occurrence, and relates them to financial reporting.

Control Activities. Certain control procedures will be documented during our analysis of the control environment and the accounting system. However, many specific control procedures will still need to be documented that will focus primarily on the City's major transaction cycles. As mentioned above, we will test the City's control procedures on which we intend to rely on for safeguarding assets from unauthorized use or disposition and detecting/preventing unauthorized transactions. Any flow charts, organizational charts and any other manuals, programs, and financial and management information systems will be analyzed during this process.

Methodology and approach to work (continued)

Understanding of internal control over financial reporting (continued)

Information and Communication. Through inquiry of the City's personnel, **we will** identify the major types of transactions engaged in by the City. We will become familiar with the treatment of those transactions, including how the transactions are initiated, the related accounting records, and the manner of processing the transactions. Finally, we will obtain an understanding of the City's financial reporting process used to prepare financial reports, including the approaches used in making accounting estimates and disclosures.

Monitoring. Through inquiry of the City's personnel and the use of questionnaires, we will obtain sufficient knowledge of the major types of activities the City uses to monitor internal control over financial reporting. We will also determine how those activities are used to initiate corrective actions.

Approach in determining applicable laws and regulations

We understand the importance of laws and regulations in planning an audit of a local governmental entity and design all our audits to ensure we test transactions for compliance. As part of our audit process, our audit team will obtain an understanding of the laws and regulations that will have a direct and material effect on the City's financial statements. In determining which laws and regulations are applicable to the City's financial statement audit, we will consult the following sources:

- AICPA Audit and Accounting Guide, Audits of State and Local Governments
- California Government Code (investments, **GANN** limit requirements, etc.)
- Applicable State of California laws
- U.S. Government Accountability Office's Government Auditing Standards (The Yellow Book), latest revision
- Applicable contracts/grants of the City
- *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (OMB Uniform Guidance)

After consulting the applicable sources, we will design our audit to provide reasonable assurance of detecting material instances of noncompliance while continuing to refer to the applicable compliance guideline to ensure changes in compliance are not missed.

Auditing in a remote environment

The availability and use of technology has had a significant impact on the accounting and auditing profession, allowing us to provide professional services across longer distances and more timely than ever before. We have continued to evolve our ability to serve our clients remotely throughout the COVID-19 pandemic and have experienced new efficiencies for both auditor and auditee. We anticipate continuing to perform substantially all our audit work remotely and will work with the City to maximize the remote efficiencies using technology. If the City would like members of the audit team on-site, we will work with City management on determining an acceptable staffing level.

We maintain regular and routine contact with our clients throughout the audit planning, fieldwork, and conclusion phases of the audit with the use of email, phone calls, secure portals, video conferencing, project tracking schedules, and any other means necessary to ensure the timely completion of the audit by any agreed-upon deadlines. Our audit team is very responsive to our clients and we encourage our clients to connect with us throughout the year for any matters that may affect the audit or of a general accounting nature. We have found this to be mutually beneficial for both our clients and the annual audit work.

Remote auditing has many benefits some tangible, as listed above, others intangible. In performing remote audits, we are bettering our employee's quality of life by reducing unnecessary travel time, reducing traffic congestion on our local freeways while also helping to improve Southern California's air quality.

CITY OF **Los ALAMITOS**

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Philosophy and ethical standards

Why choose RAMS?

Our firm has a long history of providing high-quality professional services to government entities similar to the Agency and has a well-respected reputation in the industry, as partly evidenced by our client satisfaction and retention rates. Our staff are committed to the highest standards in performing quality engagements, and you will find they are very personable and easy to work with. At RAMS, you will always work with professionals who are experienced in governmental audits, and thoroughly informed of current issues facing this rapidly changing field. We focus on efficiency in each engagement by emphasizing detailed planning to mitigate or eliminate surprises and maximize the value of our services to our clients. Our knowledge and involvement in the industry lend to our ability to offer year-round guidance and build lasting relationships with our clients. In addition, RAMS possesses the following:

1. **Knowledge.** We provide highly trained and knowledgeable staff dedicated to client service. We are available throughout the year to answer questions or to provide guidance on any accounting matter.
2. **Quality.** A commitment to quality on **every** engagement is our priority.
3. **Experience.** A client focused team of experienced auditors and accountants will serve the Agency.
4. **Flexibility.** A flexible team that will work with your schedule.
5. **Value.** We provide exceptional client service and quality work at a reasonable and competitive fee.

Equal Opportunity Employer

Our firm is an equal opportunity employer and is committed to providing employment opportunities to all qualified persons regardless of race, color, sex, religion, national origin or handicap. Our staff represents a wide range of cultures and ethnic backgrounds. We provide opportunities for advancement for all staff based on ability, skill and desire to advance.

Governmental Audit Quality Center

As a member of the American Institute of CPAs *Governmental Audit Quality Center* (the Center), we are committed to adhering to the highest quality standards by voluntarily agreeing to the Center membership requirements, which include designating a partner responsible for the quality of our governmental audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report findings publicly available. At RAMS, our goal is to continue to enhance our quality initiatives within our governmental audit practice to deliver the highest quality audit services possible.

In addition, the Center provides access to comprehensive resources that will assist us in further enhancing the quality of your audit. The Center membership provides us with timely information on a variety of technical, legislative, and regulatory subjects that we can in turn apply to your audit to help ensure compliance with the appropriate standards and changes in regulations which we pass on to our clients.

Engagement quality control

We have an extensive internal quality control review process to ensure your audit meets the highest standards. In addition to the preparation of financial reports by a senior member of the engagement team, each report is reviewed by the engagement manager/supervisor and then is examined by the engagement partner. Subsequently, a technical review is then performed by the engagement Quality Control partner along with being proofread by at least one professional staff. In addition, all audit workpapers are reviewed by the in-charge auditor and the partner in-charge of the engagement.

GOVERNMENT CLIENTS SERVED

Government Client	Years Served	GFOA Awards	Successor <u>Agency</u>	Housing <u>Authority</u>
City of El Cajon	06/30/07 to 06/30/24	Yes	Yes	Yes
City of Exeter	06/30/17 to 06/30/24			
City of Woodlake	06/30/17 to 06/30/24			
Town of Yucca Valley	06/30/08 to 06/30/24	Yes	Yes	Yes
City of San Jacinto	06/30/11 to 06/30/24		Yes	Yes
City of La Mesa	06/30/11 to 06/30/24		Yes	Yes
City of Menifee	06/30/14 to 06/30/24	Yes		
City of San Marcos	06/30/14 to 06/30/24	Yes	Yes	Yes
City of Loma Linda	06/30/13 to 06/30/24	Yes	Yes	Yes
City of Sierra Madre	06/30/12 to 06/30/24	Yes	Yes	Yes
City of Hawthorne	06/30/16 to 06/30/24	Yes	Yes	Yes
City of Claremont	06/30/16 to 06/30/24	Yes	Yes	Yes
City of Thousand Oaks	06/30/18 to 06/30/24	Yes	Yes	Yes
City of Rolling Hills Estates	06/30/19 to 06/30/24	Yes		
City of Calabasas	06/30/20 to 06/30/24	Yes		
City of San Bernardino	06/30/20 to 06/30/24	Yes		
City of Ojai	06/30/20 to 06/30/24			
City of Beaumont	06/30/20 to 06/30/24	Yes		
City of Moreno Valley	06/30/20 to 06/30/24	Yes		
City of Lawndale	06/30/20 to 06/30/24	Yes	Yes	
Town of Windsor	06/30/19 to 06/30/24			
City of San Dimas	06/30/20 to 06/30/24	Yes	Yes	Yes
City of Imperial Beach	06/30/20 to 06/30/24			
City of Santa Paula	06/30/21 to 06/30/24		Yes	Yes
City of Santee	06/30/22 to 06/30/24			
City of Perris	06/30/22 to 06/30/24			
City of Live Oak	06/30/22 to 06/30/24	Yes		
City of Wildomar	06/30/22 to 06/30/24			
City of Yorba Linda	06/30/22 to 06/30/24	Yes	Yes	Yes
City of Calimesa	06/30/23 to 06/30/24			
City of Carpinteria	06/30/23 to 06/30/24	Yes		
City of Goleta	06/30/23 to 06/30/24	Yes		
City of Hanford	06/30/23 to 06/30/24		Yes	Yes
City of Industry	06/30/23 to 06/30/24		Yes	Yes
City of Murrieta	06/30/23 to 06/30/24	Yes	Yes	Yes
City of Signal Hill	06/30/23 to 06/30/24	Yes	Yes	
City of Chula Vista	06/30/24			
City of Eastvale	06/30/24			
City of Fountain Valley	06/30/24			
City of Mission Viejo	06/30/24			
City of Canyon Lake	Accounting support			
City of Fontana	Accounting support			
City of Hemet	Accounting support			
City of Rolling Hills	Accounting support			
City of Yucaipa	Accounting support			
City of Adelanto	Accounting support			
City of Grand Terrace	Accounting support			

GOVERNMENT CLIENTS SERVICES (continued)

<u>Government Client</u>	<u>Years Served</u>	<u>CSMFO/ GFOA Awards</u>	<u>Successor Agency</u>	<u>Housing Authority</u>
Crestline Village Water District	04/30/96 to 04/30/24			
Crestline-Lake Arrowhead Water	06/30/98 to 06/30/24			
San Bernardino Valley Muni Water District	06/30/04 to 06/30/24			
Elsinore Valley Municipal Water District	06/30/15 to 06/30/24	Yes		
Pine Cove Water District	06/30/10 to 06/30/24			
Consolidated Fire Agencies	06/30/14 to 06/30/24			
Successor Agency to the County of SB	06/30/14 to 06/30/24			
Capistrano Bay Community Services District	06/30/13 to 06/30/24			
Ventura County Public Fin Authority	06/30/12 to 06/30/24			
Nipomo Community Services District	06/30/16 to 06/30/24	Yes		
San Diego Workforce Partnership	06/30/16 to 06/30/24			
Rubidoux Community Services District	06/30/16 to 06/30/24			
Upper San Gabriel Valley MWD	06/30/19 to 06/30/24	Yes		
Chino Basin Desalter Authority	06/30/19 to 06/30/24	Yes		
Mountains Recreation and Conservation	06/30/19 to 06/30/24			
Palos Verdes Peninsula Transit Authority	06/30/19 to 06/30/24			
West Basin Municipal Water District	06/30/20 to 06/30/24	Yes		
Idyllwild Water District	06/30/11 to 06/30/24			
'Big Bear Area Regional Wastewater	06/30/12 to 06/30/24	Yes		
Mojave Water Agency	06/30/19 to 06/30/24	Yes		
Rosamond Community Services District	06/30/15 to 06/30/24			
Rossmoor Community Services District	06/30/05 to 06/30/24			
Rim of the World Park & Rec. District	06/30/06 to 06/30/24			
Heartlands Communications Fae Auth	06/30/07 to 06/30/24			
Heartlands Fire Training Authority	06/30/07 to 06/30/24			
San Joaquin Regional Rail Commission	06/30/22 to 06/30/24			
East Valley Water District	06/30/22 to 06/30/24			
Leucadia Wastewater District	06/30/22 to 06/30/24			
Las Virgenes Municipal Water District	06/30/22 to 06/30/24			
Pomona Valley Transportation Auth	06/30/22 to 06/30/24			
Crestline Sanitation District	Accounting support			
Running Springs Water District	Accounting support			
Phelan Pinon Hills Community Services District	Accounting support			
March Joint Powers Authority	Accounting support			

CITY OF **Los ALAMITOS**

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES



Fee Proposal

Individual cost for reports	Option Years					TOTAL
	2024-25	2025-26	2026-27	2027-28	2028-29	
1. City Audit and Related Reports	\$39,000	\$40,400	\$41,800	\$42,800	\$43,900	\$207,900
2. Assistance with ACFR Preparation	9,700	10,000	10,400	10,700	11,000	51,800
3. Single Audit Report*	5,700	5,900	6,100	6,300	6,500	30,500
4. Gann Limit	800	830	860	880	900	4,270
5. PFC Tax Return Preparation	2,500	2,600	2,700	2,800	2,900	13,500
Total Annual Fee for All Reports to be Issued for the Fiscal Year Shall Not Exceed	<u>\$57,700</u>	<u>\$59,730</u>	<u>\$61,860</u>	<u>\$63,480</u>	<u>\$65,200</u>	<u>\$307,970</u>

*= for the first major program; each additional program Vfi/1 be \$5,000 per program for FY 2025 and 2026, \$5,500 for FY 2027 and 2028, and \$5,750 for FY 2029



ROGEAND-01

NGARCIA

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/31/2024

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

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

PRODUCER Orion Business Insurance and Risk Management Services, Inc. 1250 Corona Pointe Court, Suite 302 Corona, CA 92879	CONTACT NAME: Noemi Garcia	
	PHONE (A/C, No, Ext): (626) 773-8488	FAX (A/C, No): (951) 737-5083
	E-MAIL ADDRESS: ngarcia@orionins.com	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A : Hartford Underwriters Ins Co	NAIC # 30104
INSURED Rogers, Anderson, Malody & Scott LLP 735 E. Carnegie Drive Suite 100 San Bernardino, CA 92408	INSURER B : Sequoia Insurance Company	
	INSURER C : Travelers Cas&Surety Co of Am	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PRO- ☐ LOC ☐ JET-1 OTHER:	X	X	72SBABH1D9C	1/1/2025	1/1/2026	EACH OCCURRENCE \$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
							MED EXP (Any one person) \$ 10,000
							PERSONAL & ADV INJURY \$ 1,000,000
	GENERAL AGGREGATE \$ 2,000,000						
	PRODUCTS - COMP/OP AGG \$ 2,000,000						
							\$
A	AUTOMOBILE LIABILITY ☐ ANY AUTO OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS ONLY	X	X	72SBABH1D9C	1/1/2025	1/1/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
							BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							\$
A	UMBRELLA LIAB ☒ OCCUR ☒ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$ 10,000			72SBABH1D9C	1/1/2025	1/1/2026	EACH OCCURRENCE \$ 3,000,000
							AGGREGATE \$ 3,000,000
							\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE ☐ Y / N ☐ N / A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		X	QWC1419242	1/1/2025	1/1/2026	☒ PER STATUTE ☐ OTH-ER
							E.L. EACH ACCIDENT \$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Errors & Omissions			106850737	1/1/2025	1/1/2026	See Below

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Professional Liability \$4,000,000 Per Claim;\$4,000,000 Aggregate; \$35,000 Per claim Deductible;Retroactive Date: N/A

The City of Los Alamitos, its officials, officers, employees, agents and volunteers are listed as additional insured(s) as respects general liability and auto liability per the attached policy forms. Primary wording is included as respects general liability and auto liability per the attached policy form. Waiver of subrogation is included as respects general liability, auto liability, and workers' compensation per the attached policy form. Notice of cancellation will be delivered in accordance with the policy provisions.

CERTIFICATE HOLDER

CANCELLATION

City of Los Alamitos 3191 Katella Avenue Los Alamitos, CA 90720	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Noemi Garcia



BLANKET ADDITIONAL INSURED BY CONTRACT

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. The following is added to Section C. WHO IS AN INSURED:

Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written contract or written agreement, or when required by a written permit issued by a state or governmental agency or subdivision or political subdivision that such person or organization be added as an additional insured on your Coverage Part, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by any other endorsement issued by us and made a part of this Coverage Part.

The insurance afforded to such additional insured will not be broader than that which you are required by the contract, agreement, or permit to provide for such additional insured.

The insurance afforded to such additional insured only applies to the extent permitted by law.

The limits of insurance that apply to additional insureds are described in Section **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE**. How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section **E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS**.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;



- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (i) The exceptions contained in Paragraphs (d) or (f); or
 - (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- b. Lessors Of Equipment**
 - (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.
 - (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.
- c. Lessors Of Land Or Premises**
 - (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
 - (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
 - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.
- d. Architects, Engineers Or Surveyors**
 - (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In connection with your premises;
 - (b) In the performance of your ongoing operations performed by you or on your behalf; or
 - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if:
 - (i) The written contract, written agreement or permit requires you to provide such coverage to such additional insured; and
 - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
 - (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services, including:

 - (i) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (ii) Supervisory, surveying, inspection, architectural or engineering activities.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "bodily injury", "property



damage", or "personal and advertising injury" arises out of the rendering of or the failure to render any professional service.

e. State Or Governmental Agency Or Subdivision Or Political Subdivision Issuing Permit

- (1) Any state or governmental agency or subdivision or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
 - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

- (1) Any other person or organization who is not in one of the categories or classes listed above in Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In the performance of your ongoing operations performed by you or on your behalf;
 - (b) In connection with your premises owned by or rented to you; or
 - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if:
 - (i) The written contract, written agreement or permit requires you to provide such coverage to such additional insured; and
 - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

 - (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Supervisory, surveying, inspection, architectural or engineering activities.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "bodily injury", "property damage", or "personal and advertising injury" arises out of the rendering of or the failure to render any professional service described in Paragraphs f.(2)(a) or f.(2)(b) above.



BUSINESS LIABILITY COVERAGE FORM

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Part the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the insurance company shown in the Declarations.

"Policy period", as used in this Coverage Part, means the period from the effective date of this Coverage Part to the expiration date of the Coverage Part as stated in the Declarations or the date of cancellation, whichever is earlier.

The word "insured" means any person or organization qualifying as such under Section **C. Who Is An Insured**.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **F. Liability And Medical Expenses Definitions**.

A. COVERAGES

1. Business Liability Coverage (Bodily Injury, Property Damage, Personal And Advertising Injury) Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section **D. Liability And Medical Expenses Limits Of Insurance**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:

- (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (b) The "bodily injury" or "property damage" occurs during the policy period; and
- (c) Prior to the policy period, no insured listed under Paragraph **1.** of Section **C. Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

- c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **C. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or



(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

e. Incidental Medical Malpractice

(1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:

(a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and

(b) You are not engaged in the business or occupation of providing such services.

(2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2. Medical Expenses

Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(1) The accident takes place in the "coverage territory" and during the policy period;

(2) The expenses are incurred and reported to us within three years of the date of the accident; and

(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

3. Coverage Extension - Supplementary Payments

a. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

(1) All expenses we incur.

(2) Up to \$1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

(3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish, finance, arrange for, guarantee, or collateralize these bonds, whether the collateralization is characterized as premium or not.

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

(5) All court costs taxed against the insured in the "suit". However, such costs do not include attorneys' fees, attorneys' expenses, witness or expert fees, or any other expenses of a party taxed against the insured.

(6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under (1) through (7) above will not reduce the Limits of Insurance.

- b. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- (1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- (2) This insurance applies to such liability assumed by the insured;
- (3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- (4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;
- (5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (6) The indemnitee:
 - (a) Agrees in writing to:
 - (i) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (iii) Notify any other insurer whose coverage is available to the indemnitee; and
 - (iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (b) Provides us with written authorization to:
 - (i) Obtain records and other information related to the "suit"; and
 - (ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph 1.b.(b) of Section B. Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (2) The conditions set forth above, or the terms of the agreement described in Paragraph (6) above, are no longer met.

B. EXCLUSIONS

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

- (1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or
- (2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".



b. Contractual Liability

- (1) "Bodily injury" or "property damage"; or
- (2) "Personal and advertising injury"

for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or
- (b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:
 - (i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol;
- (3) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol; or
- (4) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "bodily injury" or "property damage" involved that which is described in Paragraph (1), (2), (3) or (4) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving, or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.



This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this paragraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to this Coverage Part as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
 - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this paragraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Exclusion **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "bodily injury" or "property damage" arises out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

(2) Aircraft (Other Than Unmanned Aircraft), Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Exclusion **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "bodily injury" or "property damage" arises out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Exclusion **g.(2)** does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
 - (i) Less than 51 feet long; and
 - (ii) Not being used to carry persons or property for a charge;
- (c) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (d) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft (other than "unmanned aircraft") or watercraft;
- (e) "Bodily injury" or "property damage" arising out of:
 - (i) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment"; or
 - (ii) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
- (f) An aircraft (other than "unmanned aircraft") that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (4) Medical, surgical, dental, x-ray or nursing services, treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products;
- (9) Any:
 - (a) Body piercing (not including ear piercing);
 - (b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and
 - (c) Similar services;
- (10) Pharmaceutical services including but not limited to:
 - (a) The administering, prescribing, preparing, distributing or compounding of pharmaceutical drugs, vaccinations, immunizations or any of their component parts;
 - (b) The providing of or failure to provide home health care or home infusion products or services; and
 - (c) Advising and consulting customers;
- (11) Computer consulting, design or programming services, including web site design.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "bodily injury", "property damage", or "personal and advertising injury" arises out of the rendering of or the failure to render any professional service.

Paragraphs (4) and (5) of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph 1.e. in Section A. Coverages.

k. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section D. Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3) and (4) of this exclusion do not apply to the use of elevators.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

l. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Arising out of oral, written, electronic, or any other manner of publication of material, if done by or at the direction of the insured with knowledge of its falsity;



- (2) Arising out of oral, written, electronic, or any other manner of publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of a criminal act committed by or at the direction of the insured;
- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";
- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (6) Arising out of the wrong description of the price of goods, products or services;
- (7) Arising out of:
 - (a) Any actual or alleged infringement or violation of any intellectual property rights, such as copyright, patent, right of publicity, trademark, trade dress, trade name, trade secret, service mark or other designation of origin or authenticity; or
 - (b) Any injury or damage alleged in any claim or "suit" that also alleges an infringement or violation of any intellectual property right, whether such allegation of infringement or violation is made against you, or by you or by any other party involved in the claim or "suit", regardless of whether this insurance would otherwise apply.

However, this exclusion does not apply if the only allegation in the claim or "suit" involving any intellectual property right is limited to:

- (i) Infringement, in your "advertisement", of:
 - a. Copyright;
 - b. Slogan; unless the slogan is also a trademark, trade dress, trade name, service mark or other designation of origin or authenticity; or
 - c. Title of any literary or artistic work; or
- (ii) Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".

Paragraph (7)(b)ii above shall not apply to claims or "suits" alleging infringement or violation of trademark, trade dress, trade name, service mark or other designation of origin or authenticity.

- (8) Arising out of an offense committed by an insured whose business is:

- (a) Advertising, broadcasting, publishing or telecasting;
- (b) Designing or determining content of web sites for others; or
- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. under the definition of "personal and advertising injury" in Section F. Liability And Medical Expenses Definitions.

For the purposes of this exclusion, the placing of frames, borders, or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting;

- (9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;
- (10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;
- (11) Arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;

- (12) Arising out of:

- (a) Advertising content for others on your web site;
- (b) Placing a link to a web site of others on your web site;

- (c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or
- (d) Computer code, software or programming used to enable:
 - (i) Your web site; or
 - (ii) The presentation or functionality of an "advertisement" or other content on your web site;

(13) Arising out of a violation of any anti-trust law;

(14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities;

(15) Arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information; or

(16) Arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "personal and advertising injury" arises out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

However, this exclusion does not apply if the only allegation in the claim or "suit" involves an intellectual property right which is limited to:

- (a) Infringement, in your "advertisement", of:
 - (i) Copyright;
 - (ii) Slogan; or
 - (iii) Title of any literary or artistic work; or
- (b) Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement".

q. Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability

(1) Damages because of "bodily injury" or "property damage" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

(2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

This exclusion applies even if such damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraphs (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

r. Employment-Related Practices

"Bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or

- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, malicious prosecution or false arrest directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b), or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

s. Asbestos

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".
- (2) Any damages, judgments, settlements, loss, costs or expenses that:
 - (a) May be awarded or incurred by reason of any claim or "suit" alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";
 - (b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or
 - (c) Arise out of any claim or "suit" for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

t. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Damage To Premises Rented To You – Exception For Damage By Fire, Lightning Or Explosion

Exclusions c. through h. and k. through o. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section D. Liability And Medical Expenses Limits Of Insurance.

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Products-Completed Operations Hazard

Included with the "products-completed operations hazard".

g. Business Liability Exclusions

Excluded under Business Liability Coverage.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business, other than that described in **b.** through **e.** below, of which you are the sole owner.
- b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or
- (d)** Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph **(d)** does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:



(a) Owned, occupied or used by:

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians Of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

e. Unnamed Subsidiary

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

b. Coverage under this provision does not apply to:

(1) "Bodily injury" or "property damage" that occurred; or

(2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

4. Operator Of Mobile Equipment

With respect to "mobile equipment" any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Operator Of Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons or property for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:



- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to **2.a.** or **2.b.** above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Personal And Advertising Injury Limit

Subject to **2.b.** above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance required in a written contract, written agreement or permit; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

If more than one limit of insurance under this Policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this Policy and the endorsements is the single highest limit of liability of all



coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. Notice Of Occurrence Or Offense

You or any additional insured under this Coverage Part must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured under this Coverage Part must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You or any additional insured under this Coverage Part must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. Obligations At The Insured's Own Cost

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

e. Additional Insured's Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured under this Coverage Part, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with such additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs a. and b. apply to you or to any additional insured under this Coverage Part only when such "occurrence", offense, claim or "suit" is known to:



- (1) You or any additional insured under this Coverage Part that is an individual;
- (2) Any partner, if you or an additional insured under this Coverage Part is a partnership;
- (3) Any manager, if you or an additional insured under this Coverage Part is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured under this Coverage Part is a corporation;
- (5) Any trustee, if you or an additional insured under this Coverage Part is a trust; or
- (6) Any elected or appointed official, if you or an additional insured under this Coverage Part is a political subdivision or public entity.

This Paragraph f. applies separately to you and any additional insured under this Coverage Part.

3. Legal action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom a claim is made or "suit" is brought.

5. Representations

a. When You Accept This Policy

By accepting this Policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and
- (3) We have issued this Policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

6. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk, Owner Controlled Insurance Program or OCIP, Contractor Controlled Insurance Program or CCIP, Wrap Up Insurance or similar coverage for "your work";



(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **B.** Exclusions.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion **k.** of Section **B.** Exclusions.

(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs **(a)** and **(b)** do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1)** The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2)** The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.



If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

7. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purpose of attracting customers or supporters is considered an advertisement.
2. "Advertising idea" means any idea for an "advertisement".
3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.
4. "Auto" means:
 - a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.However, "auto" does not include "mobile equipment".
5. "Bodily injury" means physical:
 - a. Injury;
 - b. Sickness; or
 - c. Diseasesustained by a person and, if arising out of the above, mental anguish or death at any time.
6. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above;
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or



- (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication.

provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.

7. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of "electronic data", means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
12. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section D. Liability And Medical Expenses Limits Of Insurance.
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement; or
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
Paragraph f. includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
However, Paragraph f. does not include that part of any contract or agreement:
 - (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
14. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered "autos".
16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person or organization occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral, written, electronic, or any other manner of publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral, written, electronic, or any other manner of publication of material that violates a person's right of privacy;
 - f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement"; or
 - g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement".
- 18.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 19.** "Products-completed operations hazard";
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.
- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
- 20.** "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.
- As used in this definition, "electronic data" is not tangible property.
- 21.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

- 22.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 23.** "Unmanned aircraft" means an aircraft that is not:
- a.** Designed;
 - b.** Manufactured; or
 - c.** Modified after manufacture;
- to be controlled directly by a person from within or on the aircraft.
- 24.** "Volunteer worker" means a person who:
- a.** Is not your "employee";
 - b.** Donates his or her work;
 - c.** Acts at the direction of and within the scope of duties determined by you; and
 - d.** Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 25.** "Your product":
- a.** Means:
 - (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
 - (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b.** Includes:
 - (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2)** The providing of or failure to provide warnings or instructions.
 - c.** Does not include vending machines or other property rented to or located for the use of others but not sold.
- 26.** "Your work":
- a.** Means:
 - (1)** Work or operations performed by you or on your behalf; and
 - (2)** Materials, parts or equipment furnished in connection with such work or operations.
 - b.** Includes:
 - (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2)** The providing of or failure to provide warnings or instructions.



HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

Except as otherwise stated in this endorsement, the terms and conditions of the Policy apply.

A. Amended Coverage:

The following is added to Section **A. COVERAGES**:

Coverage is extended to "bodily injury" and "property damage" arising out of the use of a "hired auto" or "non-owned auto".

B. The following changes are made to Section **B. EXCLUSIONS**:

1. Exclusion **g. Aircraft, Auto Or Watercraft** does not apply to a "hired auto" or a "non-owned auto".
2. Exclusion **e. Employer's Liability** does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the insured under an "insured contract".
3. Exclusion **f. Pollution** is deleted and replaced by the following:
 - (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) That are, or that are contained in any property that is:
 - (i) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
 - (ii) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (iii) Being stored, disposed of, treated or processed in or upon the covered "auto".
 - (b) Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the insured for movement into or onto the covered "auto"; or
 - (c) After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the insured.

Paragraph (a) above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

 - (i) The "pollutants" escape, seep, migrate, or are discharged or released directly from an "auto" part designed by its manufacturer to hold, store, receive, or dispose of such "pollutants"; and
 - (ii) The "bodily injury" and "property damage" does not arise out of the operation of any equipment listed in Paragraphs **15.f.(2)** and **15.f.(3)** of the definition of "mobile equipment".

Paragraphs (b) and (c) above do not apply to accidents that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

 - (i) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
 - (ii) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage as a result of the maintenance or use of a covered "auto".
4. The following exclusion is added:

Fellow employee

Coverage does not apply to "bodily injury" to any fellow "employee" of the insured arising out of the operation of an "auto" owned by the insured in the course of the fellow "employee's" employment.



5. The following exclusion is added:

Care, Custody Or Control

Coverage does not apply to "property damage" involving property owned or transported by the insured or in the insured's care, custody or control.

- C. With respect to "hired auto" and "non-owned auto" coverage, Section **C. WHO IS AN INSURED** is deleted and replaced by the following:

1. The following are insureds:

a. You.

b. Your "employee" while using with your permission:

(1) An "auto" you hire or borrow; or

(2) An "auto" you don't own, hire or borrow in your business or personal affairs; or

(3) An "auto" hired or rented by your "employee" on your behalf and at your direction.

c. Anyone else while using a "hired auto" or "non-owned auto" with your permission except:

(1) The owner or anyone else from whom you hire or borrow an "auto".

(2) Someone using an auto while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.

(3) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from an "auto".

(4) A partner (if you are a partnership), or a member (if you are a limited liability company) for an "auto" owned by him or her or a member of his or her household.

d. Anyone liable for the conduct of an insured described above but only to the extent of that liability.

- D. With respect to the operation of a "hired auto" or "non-owned auto" covered by this endorsement, the following changes are made to Section **E. LIABILITY AND MEDICAL EXPENSES CONDITIONS**:

1. The following condition is added:

Other Insurance

a. Except for any liability assumed under an "insured contract" the insurance provided by this endorsement is excess over any other collectible insurance.

However, if your business is the selling, servicing, repairing, parking or storage of "autos", the insurance provided by this endorsement is primary when covered "bodily injury" or "property damage" arises out of the operation of a customer's "auto" by you or your "employee".

b. When this endorsement and any other endorsement, coverage part, or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our endorsement bears to the total of the limits of all the endorsements, coverage parts, and policies covering on the same basis.

2. The following condition is added:

Two Or More Coverage Parts, Endorsements, Or Policies Issued By Us

If this endorsement and any other endorsement, coverage part or policy issued to you by us or any company affiliated with us apply to the same accident, the aggregate maximum Limit of Insurance under all the endorsements, coverage parts, or policies shall not exceed the highest applicable Limit of Insurance under any one endorsement, coverage part, or policy. This condition does not apply to any endorsement, coverage part, or policy issued by us or an affiliated company specifically to apply as excess insurance over this endorsement.



3. The following condition is added:

Financial Responsibility Laws

- a.** With respect to a "hired auto" or "non-owned auto" to which this insurance applies, when this endorsement is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by this endorsement for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b.** With respect to a "hired auto" or "non-owned auto" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

E. The following changes are made to Section F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS:

1. The following definition is added:

"Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent or borrow from any of your "employees", your partners (if you are a partnership), members (if you are a limited liability company), or your "executive officers" or members of their households.

This does not include a long-term leased "auto" that you insure as an owned "auto" under any other auto liability insurance policy or a temporary substitute for an "auto" you own that is out of service because of its breakdown, repair, servicing or destruction.

2. The following definition is added:

"Non-owned auto" means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes:

- a.** "Autos" owned by your "employees" your partners (if you are a partnership), members (if you are a limited liability company), or your "executive officers", or members of their households, but only while used in your business or your personal affairs.
- b.** Customer's "auto" that is in your care, custody or control for service.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



NOTICE OF CANCELLATION TO CERTIFICATE HOLDER(S)

This policy is subject to the following additional Conditions:

- A. If this policy is cancelled by the Company, other than for non-payment of premium, notice of such cancellation will be provided at least thirty (30) days in advance of the cancellation effective date to the certificate holder(s) with mailing addresses on file with the agent of record or the Company.
- B. If this policy is cancelled by the company for non-payment of premium, or by the insured, notice of such cancellation will be provided within ten (10) days of the cancellation effective date to the certificate holder(s) with mailing addresses on file with the agent of record or the Company.

If notice is mailed, proof of mailing to the last known mailing address of the certificate holder(s) on file with the agent of record or the Company will be sufficient proof of notice.

Any notification rights provided by this endorsement apply only to active certificate holder(s) who were issued a certificate of insurance applicable to this policy's term.

Failure to provide such notice to the certificate holder(s) will not amend or extend the date the cancellation becomes effective, nor will it negate cancellation of the policy. Failure to send notice shall impose no liability of any kind upon the Company or its agents or representatives.



Declarations: Business Liability Coverage Part

Your policy includes the liability coverages listed below. The limits in the right-hand column show the maximum amount we'll pay.

FORM NUMBER	FORM NAME	LIMIT OF INSURANCE
SL 00 00 10 18	BUSINESS LIABILITY COVERAGE FORM	
	Damage To Premises Rented To You Limit	\$1,000,000
	General Aggregate Limit	\$2,000,000
	Liability and Medical Expenses Limit	\$1,000,000
	Medical Expenses Limit	\$10,000
	Personal and Advertising Injury Limit	\$1,000,000
	Products-Completed Operations Aggregate Limit	\$2,000,000
	Property Damage Liability Deductible	No Deductible
ADDITIONAL BUSINESS LIABILITY COVERAGES		
SL 30 42 10 18	ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION	
SL 30 43 10 18	ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES	
SL 30 36 10 18	ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS	
SL 30 40 10 18	ADDITIONAL INSURED - STATE OR GOVERNMENTAL AGENCY OR SUBDIVISION OR POLITICAL SUBDIVISION - PERMITS OR AUTHORIZATIONS	
SL 30 32 06 21	BLANKET ADDITIONAL INSURED BY CONTRACT	Included ¹
SL 30 23 10 18	ELECTRONIC MEDIA LIABILITY	Included ¹
SL 30 26 10 18	HIRED AUTO AND NON-OWNED AUTO LIABILITY	Included ¹
SL 30 22 10 18	TENANT'S LEGAL LIABILITY COVERAGE	\$1,000,000

¹Included in Business Liability Limit(s)

ADDITIONAL INSUREDS SCHEDULES			
Form Number	Form Name	Additional Insured Name and Address	Location
SL 30 40 10 18	ADDITIONAL INSURED - STATE OR GOVERNMENTAL AGENCY OR SUBDIVISION OR POLITICAL SUBDIVISION - PERMITS OR AUTHORIZATIONS	Costa Mesa Sanitary District 290 PAULARINO AVE, COSTA MESA, CA 92626	N/A
		COUNTY OF VENTURA AND SPECIAL DISTRICTS 800 S VICTORIA AVE, VENTURA, CA 93009	N/A
SL 30 43 10 18	ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES	MISSION SPRINGS WATER DISTRICT 66575 2ND ST, DESERT HOT SPRINGS, CA 92240	N/A



Declarations: Business Liability Coverage Part

CONTINUED

ADDITIONAL INSURED SCHEDULES			
Form Number	Form Name	Additional Insured Name and Address	Location
SL 30 36 10 18	ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS	CITY OF LAQUINTA 78-495 CALLE TAMPICO, LA QUINTA, CA 92253	LOC 1
		CITY OF MISSION VIEJO 200 CIVIC CENTER, MISSION VIEJO, CA 92691	LOC 1
		EASTERN MUNICIPAL WATER DISTRICT PO BOX 8300, PERRIS, CA 92572	LOC 1
SL 30 42 10 18	ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION	City of El Cajon IT'S ELECTED AND APPOINTED OFFICIALS, OFFICERS, EMPLOYEES, AND VOLUNTEERS 200 CIVIC CENTER WAY, EL CAJON, CA 92020-3916	N/A
		CITY OF BRAWLEY, ITS OFFICERS, EMPLOYEES, AGENTS AND VOLUNTEERS 400 MAIN STREET, BRAWLEY, CA 92227	N/A
		City of Los Alamitos 3191 KATELLA AVE, LOS ALAMITOS, CA 90720	N/A

ALL OTHER BUSINESS LIABILITY FORMS	
Form Number	Form Name
SL 20 06 10 18	EXCLUSION - NUCLEAR ENERGY LIABILITY
SL 20 78 10 18	EXCLUSION - SILICA - BUSINESS LIABILITY COVERAGE FORM
SL 90 13 10 18	NOTICE OF CANCELLATION TO CERTIFICATE HOLDER(S)

BUSINESS LIABILITY COVERAGE PREMIUM:

\$1,079*

* Price is subject to fees and surcharges. For more details, refer to Page 13



JANUARY 23, 2025

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
FOR THE FISCAL YEARS ENDING JUNE 30, 2025, THROUGH 2027
(WITH THE OPTION FOR TWO ONE-YEAR PERIODS)

CONTACT PERSONS:
GARDENYA DURAN, CPA, CGMA
gduran@ramscpa.net

SCOTT W. MANNO, CPA, CGMA
smanno@ramscpa.net

909.889.0871

PREPARED BY
ROGERS ANDERSON MALODY & SCOTT, LLP
735 E Carnegie Drive, Suite 100
San Bernardino, CA 92408

LICENSE #2596
FEIN 95-2662063

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Table of Contents

	<u>Page</u>
Transmittal letter	i
Technical Proposal	
License to practice	1
Independence	1
Business license	1
Insurance	1
Workpaper retention and access to workpapers	1
Firm Qualifications and experience	1
<i>About our firm</i>	
Capabilities.....	2
<i>Range of services</i>	
<i>Housing Authority and Successor Agency experience</i>	
<i>Single Audit experience</i>	
<i>ACFR preparation</i>	
<i>References</i>	
Point of contact	5
<i>Partner, supervisory, and staff qualifications and experience</i>	
<i>Partner and supervisory staff involvement</i>	
<i>Staff continuity</i>	
<i>Continuing professional education</i>	
<i>Assigned personnel</i>	
<i>Engagement team resumes</i>	
Methodology and approach to work.....	14
<i>Services to be provided</i>	
<i>Engagement approach</i>	
<i>Identification of anticipated potential audit problems</i>	
<i>Proposed audit segmentation</i>	
<i>Level of staff and approximate number of hours assigned to each segment</i>	
<i>Sample sizes (including for compliance testing)</i>	
<i>Intelligent audit technology</i>	
<i>Analytical procedures</i>	
<i>Understanding of internal control over financial reporting</i>	
<i>Approach in determining applicable laws and regulations</i>	
<i>Auditing in a remote environment</i>	
<i>Proposed audit timing</i>	
Philosophy and ethical standards	24
<i>Why choose RAMS?</i>	
<i>Equal opportunity employer</i>	
<i>Government Audit Quality Center</i>	
<i>Engagement quality control</i>	
<i>External quality control review</i>	
<i>Disciplinary action</i>	
Fee proposal	26

Attachment A: Government clients served



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

January 23, 2025

City of Los Alamitos
3191 Katella Avenue
Los Alamitos, CA 90720

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA
Jacob Weatherbie, CPA, MSA
Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

MEMBERS

American Institute of
Certified Public Accountants

PCPS The AICPA Alliance
for CPA Firms

Governmental Audit
Quality Center

California Society of
Certified Public Accountants



Proud Member of
AlliottGlobalAlliance™

Dear Purchasing Officer:

We are pleased to respond, on behalf of Rogers, Anderson, Malody & Scott, LLP, (RAMS) to your request for a proposal regarding professional auditing services. As a recognized industry leader and innovator, our goal for the past 75 years has been to provide honest, objective and high-quality results to all our clients, including governmental organizations such as yours. Our success in these efforts is witnessed by the continued organic growth of our firm and our list of long-term clients, some we have served for over 20 years.

At RAMS, we are committed to providing the highest quality audit possible. We understand the complexity of performing governmental audits and that is why we have a *dedicated team of auditors* that possess the specialized knowledge and experience to help ensure our audits are planned and executed in a way that maximizes audit efficiency and effectiveness and provides you the highest quality services.

We are aware that City of Los Alamitos (the City) will be reviewing other proposals during this process, but we believe that RAMS would be an exceptional choice for the audit for the following reasons. Our firm:

- Utilizes *Teammate Analytics*, a suite of more than 200 Computer Aided Audit Tools (CAATs). This software empowers our audit teams with the ability to perform powerful, meaningful data analysis which builds upon our other robust, substantive audit procedures. This value-added service also helps to identify specific transactions or amounts which may be indicative of fraud.
- Performs an intelligent, risk-based audit (using our CAAT) which enables us to focus on key audit areas allowing us to become more efficient resulting in a higher quality audit at a reasonable fee.
- Currently provides auditing services to over 70 governmental agencies and not-for-profit organizations, including over 30 cities, most of which have enterprise activities and over 35 special districts.
- Developed a comprehensive remote working environment for our audits. All our staff currently have the tools for working remotely in an effective and efficient manner allowing us to still provide a quality audit. Our ultimate goal is to continue to meet your needs, but in a safe environment.
- Has an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service with high quality reporting to our clients.
- Is committed to helping you meet all reporting/auditing deadlines, resolving any issues encountered during your audit (e.g., accounting or auditing, new pronouncements, etc.), and providing you with quality audit services.

-i-

- Understands the audit process can be a stressful experience for you and your staff; we understand that you will have other commitments and your regular workloads during the audit. We make every effort to ensure the audit process, from the interim fieldwork to the preparation of any required financial reports, will be as trouble-free as possible for you and your staff. We accomplish this by comprehensively planning the audit and utilizing our staff and audit technologies in the most efficient and effective manner while keeping disruptions and miscommunications to a minimum.
- Has audit team members that are personable and easy to work with, yet still focused on the audit. Through open and responsive communication with all parties involved in the audit process, we work to have the most efficient audit possible by minimizing operational distractions of your staff, while maximizing quality service.
- Has an extensive internal quality control review process to ensure your financial reports meet the highest standards. In addition to the preparation of financial reports by the engagement team and reviewed by the engagement manager, *each report is also examined by 2 partners and at least 1 professional proofreader.*
- Has assisted many of our clients with the preparation of their Annual Comprehensive Financial Reports, and all our clients that have submitted their reports for the Government Finance Officers Association (GFOA) or California Society of Municipal Finance Officers (CSMFO) awards have received the awards. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.
- Believes that our fee estimate provides a fair and reasonable investment, commensurate with level of service provided and the experience of the audit team members. While we may not be the lowest bidder, that is not our objective. We focus on delivering the best value and price our prospective engagements accordingly.
- Is a local Southern California firm. All our employees live, work, and shop in the region, allowing our local cities to benefit from our sales and property taxes.
- Is independent with respect to the City
- Is an Equal Opportunity Employer

As you will see from our proposal, it was prepared in a clear, concise and simple manner in accordance with the request for proposal. We feel our firm, staff and reputation as a leader in governmental auditing exceeds the need for the excess information you may see in other proposals.

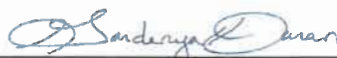
Rogers, Anderson, Malody & Scott, LLP is properly licensed to practice in California, including all the assigned professional staff to the engagement. Mrs. Duran, Partner, and Mr. Manno, Partner, are authorized to represent the firm, are empowered to submit the bid and authorized to sign a contract with the City. We understand the work to be done as listed in the section of this proposal titled *Services to be provided*. In addition, we will be committed to meeting any agreed upon time frames. This proposal is a firm and irrevocable offer for sixty (90) days.

We can be reached at: 735 E. Carnegie Drive, Suite 100, San Bernardino, CA 92408, (909) 889-0871, gduran@ramscpa.net or smanno@ramscpa.net.

Thank you for the opportunity to present our proposal to the City. We will be committed to exceeding your expectations of an auditor and believe this proposal provides you with information about our firm, the service team members and our customized audit approach. We look forward to having a long and mutually beneficial relationship with the City. Please feel free to contact us if you have any questions regarding this proposal.

Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Gardenya Duran, CPA, CGMA, Partner



CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

General information and experience

License to practice

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. Our key professional staff, which includes the partners, managers, and supervisors, are all certified public accountants licensed to practice in the State of California and follow all applicable Board of Accountancy standards.

Independence

Rogers, Anderson, Malody & Scott, LLP is independent of the City and any component units, as defined by general standard number two of the generally accepted auditing standards, and by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards*.

Business license

If selected, we will obtain a City of Los Alamitos Business License as well as any subcontractors, if applicable.

Insurance

We will obtain the City's minimum insurance requirements of \$2,000,000 for Professional Liability, Errors and Omissions, Workers Compensation, Comprehensive General Liability and Auto prior to commencement of audit services.

Workpaper retention and access to workpapers

Our firm will retain audit workpapers for a minimum of five (5) years, unless notified in writing by the City of the need to extend the retention period. In accordance with professional standards, workpapers are available upon requests to regulators.

Firm qualifications and experience

About our firm

We are a local firm founded in 1948 and located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. We provide a full range of services as expected of a full-service accounting firm. We are one of



the oldest, most trusted, and respected CPA firms in Southern California, with over 74 years of public practice experience, specializing in governmental agency and not-for-profit organization auditing, accounting, and management advisory services. Over *sixteen thousand hours per year* are devoted to this area of our practice, which includes cities, redevelopment successor agencies, water districts, other special districts, not-for-profit corporations, and joint power authorities. We do not use our government accounting and auditing practice as "fill work" for the firm, it is one of our primary focuses thus allowing us to provide quality services to local governments.

We understand your desire to engage auditors that have a thorough understanding of the ever-changing complex accounting and compliance issues confronting governments today. Our firm has an extensive history of governmental accounting and auditing. During that time, we have gained valuable experience, acquired an in-depth knowledge of, and obtained the technical expertise needed to perform high quality governmental audits. This expertise has enabled us to provide exceptional, high-quality service and to provide solutions at fees we feel represent our value to our clients. In addition, we use our participation in various industry associations to continuously update our knowledge with respect to issues relating to governmental

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience (continued)

accounting, auditing, and operations. Any insight we gain is immediately passed on to our clients if we feel they will benefit from it.

Our firm has a total staff of forty-four people, which includes sixteen certified public accountants. The staff consists of seven partners, five managers, ten supervisors/senior accountants, seventeen staff accountants, and five support staff. The audit staff consists of twenty-one members who devote over 80% of their time to municipal engagements. The engagement team assigned to the City's engagement will consist of the following full-time staff: one audit partner, one audit manager, one audit supervisor, and two to three senior/staff auditors. All personnel are out of our San Bernardino office.

Capabilities

Range of services

Our firm provides various other services in addition to auditing services to governmental entities, including:

- SB 341 compliance (Successor Agencies)
- Internal control agreed upon procedures
- Finance director and accounting support services
- Study and evaluation of financial condition and fiscal policies
- Transient Occupancy Tax agreed upon procedures
- Franchise (refuse, cable) agreed upon procedures
- Accounting policies and procedures
- Cash management studies
- Financing and public bond offering assistance
- Franchise agreement assistance (ambulance, cable, television, refuse, etc.)

In addition, the firm provides accounting, auditing, attest, and consulting services to for profit and not-for-profit entities. We also provide tax preparation and tax consulting services to individuals, corporations, and partnerships. **We provide our municipal audit clients tax consultation at no extra charge.**

Housing Authority and Successor Agency experience

Over the past five fiscal years, the firm has audited the Housing Authorities and Successor Agencies for the following entities:

City of South Pasadena
City of Thousand Oaks
City of San Marcos
City of Moorpark
City of Fillmore
City of Sierra Madre
City of El Cajon
Town of Yucca Valley
City of Poway

City of San Bernardino
City of La Verne
City of San Jacinto
City of Twentynine Palms
City of La Mesa
City of Rosemead
City of Hawthorne
City of West Covina
City of Claremont

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Capabilities (continued)

Single audit experience

Most of our municipal clients, and some of our other governmental and not-for-profit clients, have been subject to an audit in accordance with *Uniform Guidance*. We recently performed single audits for the following entities:

City of San Bernardino
City of El Cajon
City of San Marcos
City of Twentynine Palms
City of Woodlake
City of Exeter
City of Live Oak

City of Menifee
Elsinore Valley Municipal Water District
City of Imperial Beach
Town of Yucca Valley
City of Thousand Oaks
San Joaquin Regional Rail Commission
City of Hawthorne

Our specialized Single Audits Team is led by Partners and Managers with Intermediate and Advanced Single Audit Certifications issued by the AICPA guaranteeing a successful and thorough engagement.

ACFR preparation

We have extensive experience in the preparation of Annual Comprehensive Financial Reports (ACFR). For the fiscal years ended June 30, 2022 and 2023, our staff prepared over 25 ACFR's, with each entity receiving the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. For the fiscal year ended June 30, 2024, again, our staff prepared over 25 ACFR's for our clients for submittal to the GFOA. In addition, we have helped many cities and special districts develop their first year's report for submittal. Four of our audit partners and four of our supervisory staff are technical reviewers for the GFOA award program. **In addition, we review all the ACFR's for compliance with the GFOA certificate program checklist, as well as addressing any prior year comments, if applicable, to insure they have been addressed.**

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Capabilities (continued)

References

Entity:	City of San Dimas
Date:	Years ending June 30, 2021 - present
Scope of work:	Financial Audit/ACFR*/Single Audit
Project location:	San Dimas, California
Total hours:	Approximately 350 hours each year
Engagement partner:	Mrs. Gardenya Duran
Contact person:	Mr. Michael O'Brien Finance Director, (909) 394-6200
Address:	245 E Bonita Avenue, San Dimas, CA 91773
Entity:	City of Imperial Beach
Date:	Years ending June 30, 2021 - present
Scope of work:	Financial Audit/Single Audit
Project location:	Imperial Beach, California
Total hours:	Approximately 350 hours each year
Engagement partner:	Mrs. Gardenya Duran
Contact person:	Ms. Lily Flyte, Finance Director, (619) 628-1361
Address:	825 Imperial Beach Blvd, Imperial Beach, CA 91932
Entity:	City of Rolling Hills Estates
Date:	Years ending June 30, 2019 - present
Scope of work:	Financial Audit/ACFR*
Project location:	Imperial Beach, California
Total hours:	Approximately 250 hours each year
Engagement partner:	Mr. Scott Manno
Contact person:	Mr. Mike Whitehead, Admin. Services Director, (310) 377-1577, ext.112
Address:	4045 Palos Verdes Drive North, Rolling Hills Estates, CA 90274
Entity:	City of San Marcos
Date:	Years ending June 30, 2018 - present
Scope of work:	Financial Audit/ACFR*/Single Audit
Project location:	San Marcos, California
Total hours:	Approximately 400 hours each year
Engagement partner:	Mr. Scott Manno
Contact person:	Ms. Donna Apar, Finance Director, (760) 744-1050 x3133
Address:	1 Civic Center Drive, San Marcos, CA 92069
Entity:	City of El Cajon
Date:	Years ending June 30, 2013 - present
Scope of work:	Financial Audit/ACFR*/Single Audit/Successor Agency
Project location:	El Cajon, California
Total hours:	Approximately 400 hours each year
Engagement partner:	Mr. Scott Manno
Contact person:	Mr. Luca Gonzales, Financial Operations Manager, (619) 441-1543
Address:	200 Civic Center Way, El Cajon, CA 92020

**Received the GFOA Certificate of Achievement*

See Attachment A for a listing of current and recent government clients served.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

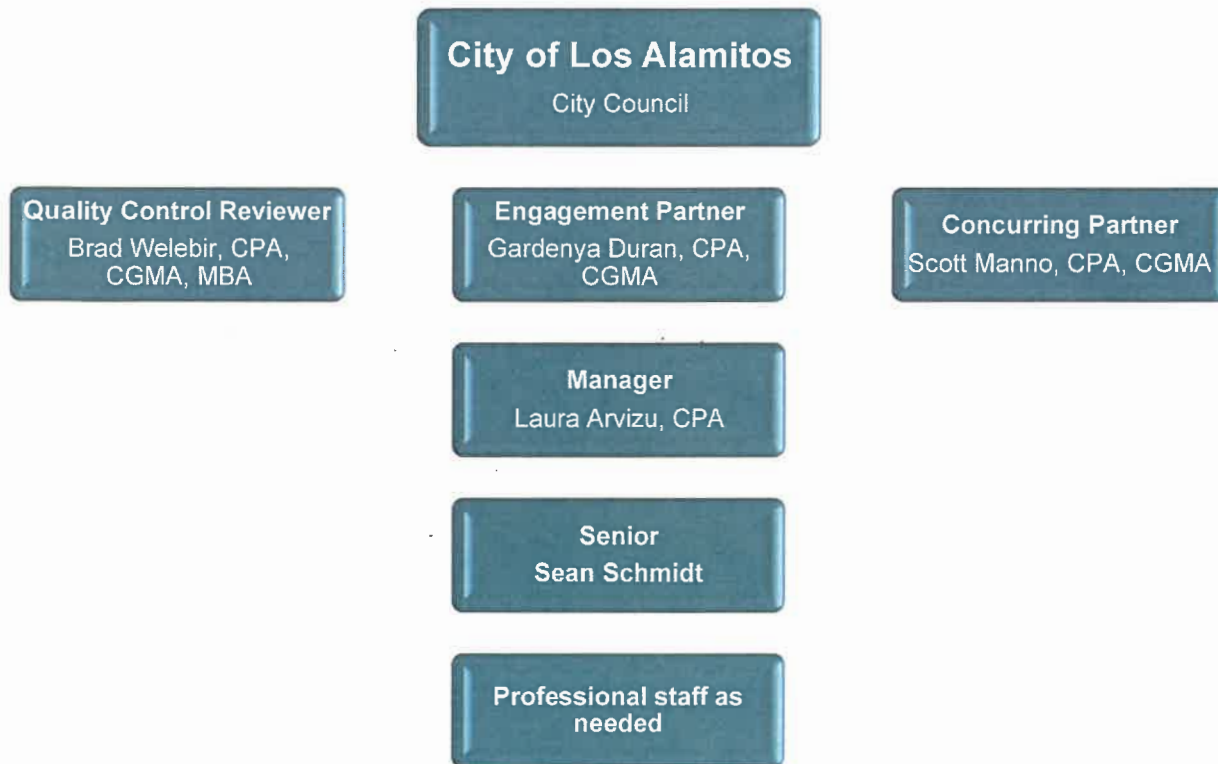
Point of contact

Partner, supervisory, and staff qualifications and experience

The quality of service you receive is dependent on the capabilities of the individuals assigned to the engagement, and the manner in which those personnel resources are organized to efficiently focus their abilities on providing you with the requested audit services. These professionals are highly trained and knowledgeable and have a thorough understanding of the environment in which governmental and not-for-profit entities operate. This experience is a critical component in providing the City with an effective and efficient audit.

Our engagement team will provide significant experience coupled with an extensive, practical understanding of governmental accounting and auditing along with a broad business perspective. Each member will have access to a wide range of technical resources and knowledge bases which will enable them to provide the City with practical observations and effective solutions.

Below is our proposed organizational chart for the audit:



CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)

Partner and supervisory staff involvement

All partners and supervisory staff are working professionals and are actively and continually involved in all aspects of their engagements. We believe that partner and supervisory staff involvement in all areas of the audit is a key aspect of the overall audit process. This involvement includes being on-site for interim and year-end fieldwork, thus facilitating a proper, efficient, and effective audit, with minimal disruption of your staff. In addition, the time spent on-site by the partners and supervisory staff ensures they gain an understanding of the entire City's accounting processes and procedures. This understanding will enable them to evaluate and develop opportunities for efficiency, as well as offer practical and functional advice for improving your accounting processes and procedures.

All professionals on this engagement have worked on audits similar in nature to the City's, therefore, the City will not have to train our engagement team.

Staff continuity

Continuity of audit staff is a principal concern with our firm. In order to retain our staff, we offer extremely competitive wages, opportunities for advancement, generous medical packages, a retirement plan, bonus opportunities, as well as educational benefits. Even with the benefits we provide, we realize we may lose staff at any given time. Knowing this, we plan to provide staff continuity from year to year, which is in the best interest of the City and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. Since we cannot guarantee staff will remain with us, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be changed if those personnel leave the firm or are promoted. **However, the City reserves the right to accept or reject replacements.**

We believe that due to the significant involvement of the partners on all our engagements, any staff transition would have a minimal effect on the audit efficiency and effectiveness of subsequent years.

Continuing professional education

Our team of auditor specialists stays current in this highly technical practice area by adhering to, and typically exceeding, the continuing professional education requirements of *Government Auditing Standards* as well as the State Board of Accountancy guidelines. All professionals at our firm participate in continuing professional education (CPE) programs, which are sponsored by various organizations including the Government Finance Officers Association, the American Institute of Certified Public Accountants, the California State Society of Certified Public Accountants, the California Society of Municipal Finance Officers and the Association of Government Accountants. Participation in these programs helps us to ensure that our clients are serviced with the best trained and most proficient government auditors and accountants available. In addition, we periodically provide in-house training taught by our partners and senior level staff using published resources. All staff are required to attend fraud and ethics training. It is our goal to provide our professional staff continuing education which exceeds the minimum standard of 80 hours over two years.

In accordance with our firm's Quality Control document and *Government Auditing Standards* (GAS), all staff members who work on audits subject to GAS are required to complete CPE in accordance with GAS standards which require 24 hours directly related to governmental accounting and auditing.

In addition to the required CPE, we also use the following to increase our technical knowledge: view the Governmental Audit Quality Center Annual Webcast Update and other relevant seminars and review monthly publications from the AICPA, the GFOA, and various other resources. We also attend conferences and seminars sponsored by the GFOA, California Society of Municipal Finance Officers, California State Society of Certified Public Accountants and the California Special Districts Association.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)

Assigned personnel

It is our goal to provide you with capable, competent, and personable individuals who offer an extensive background, not only in governmental accounting and auditing, but also in general business practices. By doing so, it allows us to offer practical solutions, as well as provide technical support. This enables you to stay at the forefront of governmental accounting and provides you with the support you need in dealing with the complex issues confronting entities such as yours.

In addition, our engagement team has the managerial and supervisory experience to provide the City with a comprehensive audit of the highest quality, while still focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented below. The following individuals will be assigned to the engagement for the entire contract period (see staff *Continuity section* of this proposal):

Gardenya Duran, CPA, CGMA - Partner, Engagement Partner

Gardenya is also a municipal audit partner with the firm. She is licensed to practice as a certified public accountant in the State of California. Gardenya has 15 years of public accounting experience and has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various not-for-profit organizations. As the engagement partner, she will be responsible for overall engagement quality, as well as ensuring that the engagement is performed in the most effective and efficient manner. Gardenya will directly oversee all engagement staff while assisting in planning and performing the engagement, as well as reviewing all work-papers prepared during the engagement, in addition to all required reports. Gardenya is a working partner and will be actively and continually involved in all aspects of the engagement.

Scott Manno, CPA - Partner, Concurring Partner

Scott will be the Concurring Partner. He is licensed to practice as a certified public accountant in the State of California. He has over 25 years of practical, governmental accounting and auditing experience. As the concurring partner Scott will work directly with Gardenya in planning and performing the engagement. In addition, he will provide technical consultation for the engagement team.

Brad Welebir, CPA, CGMA, MBA - Partner, Quality Control Reviewer

Brad will be the Quality Control Reviewer. He is licensed to practice as a certified public accountant in the State of California. He has over 20 years of practical, governmental accounting and auditing experience. Brad will be responsible for the final quality control review of all released opinions and related reports.

Laura Arvizu, CPA - Engagement Manager

Laura is a manager with the firm and is licensed to practice as a certified public accountant in the State of California. Laura has over 8 years of experience in providing accounting and auditing services for municipalities, special districts, and various nonprofit organizations. As the engagement manager, she will work directly with the audit in-charge and partner, while supervising the engagement team during all phases of the engagement. In conjunction with the audit in-charge, she will also oversee the preparation of any required reports.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)

Partner and supervisory staff involvement (continued)

Sean Schmidt - Audit Senior

Sean is an Audit Senior with the firm. Sean has over 3 years' experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit senior, he will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all work-papers prepared for the engagement. In addition, he will also be responsible for the preparation of any required reports.

Staff level accountants

All staff accountants employed by us and working on governmental audits are qualified to perform such audits. Prior to "audit season", our staff are subject to a rigorous training regimen in which we go over all aspects of our audit process and audit programs ensuring staff members have a solid foundation prior to starting fieldwork. Each staff member is encouraged to take on increased responsibility for engagements previously worked on. This enables our staff to grow on each engagement and allows them to continue to gain the skills and knowledge required to perform the audits.

In summary, we want to emphasize the credentials of the above professionals who will be directly responsible for the quality of service that you will receive. Additionally, our audit team has another attribute that is very important, even though it is intangible -- the professionals assigned to the audits have previously worked together as a multi-disciplined team, thus ensuring a smooth, efficient, and effective audit. We are committed to allocating the necessary resources to ensure that we provide continuity of personnel throughout the term of our relationship with the City.

Full engagement team resumes are provided as follows.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)

Engagement team resumes



Gardenya Duran, CPA, CGMA
Engagement Partner

Professional experience

Mrs. Duran joined Rogers, Anderson, Malody & Scott, LLP in 2010. She works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Currently, Mrs. Duran serves as a technical reviewer for the GFOA ACFR Award program. Prior to joining our firm, she was an Information Systems Technician in the U.S. Navy for nine years.

Education/licenses

Bachelor of Science – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of recent relevant governmental agencies served (*includes enterprise fund accounting):

City of Hawthorne*	City of Signal Hill*	City of Aliso Viejo	City of Capitola
City of Imperial Beach*	City of San Jacinto*	City of San Bernardino	City of Calimesa
City of Canyon Lake	City of San Marcos*	City of Carpinteria	City of West Covina*
City of La Mesa	City of Thousand Oaks*	City of San Dimas	City of Santee

Continuing professional education

Mrs. Duran has completed 120 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- ◆ Thomson Reuters, *Audits of State and Local Governments*
- ◆ American Institute of Certified Public Accountants, *Foundations in Governmental Accounting*
- ◆ California Society of CPAs Education Foundation, *Governmental Accounting and Auditing Update*
- ◆ American Institute of Certified Public Accountants, *Applying A-133 to Nonprofit and Governmental Organizations*

Professional affiliations

Mrs. Duran is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)



Scott W. Manno, CPA, CGMA
Concurring Partner

Professional experience

Mr. Manno began his career with Thomas, Bigbie and Smith in 1995 after serving in the United States Army. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various not-for-profit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001. Currently, Mr. Manno serves as a technical reviewer for the GFOA ACFR Award program.

In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting and Auditing Committee which meets periodically to discuss current events, pronouncements, etc.

Education/licenses

Bachelor of Science, Business Administration – California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of El Cajon*	Town of Yucca Valley	City of La Mesa*	City of La Verne
City of Sierra Madre*	City of Fillmore*	City of Chino*	City of 29 Palms
City of Moreno Valley*	City of Beaumont*	City of San Marcos*	City of Loma Linda*
City of Claremont*	City of Perris*	City of Exeter*	City of Woodlake*
City of San Jacinto*	City of Menifee	City of Rolling Hills Est.	City of Poway*

Mr. Manno has completed over 220 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- ♦ Government Auditing Standards and Foundations
- ♦ 2022 Fraud Review
- ♦ Governmental Accounting and Auditing Update

Professional affiliations

Mr. Manno is a member of the following organizations:

- ♦ American Institute of Certified Public Accountants (AICPA)
- ♦ California Society of Certified Public Accountants (CalCPA)
- ♦ Association of Government Accountants (AGA)
- ♦ Association of Certified Fraud Examiners (ACFE)
- ♦ Government Finance Officers Association (GFOA)
- ♦ California Special Districts Association (CSDA)
- ♦ California Society of Municipal Finance Officers (CSMFO)



CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)

Brad A. Welebir, CPA, CGMA, MBA
Quality Control Partner



Professional experience

Mr. Welebir joined Rogers, Anderson, Malody & Scott, LLP in 2004. He primarily provides audits and advisory services to governmental agencies, small to mid-sized businesses, and not-for-profit organizations. Mr. Welebir serves as a technical reviewer for the GFOA ACFR Award program. He also serves as the CalCPA Inland Empire chapter chair of the governmental accounting and auditing committee and as the representative for the chapter at the state committee.

Education/licenses

Master of Business Administration, Accounting Emphasis – California State University, Fullerton
Bachelor of Arts in Business Administration – La Sierra University
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Fountain Valley	City of Loma Linda*	City of San Bernardino	City of La Verne
City of Sierra Madre*	City of Fillmore*	City of Poway*	City of Poway
City of Moorpark*	City of Rosemead	City of Redondo Beach*	City of San Marcos*
City of Claremont*	Town of Yucca Valley	City of Aliso Viejo	City of San Jacinto*

Continuing professional education

Mr. Welebir has completed over 120 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- ♦ Governmental Accounting and Auditing Update
- ♦ Single Audit Update
- ♦ Auditing Fraud Risk in the Current Environment
- ♦ Annual Conference Sessions
- ♦ GAAP Update

Professional affiliations

Mr. Welebir is a member of the following professional organizations:

- ♦ American Institute of Certified Public Accountants (AICPA)
- ♦ California Society of Certified Public Accountants (CalCPA)
- ♦ Government Finance Officers Association (GFOA)
- ♦ California Society of Municipal Finance Officers (CSMFO)
- ♦ California Special Districts Association (CSDA)

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)

Laura Arvizu, CPA
Audit Manager



Professional Experience

Laura is an Audit Manager with the firm. She has over 8 years of experience in providing accounting and auditing services for municipalities, special districts and various nonprofit organizations. As an audit manager, she will work closely with the engagement partner and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports. Currently, Laura serves as a technical reviewer for the GFOA ACFR Award program.

Education

Bachelor of Arts – California State University, San Bernardino
Certified Public Accountant – State of California

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of Imperial Beach*	City of Yorba Linda*	City of El Cajon*	City of Brawley*
City of Twentynine Palms*	City of Claremont*	City of Ojai*	City of La Mesa*
City of San Dimas	City of Fountain Valley*	City of Wildomar	City of Hawthorne*
City of Sierra Madre*	City of Mission Viejo*	City of Live Oak*	

Continuing Professional Education

Ms. Arvizu has completed over 120 hours of continuing professional education courses over the past two years of which the following select courses are relevant to this engagement:

- ◆ GASB Update
- ◆ Governmental Accounting and Auditing Update
- ◆ Frequent Frauds Found in Government
- ◆ Government Risk Assessments

Professional affiliations

Ms. Arvizu is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Point of contact (continued)



Sean Schmidt
Audit Senior

Professional Experience

Mr. Schmidt joined Rogers, Anderson, Malody & Scott, LLP in May 2021, primarily providing accounting and auditing services for municipalities, special districts, and various nonprofit organizations. As an audit senior, he will work closely with the engagement partner and manager and be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all workpapers prepared for the engagement. In addition, he will also be responsible for the preparation of any required reports.

Education

Bachelor of Arts in Business Administration - California State University, San Bernardino
Master of Science in Accountancy - California State University, San Bernardino

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

City of San Dimas
City of Hawthorne*
City of Calabasas*
City of Loma Linda

City of Menifee
City of Thousand Oaks*
City of Moreno Valley*
City of Santee

City of Twentynine Palms
City of San Bernardino
City of El Cajon*
City of Santee

Continuing Professional Education

Mr. Schmidt has completed the following select courses that are relevant to this engagement:

- ◆ Assets and Liabilities: State and Local Governments
- ◆ Audits of State and Local Government
- ◆ What's Going on at GASB

Professional affiliations

Mr. Schmidt is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work

Services to be provided

The City desires an Annual Comprehensive Financial Report (ACFR) to be audited by the independent auditor for the fiscal year ended June 30, 2025, and each of the subsequent years included in the audit firm's contract with the City. The City will submit the ACFR to the Government Finance Officers' Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting Program.

In addition, we shall:

- Apply certain limited procedures related to Management's Discussion and Analysis and Required Supplementary Information and provide an "in-relation-to" report on the combining and individual fund financial statements, including budgetary comparison schedules. In addition, auditors will determine that information provided by the City for the introductory and statistical section of the City's ACFR confirms to amounts reported in the basic financial statements.
- Provide opinions as to the compliance with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance). RAMS is to provide an "in-relation-to" report on the Schedule of Expenditures of Federal Awards based on the auditing procedures applied during the audit of the financial statements. Auditors will also review the materials included in the reporting package accompanying the data collection form.
- Perform Agreed-Upon Procedures to test compliance with Article XIIB pertaining to the City's appropriation limit (GANN limit) and prepare an Agreed-Upon Procedures report to the City Council regarding compliance.
- Be available to the City Council or management to answer questions related to the audit.
- Assess the ACFR to determine that the requirements of the GFOA Certificate of Achievement in Financial Reporting Program.
- Keep City staff informed of new guidance and developments that may affect municipal accounting and finance.
- Hold meetings prior to the commencement of fieldwork at the beginning of the audit and after the first draft of financial statements has been prepared. The engagement partner will attend the meetings.
- Be responsive to questions or requests made by the City during the contract period.
- At the request of the City, render additional services to supplement the services listed above or perform additional work. Additional fees and scope of work will be determined by the City and RAMS as an addendum to the contract.
- If an extended scope is determined, we shall provide the City with all ascertainable facts with an estimate of additional services required and the proposed price.
- Have the Engagement Partner available to present at City Council Meetings, as required and requested by the City or City Council, for the contract award and for submission of the annual reports.
- If requested, prepare the basic financial statements and required supplementary information (RSI) sections of the City's ACFR, including providing the ACFR in PDF format, compliant with ASA, GFOA and Single Audit requirements.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work (continued)

Services to be provided (continued)

Our audit(s) will be in accordance with:

- Generally Accepted Auditing Standards as promulgated by the American Institute of Certified Public Accountants, including requirements found in the most recent AICPA audit guide *Audits of State and Local Governments*.
- *Government Auditing Standards* issued by the Comptroller of the United States of America.
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance).
- Specific auditing standards related to any grant agreement determined to be material by the auditors for purposes of examination of the basic financial statements.
- Any other applicable standards for other items outlined in the Scope of Work to be performed and/or reports to be issued.

Reports to be issued:

- Independent Auditor's Report on the fair presentation of the financial statements in conformity with GAAP.
- 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* (material weaknesses or significant deficiencies).
- Single Audit Report in compliance with requirements applicable to each major federal program and internal control over compliance in accordance with the *Uniform Guidance*.
- Prepare Management Letter that includes significant and less significant (i.e., reportable and non-reportable) recommendations for improvements to internal control.
- We will issue reports to those charged with governance (SAS 114 letters) as required by auditing standards.
- Appropriations (GANN) Limit Agree-Upon Procedures Report

RAMS will also perform the following:

- Make an immediate, written notification of all irregularities and illegal acts or indication of illegal acts of which we become aware to the following: City Manager and Attorney.
- We will be available to present the audit plan prior to beginning field work, and provide regular updates as listed in the RFP.

Engagement approach

Our engagement approach for your audit will be developed, in part, by using established goals which will enable measurement of the audits progress by the engagement partner and lead auditor. This involves frequent communication between the partner and the engagement team to ensure that all audit objectives are achieved in accordance with our goals and that any issues which may arise are communicated and dealt with on a timely basis. In addition, our in-depth knowledge and expertise in governmental accounting and auditing has allowed us to identify key audit and accounting risks in the government environment. More importantly, the approach provides for a complete reassessment of the control environment in each year's audit and thus enables us to respond to any needed risk assessment changes.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work (continued)

Engagement approach (continued)

Our engagement approach has been developed and refined over many years. The foundation of our approach revolves around the following:

- **Knowledge and experience.** We have been auditing governmental entities like the City, both large and small, for over 74 years. This experience has allowed us to gain in-depth knowledge of the governmental environment which in turn allows us to perform a more efficient and effective audit. It also enables us to perform detailed risk assessment procedures allowing us to identify significant audit risk areas within the City and its control environment.
- **Intelligent design.** As discussed later in our proposal, all our audits are designed to be intelligent using our powerful audit software/data analytic tools (Engagement and *Teammate Analytics*). This allows us to analyze large amounts of data in seconds increasing both the efficiency and, more importantly, the effectiveness of all our audit engagements.
- **Oversight.** Professional judgment is not developed overnight. Our partners, managers and supervisors have been deeply involved in governmental audits on a continuous basis for most of their professional careers. By having direct partner and manager oversight, we can design audit strategies that result in effective and efficient audits.
- **Timeliness.** Deadlines are not just "dates" to us, they are professional commitments. All required deadlines will be met.
- **Open communication.** Open lines of communication with all parties (the engagement team members and City Management and staff) throughout the audit process helps to eliminate "surprises." Proper planning and proper use of experienced engagement personnel tend to provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.
- **Availability.** All engagement team members are available throughout the year for any questions or additional consultation. City staff will have direct access to the partner, manager, and other supervisory staff at all times during the engagement, as well as after.
- **Cost effectiveness.** Our customized audit approach and procedures and our experienced auditors help to reduce your overall audit costs while still providing an effective audit and high-quality reports.
- **Risk based approach.** Our detailed risk assessment procedures will consist of activities performed to obtain an understanding of the City and its environment, including its internal control. Evidence from these activities will provide the basis for our assessment of risks of material misstatement at the financial statement and relevant assertion levels. While performing our risk assessment procedures and we may choose to perform further audit procedures concurrently with risk assessment procedures as deemed necessary. In addition, risk assessment procedures will provide some of the necessary evidence about the relevant assertions related to classes of transactions, account balances, or disclosures and about the operating effectiveness of controls.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work (continued)

Engagement approach (continued)

As indicated in the previous section of the proposal, the overall objective of the engagement with the City is to conduct an audit of the financial statements in accordance with required auditing standards and the expression of an opinion(s) on those financial statements. Beyond that initial objective, we believe that our engagement approach provides certain other value-added characteristics, at no additional cost, that will benefit the City over the long-term:

- All our audits are designed to be performed in an efficient and effective way to minimize disruption to the office operations.
- We offer practical observations and recommendations relating to internal control issues, implementation of accounting standards and the policies and procedures regarding both.
- We identify opportunities for operating efficiencies which can be used to decrease operating costs of the City.

Identification of anticipated potential audit problems

One potential problem could be the implementation of any future GASBs. With our deep understanding of governmental accounting and auditing, constant training, and broad resources, we do not anticipate any issues during a GASB implementation. Our approach to any GASB statement implementation would be as follows: gain a thorough understanding of the pronouncement; determine applicability to the City; if applicable, discuss the statement and how it will affect the City with City staff; and provide guidance to City staff on the accounting and financial reporting implications.

Proposed audit segmentation

The following is a summary of the audit team's audit approach for the engagement. The audit will be divided into the following segments:

Segment 1 - Interim testing - planning, pre-audit administration, and internal control testing

During this phase of the audit, our principal objectives will be to gather information about the City and its environment, including its internal control over financial reporting.

In order to achieve the desired objectives of this phase of the audit, we will:

- Meet with the City's staff in order to determine convenient dates in which we can begin our audit and to discuss the assistance to be provided by the City's staff.
- Hold brainstorming sessions with engagement team members to discuss the susceptibility of the City's financial statements to material misstatement and fraud.
- Review and evaluate the City's accounting and reporting processes by reviewing the prior year's audit workpapers, any City-prepared documents such as budgets, in-house financial reports, policies and procedures manuals, minutes of governance meetings, etc., and by using various analytical procedures. Analytical procedures will enhance our understanding of the City and will help us identify areas that may need further assessment and additional testing.
- Review and retain copies of any pertinent local, state and federal statutes, regulations, or charters that apply to the City.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work (continued)

Proposed audit segmentation (continued)

- Evaluate the design of controls that are relevant to the audit by obtaining a thorough understanding of the City's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiring of the City's personnel, and observing and reviewing key supporting documentation (a more thorough explanation of this process is discussed later in the technical proposal).
- Test controls, if control risk is to be assessed below maximum, by selecting a sample of transactions within the audit area being tested and reviewing supporting documentation to determine whether the relevant controls are in place and functioning properly.
- Document and review with management, any findings noted during the testing of internal controls and provide a preliminary management letter that will include our recommendations for improving any weaknesses in operations. The letter will also include suggestions for improving the efficiency of the City's operations.
- Utilize our powerful audit data analytic software allowing us to analyze large amounts of data in seconds and focusing on areas/transactions that are red flagged.

In addition, we will perform the following procedures related to IT General Controls that "touch" financial data:

- *Security access (including physical) controls:* evaluate the general system security settings and password parameters; evaluate the process for adding, deleting, and changing security access; evaluate the access capabilities of various types of users; evaluate access controls to networks and financial applications; evaluate access controls related to data files; and evaluate physical access to networks, servers, etc.
- *Computer operations:* Evaluate backup and recovery processes and review processes of identifying and handling operational problems.
- *System development and system changes:* Evaluate processes related to system development and system changes (if applicable).
- *Application testing:* We will determine if the testing of application controls is deemed necessary based on our professional judgment in the planning stages of the engagement.

This phase of the engagement for the audit will be performed by the audit senior and two/three staff accountants with direct supervision by the audit manager and partner.

Segment 2 - Year-end testing - substantive testing

During this phase of the audit, our principal objectives will be to assess the risk of material misstatement at the financial statement level and specific assertions, design overall responses to assessed risks and further audit procedures, perform substantive tests, and complete the audit and evaluate audit findings, if applicable.

In order to achieve the desired objectives of this phase of the audit, we will:

- Identify significant risks and develop a detailed audit plan using the results in Segment 1.
- Design substantive tests of account balances designed and modified specifically for the City's operations and assessed level of risk. Substantive procedures will consist of testing material balance sheet accounts, material revenue and expenditure/expense accounts along with various analytical procedures as deemed necessary. In addition, various accounts may be confirmed with outside parties (cash, investments, etc.).

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work (continued)

Proposed audit segmentation (continued)

- Determine whether our testing supports the assessed level of risk initially assigned at the financial statement level and at the assertion level.

This phase of the engagement for the audit will be performed by the senior accountant and two/three staff accountants with direct supervision by the audit manager and partner.

If any proposed audit adjustments are noted during this phase, we will discuss and explain them, in detail, with the appropriate level of management prior to posting.

Segment 3 - Reporting - report preparation/audit conclusion (workpaper review)

During this phase of the audit, our principal objectives will be to evaluate whether the financial statements, taken as a whole, are free from material misstatement and form an opinion(s) and issue our report.

In order to achieve the desired objectives of this phase of the audit, we will:

- Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. This will provide the basis for our opinion(s).
- Review all audit workpapers to ensure that the audit was performed in accordance with the required standards (GAAS, GAGAS, etc.) and prepare drafts of all required reports by the agreed-upon dates.
- Conduct an independent review of the financial statement draft by the engagement's quality control partner and issue all reports by the agreed-upon dates.

This phase of the engagement will be performed by the audit senior and one staff accountant with direct supervision by the audit manager and partner. In addition, the engagement's quality control partner will perform a detailed quality control review of the financial statements.

The above procedures are a general list of procedures to be performed. After our initial review of the City and our detailed risk assessment, we will customize the engagement and gear it towards the needs of the City and the audit itself. In doing so, we will determine which procedures to perform relative to our risk assessment. All our audits are customized to each entity, helping to ensure a complete, effective, and efficient audit. The foundation of the above approach is based on open communication coupled with a strong knowledge of the City's operations and detailed planning at the initial stages of the audit.

Our firm is dedicated to performing a timely audit engagement. Prior to the start of the audit, we will meet with City staff and decide on adequate timeframes, agreed upon by both the City and us, for the performance of the audit and the release of the financial statements. *We will dedicate the necessary resources to meet any agreed upon time frames.*

Level of staff and approximate number of hours assigned to each segment

Segment	Partner	Manager	Senior	Staff	Total
Segment 1	6	7	18	54	85
Segment 2	11	12	28	71	122
Segment 3	14	10	25	17	66
Totals*	31	29	71	142	273

* = excludes Single Audit hours and tax return preparation hours



CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work (continued)

Sample sizes (including for compliance testing)

Our sample sizes will be determined in accordance with the AICPA's *Audit and Accounting Guide, Audit Sampling*, and will be selected using professional judgment or our TeamMate Analytics software, depending upon circumstance, as permitted by Statement on Auditing Standards. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, our planned substantive testing and analytical procedures as well as our professional judgement.

We utilize our Computer Aided Audit Tools (CAAT) software, Teammate Analytics, to draw our audit samples. The software allows us to generate random samples, systematic samples, stratified samples, attributes samples as well as monetary unit samples (also called probability-proportional-to-size or dollar unit sampling).

Intelligent audit technology

Our audits are designed to be intelligent using our powerful audit software tools (Engagement and Teammate Analytics). In addition, all audit team members are linked to each other using wireless connections which enables them to share information at an almost real-time speed. Below are some of the benefits of our audit technologies:

- ***We utilize Teammate Analytics, a suite of more than 200 dynamic Computer Aided Audit Tools (CAATs). This allows us to analyze large amounts of data in seconds. Using data received directly from the City, we can perform the following: search for duplicate checks, detect transactions occurring on holidays/weekends or during unusual hours, perform Benford's Law analysis, and identify instances when a vendor has issued multiple invoices with sequential references along with many other tests. The software empowers our audit teams with the ability to perform powerful, meaningful data analysis which will build upon our other value-added services.***
- We can create our own analytical schedules allowing for easy analysis of current balances to prior year balance, current vs budget balance, thus reducing significant City staff time.
- Once your trial balances and financial statements are entered into our software, we can observe your financial statements in the field allowing us to notice any variances and address them immediately.
- We link the financial statement schedules directly to our audit software trial balances, and as a result, we can provide the City with fund financial statements almost immediately after importing the trial balances.
- We can provide the City with our audited trial balances which show the coding of the financial statement schedules for ease of review for City staff. These reports show each account coded to a specific financial statement line item/function as well as journal entries posted during the audit.
- We have the capability to perform effective and efficient audits remotely as well.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work (continued)

Analytical procedures

In order to properly utilize analytical procedures, industry background and knowledge are needed. With our firm's long history and qualified staff, we believe we have the necessary knowledge and experience to effectively apply analytical procedures. We will utilize analytical review procedures throughout our audit of the City.

- During the *interim* phase of our audit, we will compare current and prior year unadjusted balances to determine which areas may need additional analysis; we will also compare current year actual amounts to the City's annual budget (both original and adopted).
- During the *final* phase of our audit, we will perform procedures like those mentioned above, as well as compare certain financial ratios for current and prior years. We will also conduct certain "reasonableness" tests. Any significant variances are investigated further through inquiry and other substantive testing as deemed necessary until resolved to our satisfaction.
- Finally, after we have completed our fieldwork, we will compare current and prior year audited balances, keeping in mind expected relationships obtained from our knowledge of the City, similar entities and the general economic environment. In addition, we may choose to use various other analytical techniques such as trend analysis, etc.

Unlike other audit firms, we use analytical procedures to supplement our substantive testing, not supplant them.

Understanding of internal control over financial reporting

Our approach to obtaining an understanding of the City's internal control over financial reporting will be performed in accordance with professional standards as promulgated by the American Institute of Certified Public Accountants -- our understanding will include the *Control Environment*, *Risk Assessment*, *Control Activities*, *Information and Communication*, and *Monitoring*. We will use customized procedures which we have developed internally to evaluate your internal control systems. By combining our customized procedures and our detailed knowledge of the City and its environment, we will be able to provide constructive feedback in areas we feel need improvement. In addition to our customized procedures, we will also perform the following:

Control Environment. Through inquiry of the City's personnel, prompted by questionnaires, personal knowledge, and review of the minutes of the governing body meetings, we will obtain an understanding of management's and the governing body's attitudes, awareness, and actions concerning the control environment, focusing on the substance of the controls rather than their form.

Risk Assessment. Through inquiry of the City's personnel and the use of questionnaires, we will obtain sufficient knowledge of the City's risk assessment process to understand how management considers risks relevant to financial reporting objectives and decides upon actions to address those risks. This will include understanding how management identifies risks, estimates the significance of these risks, assesses the likelihood of their occurrence, and relates them to financial reporting.

Control Activities. Certain control procedures will be documented during our analysis of the control environment and the accounting system. However, many specific control procedures will still need to be documented that will focus primarily on the City's major transaction cycles. As mentioned above, we will test the City's control procedures on which we intend to rely on for safeguarding assets from unauthorized use or disposition and detecting/preventing unauthorized transactions. Any flow charts, organizational charts and any other manuals, programs, and financial and management information systems will be analyzed during this process.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work (continued)

Understanding of internal control over financial reporting (continued)

Information and Communication. Through inquiry of the City's personnel, we will identify the major types of transactions engaged in by the City. We will become familiar with the treatment of those transactions, including how the transactions are initiated, the related accounting records, and the manner of processing the transactions. Finally, we will obtain an understanding of the City's financial reporting process used to prepare financial reports, including the approaches used in making accounting estimates and disclosures.

Monitoring. Through inquiry of the City's personnel and the use of questionnaires, we will obtain sufficient knowledge of the major types of activities the City uses to monitor internal control over financial reporting. We will also determine how those activities are used to initiate corrective actions.

Approach in determining applicable laws and regulations

We understand the importance of laws and regulations in planning an audit of a local governmental entity and design all our audits to ensure we test transactions for compliance. As part of our audit process, our audit team will obtain an understanding of the laws and regulations that will have a direct and material effect on the City's financial statements. In determining which laws and regulations are applicable to the City's financial statement audit, we will consult the following sources:

- AICPA Audit and Accounting Guide, Audits of State and Local Governments
- California Government Code (investments, GANN limit requirements, etc.)
- Applicable State of California laws
- U.S. Government Accountability Office's Government Auditing Standards (The Yellow Book), latest revision
- Applicable contracts/grants of the City
- *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (OMB Uniform Guidance)

After consulting the applicable sources, we will design our audit to provide reasonable assurance of detecting material instances of noncompliance while continuing to refer to the applicable compliance guideline to ensure changes in compliance are not missed.

Auditing in a remote environment

The availability and use of technology has had a significant impact on the accounting and auditing profession, allowing us to provide professional services across longer distances and more timely than ever before. We have continued to evolve our ability to serve our clients remotely throughout the COVID-19 pandemic and have experienced new efficiencies for both auditor and auditee. We anticipate continuing to perform substantially all our audit work remotely and will work with the City to maximize the remote efficiencies using technology. If the City would like members of the audit team on-site, we will work with City management on determining an acceptable staffing level.

We maintain regular and routine contact with our clients throughout the audit planning, fieldwork, and conclusion phases of the audit with the use of email, phone calls, secure portals, video conferencing, project tracking schedules, and any other means necessary to ensure the timely completion of the audit by any agreed-upon deadlines. Our audit team is very responsive to our clients and we encourage our clients to connect with us throughout the year for any matters that may affect the audit or of a general accounting nature. We have found this to be mutually beneficial for both our clients and the annual audit work.

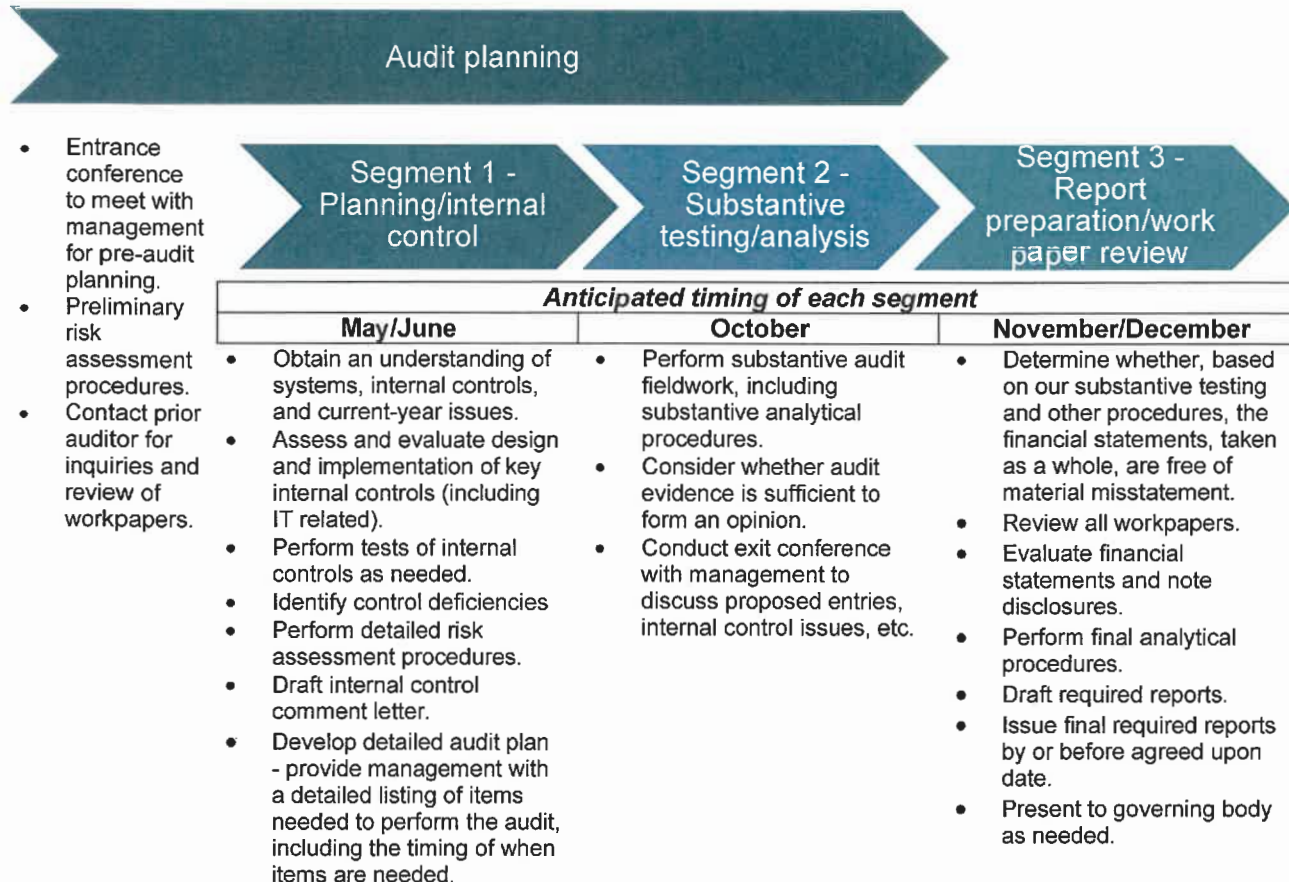
Remote auditing has many benefits some tangible, as listed above, others intangible. In performing remote audits, we are bettering our employee's quality of life by reducing unnecessary travel time, reducing traffic congestion on our local freeways while also helping to improve Southern California's air quality.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Methodology and approach to work (continued)

Proposed audit timing



CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Philosophy and ethical standards

Why choose RAMS?

Our firm has a long history of providing high-quality professional services to government entities similar to the Agency and has a well-respected reputation in the industry, as partly evidenced by our client satisfaction and retention rates. Our staff are committed to the highest standards in performing quality engagements, and you will find they are very personable and easy to work with. At RAMS, you will always work with professionals who are experienced in governmental audits, and thoroughly informed of current issues facing this rapidly changing field. We focus on efficiency in each engagement by emphasizing detailed planning to mitigate or eliminate surprises and maximize the value of our services to our clients. Our knowledge and involvement in the industry lend to our ability to offer year-round guidance and build lasting relationships with our clients. In addition, RAMS possesses the following:

1. **Knowledge.** We provide highly trained and knowledgeable staff dedicated to client service. We are available throughout the year to answer questions or to provide guidance on any accounting matter.
2. **Quality.** A commitment to quality on **every** engagement is our priority.
3. **Experience.** A client focused team of experienced auditors and accountants will serve the Agency.
4. **Flexibility.** A flexible team that will work with your schedule.
5. **Value.** We provide exceptional client service and quality work at a reasonable and competitive fee.

Equal Opportunity Employer

Our firm is an equal opportunity employer and is committed to providing employment opportunities to all qualified persons regardless of race, color, sex, religion, national origin or handicap. Our staff represents a wide range of cultures and ethnic backgrounds. We provide opportunities for advancement for all staff based on ability, skill and desire to advance.

Governmental Audit Quality Center

As a member of the American Institute of CPAs *Governmental Audit Quality Center* (the Center), we are committed to adhering to the highest quality standards by voluntarily agreeing to the Center membership requirements, which include designating a partner responsible for the quality of our governmental audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report findings publicly available. At RAMS, our goal is to continue to enhance our quality initiatives within our governmental audit practice to deliver the highest quality audit services possible.

In addition, the Center provides access to comprehensive resources that will assist us in further enhancing the quality of your audit. The Center membership provides us with timely information on a variety of technical, legislative, and regulatory subjects that we can in turn apply to your audit to help ensure compliance with the appropriate standards and changes in regulations which we pass on to our clients.

Engagement quality control

We have an extensive internal quality control review process to ensure your audit meets the highest standards. In addition to the preparation of financial reports by a senior member of the engagement team, each report is reviewed by the engagement manager/supervisor and then is examined by the engagement partner. Subsequently, a technical review is then performed by the engagement Quality Control partner along with being proofread by at least one professional staff. In addition, all audit workpapers are reviewed by the in-charge auditor and the partner in-charge of the engagement.

CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Philosophy and ethical standards (continued)

External quality control review

As a member of the AICPA Private Companies Practice Section, our firm has participated in the "Peer Review" program since 1993 and has been examined every three years since that date by an outside, independent firm of certified public accountants. Participation in this program ensures that our engagements, firm policies, and audit procedures meet the standards of the AICPA, the Yellow Book, and the California State Board of Accountancy. Throughout our participation in this program, *the firm has only received pass ratings from the peer reviewers.*

During each review, an independent firm reviews our policies and procedures and then inspects a representative sample of engagement workpapers and reports, including governmental entities and engagements subject to the *Uniform Guidance*. For the year ended November 30, 2020, our firm received a rating of *pass* which indicates our auditing practice is suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable standards. The results provide confirmation that the custom audit approach and procedures we use are technically sound and in compliance with applicable standards.

Disciplinary action

The firm **has never** had any disciplinary action taken or pending against it with state regulatory bodies or professional organizations, nor has it ever had any pending or settled litigation, civil or criminal investigations. In addition, we are not aware of any federal or state desk reviews or field reviews of its audits during the last three years.

Our firm does not have a record of substandard work.

In addition to the external quality control review, our firm performs in-house monitoring procedures, which mirror the outside peer review procedures, over our audit and attest engagements annually.

Grant Bennett Associates

A PROFESSIONAL CORPORATION

Report on the Firm's System of Quality Control

June 4, 2021

To the Partners of Rogers, Anderson, Malody & Scott, LLP, and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP (the firm) in effect for the year ended November 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer/Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP in effect for the year ended November 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rogers, Anderson, Malody & Scott, LLP has received a peer review rating of *pass*.

Grant Bennett Associates

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants



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CITY OF LOS ALAMITOS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Fee Proposal

Individual cost for reports	2024-25	2025-26	2026-27	Option Years		TOTAL
				2027-28	2028-29	
1. City Audit and Related Reports	\$39,000	\$40,400	\$41,800	\$42,800	\$43,900	\$207,900
2. Assistance with ACFR Preparation	9,700	10,000	10,400	10,700	11,000	51,800
3. Single Audit Report*	5,700	5,900	6,100	6,300	6,500	30,500
4. Gann Limit	800	830	860	880	900	4,270
5. PFC Tax Return Preparation	2,500	2,600	2,700	2,800	2,900	13,500
Total Annual Fee for All Reports to be Issued for the Fiscal Year Shall Not Exceed	<u>\$57,700</u>	<u>\$59,730</u>	<u>\$61,860</u>	<u>\$63,480</u>	<u>\$65,200</u>	<u>\$307,970</u>

* = for the first major program; each additional program will be \$5,000 per program for FY 2025 and 2026, \$5,500 for FY 2027 and 2028, and \$5,750 for FY 2029

GOVERNMENT CLIENTS SERVED

<u>Government Client</u>	<u>Years Served</u>	<u>GFOA Awards</u>	<u>Successor Agency</u>	<u>Housing Authority</u>
City of El Cajon	06/30/07 to 06/30/24	Yes	Yes	Yes
City of Exeter	06/30/17 to 06/30/24			
City of Woodlake	06/30/17 to 06/30/24			
Town of Yucca Valley	06/30/08 to 06/30/24	Yes	Yes	Yes
City of San Jacinto	06/30/11 to 06/30/24		Yes	Yes
City of La Mesa	06/30/11 to 06/30/24		Yes	Yes
City of Menifee	06/30/14 to 06/30/24	Yes		
City of San Marcos	06/30/14 to 06/30/24	Yes	Yes	Yes
City of Loma Linda	06/30/13 to 06/30/24	Yes	Yes	Yes
City of Sierra Madre	06/30/12 to 06/30/24	Yes	Yes	Yes
City of Hawthorne	06/30/16 to 06/30/24	Yes	Yes	Yes
City of Claremont	06/30/16 to 06/30/24	Yes	Yes	Yes
City of Thousand Oaks	06/30/18 to 06/30/24	Yes	Yes	Yes
City of Rolling Hills Estates	06/30/19 to 06/30/24	Yes		
City of Calabasas	06/30/20 to 06/30/24	Yes		
City of San Bernardino	06/30/20 to 06/30/24	Yes		
City of Ojai	06/30/20 to 06/30/24			
City of Beaumont	06/30/20 to 06/30/24	Yes		
City of Moreno Valley	06/30/20 to 06/30/24	Yes		
City of Lawndale	06/30/20 to 06/30/24	Yes	Yes	
Town of Windsor	06/30/19 to 06/30/24			
City of San Dimas	06/30/20 to 06/30/24	Yes	Yes	Yes
City of Imperial Beach	06/30/20 to 06/30/24			
City of Santa Paula	06/30/21 to 06/30/24		Yes	Yes
City of Santee	06/30/22 to 06/30/24			
City of Perris	06/30/22 to 06/30/24			
City of Live Oak	06/30/22 to 06/30/24	Yes		
City of Wildomar	06/30/22 to 06/30/24			
City of Yorba Linda	06/30/22 to 06/30/24	Yes	Yes	Yes
City of Calimesa	06/30/23 to 06/30/24			
City of Carpinteria	06/30/23 to 06/30/24	Yes		
City of Goleta	06/30/23 to 06/30/24	Yes		
City of Hanford	06/30/23 to 06/30/24		Yes	Yes
City of Industry	06/30/23 to 06/30/24		Yes	Yes
City of Murrieta	06/30/23 to 06/30/24	Yes	Yes	Yes
City of Signal Hill	06/30/23 to 06/30/24	Yes	Yes	
City of Chula Vista	06/30/24			
City of Eastvale	06/30/24			
City of Fountain Valley	06/30/24			
City of Mission Viejo	06/30/24			
City of Canyon Lake	Accounting support			
City of Fontana	Accounting support			
City of Hemet	Accounting support			
City of Rolling Hills	Accounting support			
City of Yucaipa	Accounting support			
City of Adelanto	Accounting support			
City of Grand Terrace	Accounting support			

GOVERNMENT CLIENTS SERVICES (continued)

<u>Government Client</u>	<u>Years Served</u>	<u>CSMFO/ GFOA Awards</u>	<u>Successor Agency</u>	<u>Housing Authority</u>
Crestline Village Water District	04/30/96 to 04/30/24			
Crestline-Lake Arrowhead Water	06/30/98 to 06/30/24			
San Bernardino Valley Muni Water District	06/30/04 to 06/30/24			
Elsinore Valley Municipal Water District	06/30/15 to 06/30/24	Yes		
Pine Cove Water District	06/30/10 to 06/30/24			
Consolidated Fire Agencies	06/30/14 to 06/30/24			
Successor Agency to the County of SB Capistrano Bay Community Services District	06/30/14 to 06/30/24 06/30/13 to 06/30/24			
Ventura County Public Fin Authority	06/30/12 to 06/30/24			
Nipomo Community Services District	06/30/16 to 06/30/24	Yes		
San Diego Workforce Partnership	06/30/16 to 06/30/24			
Rubidoux Community Services District	06/30/16 to 06/30/24			
Upper San Gabriel Valley MWD	06/30/19 to 06/30/24	Yes		
Chino Basin Desalter Authority	06/30/19 to 06/30/24	Yes		
Mountains Recreation and Conservation	06/30/19 to 06/30/24			
Palos Verdes Peninsula Transit Authority	06/30/19 to 06/30/24			
West Basin Municipal Water District	06/30/20 to 06/30/24	Yes		
Idyllwild Water District	06/30/11 to 06/30/24			
Big Bear Area Regional Wastewater	06/30/12 to 06/30/24	Yes		
Mojave Water Agency	06/30/19 to 06/30/24	Yes		
Rosamond Community Services District	06/30/15 to 06/30/24			
Rossmoor Community Services District	06/30/05 to 06/30/24			
Rim of the World Park & Rec. District	06/30/06 to 06/30/24			
Heartlands Communications Fac Auth	06/30/07 to 06/30/24			
Heartlands Fire Training Authority	06/30/07 to 06/30/24			
San Joaquin Regional Rail Commission	06/30/22 to 06/30/24			
East Valley Water District	06/30/22 to 06/30/24			
Leucadia Wastewater District	06/30/22 to 06/30/24			
Las Virgenes Municipal Water District	06/30/22 to 06/30/24			
Pomona Valley Transportation Auth	06/30/22 to 06/30/24			
Crestline Sanitation District	Accounting support			
Running Springs Water District	Accounting support			
Phelan Pinon Hills Community Services District	Accounting support			
March Joint Powers Authority	Accounting support			

RFP for Audit Services

Firm	1	2	3	4	5	6	7
	Davis Farr	Gruber & Associates	Eddie and Payne LLP	Lance, Soll & Lunghard, LLP	Moss, Levy & Hartzheim, LLP	Rogers, Anderson, Malody & Scott, LLP	White Nelson Diehl Evans
Evaluation Criteria							
1. Licensing	X	X	X	X	X	X	X
2. Qualifications	X	X	X	X	X	X	X
3. References	X	X	X	X	X	X	X
4. Timeliness Commitment	X	X			X	X	X
5. Thoroughness of Approach	X	X	X	X	X	X	X
6. Understanding of Scope of Audit	X	X	X	X	X	X	X
7. Maximum Fees	X	X	X	X	X	X	X
8. Experience w. Govt. Audits	X	X	X	X	X	X	X
9. Quality of staff	X	X	X	X	X	X	X
10. Adequacy of proposed staffing plan	X	X	X	X	X	X	X
Total Hours	370	260	NA	NA	215	209	255

Not T Exceed	2019-20	2020-21	2021-22	2022-23	2023-24	
Davis Farr						
City Audit/Related Reports	\$ 32,000	\$ 32,000	\$ 32,640	\$ 33,390	\$ 34,050	
Gann limit Review	\$ 500	\$ 500	\$ 510	\$ 520	\$ 530	
Single Audit/Related Reports	\$ 7,100	\$ 7,100	\$ 7,240	\$ 7,380	\$ 7,520	
Total Not-To-Exceed	\$ 39,600	\$ 39,600	\$ 40,390	\$ 41,290	\$ 42,100	
			\$ 119,590	\$ 83,390	\$ 202,980	
Total w/o Single Audit	\$ 32,500	\$ 32,500	\$ 33,150	\$ 33,910	\$ 34,580	7
			\$ 98,150	\$ 68,490	\$ 166,640	
Gruber & Associates						
City Audit/Related Reports	\$ 21,215	\$ 21,639	\$ 22,072	\$ 22,513	\$ 22,963	
Gann limit Review	\$ 550	\$ 561	\$ 572	\$ 583	\$ 595	
Single Audit/Related Reports	\$ 985	\$ 1,005	\$ 1,025	\$ 1,046	\$ 1,067	
Total Not-To-Exceed	\$ 22,750	\$ 23,205	\$ 23,669	\$ 24,142	\$ 24,625	
			\$ 69,624	\$ 48,767	\$ 118,391	
Total w/o Single Audit	\$ 21,765	\$ 22,200	\$ 22,644	\$ 23,096	\$ 23,558	2
			\$ 66,609	\$ 46,654	\$ 113,263	
Eddie and Payne LLP						
City Audit/Related Reports	\$ 25,355	\$ 26,120	\$ 26,900	\$ 27,710	\$ 28,540	
Gann limit Review	\$ 570	\$ 590	\$ 610	\$ 630	\$ 650	
Single Audit/Related Reports	\$ 3,875	\$ 3,990	\$ 4,110	\$ 4,230	\$ 4,360	
Total Not-To-Exceed	\$ 29,800	\$ 30,700	\$ 31,620	\$ 32,570	\$ 33,550	
			\$ 92,120	\$ 66,120	\$ 158,240	
Total w/o Single Audit	\$ 25,925	\$ 26,710	\$ 27,510	\$ 28,340	\$ 29,190	3
			\$ 80,145	\$ 57,530	\$ 137,675	
Lance, Soll & Lunghard, LLP						
City Audit/Related Reports	\$ 27,290	\$ 27,840	\$ 28,400	\$ 28,970	\$ 29,550	
Gann limit Review	\$ 470	\$ 480	\$ 490	\$ 500	\$ 510	
Single Audit/Related Reports	\$ 4,880	\$ 4,980	\$ 5,080	\$ 5,180	\$ 5,280	
Total Not-To-Exceed	\$ 32,640	\$ 33,300	\$ 33,970	\$ 34,650	\$ 35,340	
			\$ 99,910	\$ 69,990	\$ 169,900	
Total w/o Single Audit	\$ 27,760	\$ 28,320	\$ 28,890	\$ 29,470	\$ 30,060	6
			\$ 84,970	\$ 59,530	\$ 144,500	
Moss, Levy & Hartzheim, LLP						
City Audit/Related Reports	\$ 24,250	\$ 24,500	\$ 24,750	\$ 25,000	\$ 25,250	
Gann limit Review	\$ 495	\$ 500	\$ 505	\$ 510	\$ 515	
Single Audit/Related Reports	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	
Discount	\$ (3,000)	\$ (3,005)	\$ (3,010)	\$ (3,015)	\$ (3,020)	
Total Not-To-Exceed	\$ 25,245	\$ 25,495	\$ 25,745	\$ 25,995	\$ 26,245	
			\$ 76,485	\$ 52,240	\$ 128,725	
Total w/o Single Audit	\$ 21,745	\$ 21,995	\$ 22,245	\$ 22,495	\$ 22,745	1
			\$ 65,985	\$ 45,240	\$ 111,225	
Rogers, Anderson, Malody & Scott, LLP						
City Audit/Related Reports	\$ 26,240	\$ 26,240	\$ 27,280	\$ 27,280	\$ 28,320	
Gann limit Review	\$ 530	\$ 530	\$ 550	\$ 550	\$ 570	
Single Audit/Related Reports	\$ 3,000	\$ 3,000	\$ 3,200	\$ 3,200	\$ 3,300	
Total Not-To-Exceed	\$ 29,770	\$ 29,770	\$ 31,030	\$ 31,030	\$ 32,190	
			\$ 90,570	\$ 63,220	\$ 153,790	
Total w/o Single Audit	\$ 26,770	\$ 26,770	\$ 27,830	\$ 27,830	\$ 28,890	4
			\$ 81,370	\$ 56,720	\$ 138,090	
White Nelson Diehl Evans						
City Audit/Related Reports	\$ 26,750	\$ 26,750	\$ 27,550	\$ 28,380	\$ 29,230	
Gann limit Review	\$ 450	\$ 450	\$ 460	\$ 470	\$ 480	
Single Audit/Related Reports	\$ 3,120	\$ 3,120	\$ 3,210	\$ 3,310	\$ 3,410	
Total Not-To-Exceed	\$ 30,320	\$ 30,320	\$ 31,220	\$ 32,160	\$ 33,120	
			\$ 91,860	\$ 65,280	\$ 157,140	
Total w/o Single Audit	\$ 27,200	\$ 27,200	\$ 28,010	\$ 28,850	\$ 29,710	5
			\$ 82,410	\$ 58,560	\$ 140,970	
Opening: Craig Koehler Ryan Phelps - witness						

RFP Response Cost Comparison
(Not To Exceed)

Attachment 2

Firm	2025	2026	2027	Total 3 Years	2028	2029	Total
Rogers, Anderson, Malody & Scott, LLP	\$ 57,700	\$ 59,730	\$ 61,860	\$ 179,290	\$ 63,480	\$ 65,200	\$ 307,970
The Pun Group	\$ 60,000	\$ 63,000	\$ 66,150	\$ 189,150	\$ 69,458	\$ 72,930	\$ 331,538

City of Los Alamitos

CITY COUNCIL AGENDA REPORT

MEETING DATE: March 24, 2025

ITEM NUMBER: 11D

To: Mayor Shelley Hasselbrink & Members of the City Council

Presented By: Emeline Noda, Director of Recreation & Community Services

Subject: Resolution No. 2025-09 - 2025 Legislative Platform

SUMMARY

The City of Los Alamitos' 2025 Legislative Platform provides program procedures for the City to effectively participate in the legislative process.

RECOMMENDATION

Adopt Resolution No. 2025-09, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING THE CITY OF LOS ALAMITOS 2025 LEGISLATIVE PLATFORM."

BACKGROUND

Legislative advocacy increases the City's success in achieving its goals and objectives. The 2025 Legislative Platform confirms the City Council's position on high-priority issues with the potential to directly or indirectly impact the City, thereby establishing guidelines to actively pursue pending legislation through monitoring and communications activities. With active involvement from the City's Executive Team, under the leadership of the City Manager and assisted by the Director of Intergovernmental Affairs, the City aims to adopt the Legislative Platform biennially, in alignment with the Legislature's Legislative Cycle. This biennial process will enable the City Council to revise the Legislative Platform with updated priorities and newly adopted policies. The last time the City's Legislative Platform was updated by the City Council was on January 21, 2020.

DISCUSSION

The City of Los Alamitos recognizes the importance of protecting the City's interests at the Local, State and Federal levels. In order to efficiently participate in the legislative process on behalf of the citizens of Los Alamitos, the City has revised and updated the Legislative Platform to reflect current policy issues and priorities. The general philosophy of the Legislative Platform is to protect local control; oppose unfunded mandates; promote economic development and assist businesses and enhance community partners and stakeholders; and to protect, stabilize and increase the City's revenue sources.

The benefits of the plan include:

Streamlined Decision-Making Process

- Provides clear guidelines adopted by the City Council based on the City's priorities; guides the City Manager and staff in streamlining the letter approval and advocacy process for legislative issues and priorities.
- Expedites the City's internal process and empowers the City Manager and staff to advocate on important issues in real-time to meet legislative deadlines.

Consistent Advocacy

- Ensures the City maintains a unified stance on key issues, enhancing the effectiveness of advocacy efforts.
- Empowers City Council with information on current legislative issues and priorities.

Local Control

- Helps preserve local control on critical issues by clearly stating the City's positions to County, State, and Federal Representatives on matters affecting local governance and the quality of life for residents.

Fiscal Protection and Stability

- Supports policy that promotes financial independence and stability, and protects the City's revenue base from unfunded mandates.

Funding Opportunities

- Enhances the City's ability to successfully compete for Regional, State and Federal funding for various projects and services citywide.

City Leadership

- Strengthens the City's reputation and enhances collaboration with stakeholders by: 1. Leading in local government advocacy efforts; 2. Establishing the City as a leader among cities in Orange County; 3. Fortifying the City's external network statewide and in Washington D.C.; and 4. Enhancing regional collaboration for greater success.

The platform will serve as the cornerstone for a focused advocacy strategy, acting as a reference guide for legislative and policy positions. Once the updated Legislative Platform is adopted by the City Council, it will provide direction and policy guidelines to the City Manager and staff throughout the year on high-priority areas for the City. The Executive Team will receive periodic updates throughout the year to stay informed on legislative issues and policies, ask questions, and provide feedback.

The platform outlines legislative priorities in the areas of Fiscal and Organizational Stability; Corridor Revitalization and Economic Development; Housing; Environmental Quality; Public Safety & Homeland Security; Revenue and Taxation; Transportation and Infrastructure; Partnership with the Joint Forces Training Base; Workforce Development; Public Health; Land Use; Parks and Open Space, and Community Engagement and Strong Regional Partnerships. It identifies policy areas at the County, Regional, State and Federal levels. Each City Department was provided time to review and recommend modifications to the draft 2025 Legislative Platform prior to City Council consideration.

In addition, various resources were considered, including the previously adopted 2035 Los Alamitos General Plan, end-of-year Legislative Reports, the 2020 Los Alamitos Legislative Platform, the City's Organizational Values, and platforms adopted by the League of California Cities and the County of Orange.

FISCAL IMPACT

None.

Attachment: 1. Resolution 2025-09 - 2025 Legislative Platform
 2. Exhibit A - 2025 Legislative Platform

RESOLUTION NO. 2025-09

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS
ALAMITOS, CALIFORNIA, APPROVING THE CITY OF LOS
ALAMITOS 2025 LEGISLATIVE PLATFORM**

WHEREAS, the Legislative Action Plan consists of Legislative Program Procedures and the Legislative Platform for 2025; and

WHEREAS, the Program Procedure develops a framework and reference guide for legislative positions and objectives that provides advocacy and engagement guidelines for the City Council and Staff; and

WHEREAS, the City of Los Alamitos recognizes the importance of protecting the City's interest in the local, state and federal legislative system; and

WHEREAS, in order to efficiently participate in the legislative process, on behalf of the citizens of Los Alamitos, the City has established the City of Los Alamitos 2025 Legislative Platform; and

WHEREAS, the general philosophy of the legislative program is to protect local control; actively oppose legislation and ballot initiatives that threaten the public's safety; oppose unfunded mandates; promote economic development and partnerships; and, to protect, stabilize and increase the City's revenue sources.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS
DOES RESOLVE AS FOLLOWS:**

SECTION 1. That the recitals set forth are true and correct and are incorporated herein as if set forth in full.

SECTION 2. The City Council hereby approves the attached City of Los Alamitos 2025 Legislative Platform (Exhibit A).

SECTION 3. The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 24th day of March, 2025.

Shelley Hasselbrink, Mayor

ATTEST:

Windmera Quintanar, MMC, City Clerk

APPROVED AS TO FORM:

Michael S. Daudt, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LOS ALAMITOS)

I, Windmera Quintanar, MMC, City Clerk of the City of Los Alamitos, California, do hereby certify that the foregoing resolution was adopted at a regular meeting of the City Council held on the 24th day of March, 2025, by the following vote to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

Windmera Quintanar, MMC, City Clerk



CITY OF
Los Alamitos
California



2025 LEGISLATIVE PLATFORM

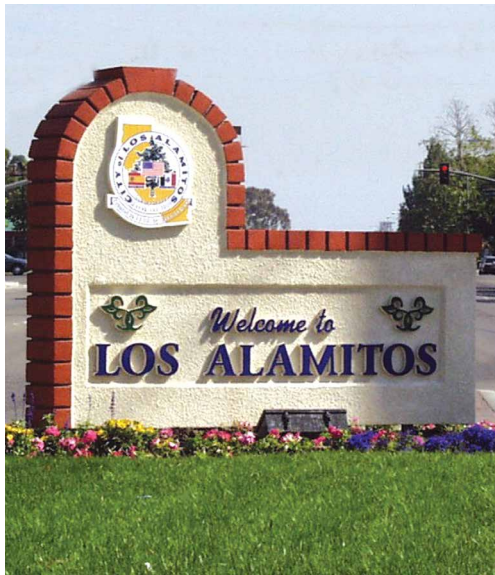




2025-2026

LEGISLATIVE PLATFORM

Citywide Vision



Los Alamitos is an attractive, dynamic, and modern city renowned for its world-class schools, parks, and recreation facilities, as well as the nationally-recognized UCI Health - Los Alamitos.

The City is comprised of well-maintained neighborhoods that enjoy strong identities, generate civic pride, and collectively offer wide range of places to live.

Los Alamitos hosts a town center that defines the popular image of the City and offers multiple places for the residents, workers, and students of Los Alamitos to meet friends, stroll, enjoy great food, and shop.

The City is home to successful businesses that provide the City with a diversity of tax revenue and fiscal support, helping ensure Los Alamitos is economically viable and sustainable.

Los Alamitos maintains a system of streets and trails that are safe for everyone and every form of transportation, be they children, families, workers, or customers who walk, bike, ride transit, or drive.

In order to sustain this high quality of life, the City must maintain a robust advocacy program to support its priorities, objectives, and goals.

This Legislative Platform confirms the City Council's position on current issues with the potential to directly or indirectly impact the City, thereby establishing guidelines to actively pursue pending legislation through monitoring and communications activities. The following are the guiding principles and policy statements that will allow City staff to address 2025 legislative and regulatory issues in a timely manner, without precluding the consideration of additional legislative and budget issues that may arise during the legislative session. This Legislative Platform is to be updated every two years, in conjunction with the two-year legislative cycle.



2025-2026

LEGISLATIVE PLATFORM

Mission, Vision and Values

The fundamental components of the City's Legislative Platform are based on the following mission, vision, values, strategic priorities, and goals.

Our Mission

Los Alamitos' mission is to deliver exceptional City services that foster quality of life for residents, economic vitality for businesses, and public safety.



Our Vision

To ensure Los Alamitos' small town ambiance, high quality of life, and economic vitality are maintained and strengthened.



Our Values

- Service to the Community
- Integrity
- Fiscal Responsibility
- Teamwork
- Transparency
- Strong Community Involvement
- Visionary



PRIORITIES AND GOALS:

Fiscal and Organizational Sustainability

Maintaining an adaptive City government focused on effective governance, local control, workforce development, and strong fiscal policies.

Public Safety & Healthy Community

Sustaining a safe and thriving City with low crime, high community standards for health and wellness, and the protection of City assets.

Economic Development & Financial Strength

Encourage development, proactively plan for growth, and engage the business community to further transform the City into an economic hub and regional destination.



Infrastructure

Plan, fund, build and maintain reliable and cost-effective infrastructure to best address the unique needs of the City.

Community Engagement & Strong Regional Partnerships

Supporting innovative programs and services that promote quality of life and fostering partnerships with policy makers and stakeholders in order to advance City priorities.



2025-2026

LEGISLATIVE PLATFORM

About this Legislative Platform

In order to continue improving the local quality of life while contributing to the greater goals of the region, the City of Los Alamitos will advocate for policy priorities and funding opportunities outlined in this Legislative Platform. This Legislative Platform, adopted by the Los Alamitos City Council, will establish the City's position on matters of priority and importance to the City. The Platform is designed to be flexible and nimble, allowing staff to proactively and immediately engage, advocate and influence the Legislature where possible and as necessary at all levels of government. By adopting this Platform, staff will actively collaborate with Federal, State, Regional and local elected officials and their respective staff, partners, and stakeholders to implement the goals and deliverables outlined by the City Council. This platform supplements and aligns with existing City Council established goals and policies adopted in various documents such as the General Plan, and approved Resolutions. Given the ever-changing political atmosphere, the Legislative Platform shall be reviewed regularly and updated on a two-year basis in conjunction with the legislative cycle. The Legislative Platform shall be published and disseminated widely to promote transparency and awareness among the public.



GOALS OF THE LEGISLATIVE PLATFORM

Streamline the ability of City staff to act on legislation, policy, or funding opportunities that either impact or benefit the City.

Identify and support Federal, State and regional legislation, regulatory policies and funding programs that align with the Legislative Platform.

Identify and oppose, Federal, State and Regional proposals or policies that do not align with the Platform.

Authorize the City Manager and staff to prepare position letters and Resolution language that supports, opposes, or directs staff to work with the author on proposed legislation.

Authorize the City Manager and staff to actively and regularly brief and correspond with elected officials and their respective staff, regulatory partners and stakeholders to advance policy priorities and funding opportunities.

Authorize the City Manager and staff, with coordination with the City Council, to invite elected officials, regulatory partners and stakeholders to attend and participate in City community events and programming.

For emerging issues or situations not outlined in the Legislative Platform, City Staff will work with the City Council for further direction.



2025-2026

LEGISLATIVE PLATFORM

Representatives

LOS ALAMITOS CITY COUNCIL



Shelley Hasselbrink
Mayor



Tanya Doby
Mayor Pro Tem



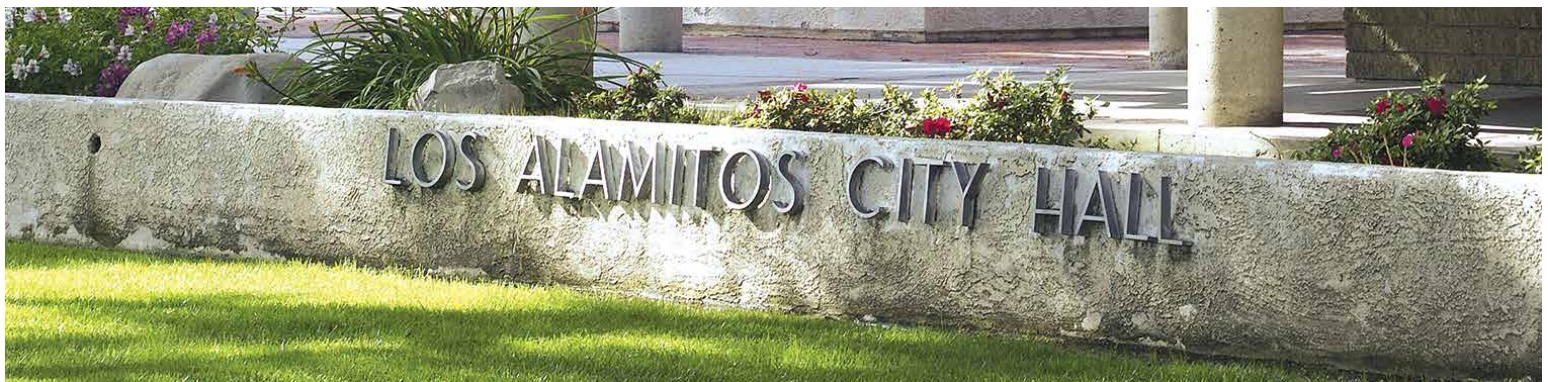
Emily Hibard
Council Member



Gary Loe
Council Member



Jordan Nefulda
Council Member



ELECTED REPRESENTATIVES



Tony Strickland
U.S. Senator
District 36



Tri Ta
Assemblymember
District 70



Derek Tran
Representative
District 45



Janet Nguyen
Orange County Board
Supervisor District 1





2025-2026

LEGISLATIVE PLATFORM

Federal and State Priorities



2025 FEDERAL PRIORITIES



Department of Energy Grant Funding – Seek Federal Funding for EV charging of residential personal vehicles and other E-mobility modes of transportation.



Regional Emergency Operations Center (EOC) - Establish a Regional EOC by collaborating with the Federal Government, the State of California, the County of Orange and the Los Alamitos Joint Forces Training Base to provide increased access to resources to the City and the region.



Transportation – Seek Federal funding for the City's clean fleet transition of light and heavy duty vehicles, and coordinate funding requests with corridor cities to submit Regional requests (\$1-3 million each) to Congressional representatives along the project corridor.



Secure Federal Infrastructure Improvement Funds – Remain competitive and proactive in securing Federal Infrastructure Investment and Jobs Act (IIJA) funding to improve bridges, roadways, transit services, water quality, civic assets, and broadband access in the City, and roads including Katella Avenue, Los Alamitos Blvd., Cerritos Avenue, Bloomfield Street, and Lexington Drive.



2025 STATE PRIORITIES



Pine Street Downtown Revitalization – Promote economic vitality by building strong support amongst elected officials, property owners, businesses, and Regional partners to establish joint vision, goals and further funding for the Pine Street Revitalization Project.



Parks and Recreation Master Plan – Secure funding or favorable policy outcomes to improve access to parks and open spaces. Proactively seek out funding opportunities and submit legislative language that specifically provides resources to expand and improve park space. Address Senior Services Master Plan infrastructure and services. Successfully secure the certification of Tree City USA.



Regional Emergency Operations Center (EOC) – Establish a Regional EOC by collaborating with the State Legislature, the County of Orange and the Los Alamitos Joint Forces Training Base to provide increased access to resources to the City and the region.



Elevate EV Charging - Partner with the State Legislature, the Governor's Office, utilities and manufacturers to establish EV charging options.



Transportation Services – Seek funding to establish robust shared door-to-door services to improve and increase safe mobility and increase community social connectivity.



Advance a Sustainable, Multi-Modal Future in the City's Main Corridors – Work with various State agencies to support and fund initiatives advancing sustainable, vibrant, and accessible corridors in the City, including safe routes to schools, safe E-bike mobility, and an Active Transportation Plan.



2025-2026

LEGISLATIVE PLATFORM

Los Alamitos Location

The City of Los Alamitos is located in the northwest section of Orange County, bordering on the Los Angeles County line. Situated at the junction of the 605, 405, and 22 Freeways, the City is easily accessible from all points and is ideally positioned in West Orange County, adjacent to the cities of Long Beach, Cypress, Seal Beach, and Garden Grove. Los Alamitos encompasses 4.3 square miles. Los Alamitos is built along two great corridors in Orange County, Katella Avenue (East-West Regional Arterial). Los Alamitos has a small town feel without the traffic and density and boasts a diversified economic base consisting of light industry, manufacturing, commercial businesses, and many restaurants.



Los Alamitos is also home to the Los Alamitos Joint Forces Training Base, the premier Joint Training Site in the National Guard which takes up roughly half of the land area within the City boundaries. With state-of-the-art infrastructure and subject matter experts to facilitate the units in achieving Readiness Metrics for their respective Commands.



REGIONAL PRIORITIES



Strengthen Local Transportation Circuits and Connections – Coordinate support and advocacy of the Los Alamitos Citywide EV Transportation Program with the intent of future connectivity to bordering communities such as Seal Beach, Rossmoor, and Cypress. Seek financial support from the Southern California Association of Governments (SCAG) and the Orange County Council of Governments (OCCOG).



Regional Emergency Operations Center (EOC) – The City will work with County of Orange and the Los Alamitos Joint Forces Training Base to introduce a secondary Emergency Operations Center for the County of Orange to monitor legislation that impacts design/construction of emergency buildings, fire vehicles, or 911 technology systems



Maintain Strong Public Safety Support Among the Three Communities – Maintain regular communication and coordination, and public safety support with cities of Los Alamitos, Seal Beach, and the Community of Rossmoor.



Elevate role as Regional partner and destination city – The City will continue to collaborate and seek out opportunities to partner with SCAG, County of Orange, transportation providers, governing boards, and stakeholders to elevate the Regional benefits of the City's citywide revitalization efforts.



LOCAL PRIORITIES

The City supports efforts that maintain local discretionary control over its governance issues, delivery of services, and its sphere of influence over County unincorporated land. This includes having flexibility to administer local funding and programs, as well as maintaining decision-making authority over local land use.



Strengthen Collaboration with Los Alamitos Joint Forces Training Base – Continue to foster the City's partnership and collaboration with the Los Alamitos Joint Forces Training Base, preserve and promote the City's role in future opportunities for joint-use civilian and public safety activities, and proactively address the Base's future needs.



Strengthen Collaboration with the Los Alamitos Unified School District – Continue to partner with LAUSD to improve educational aspirations and career pathways for local youth while also identifying opportunities to expand the availability of park facilities in the City.



Embrace Technology and Policy Solutions to Promote Public Safety – Incorporate technological solutions in addition to policies that can bolster public safety, reduce instances of disruptive events, and improve the quality of life of residents.



Support Businesses and Economic Development – Coordinate with local business leaders to ensure Los Alamitos remains an attractive place to do business while working together to implement the City's community wide corridor revitalization program.



Ensure Safe and Efficient Delivery of Water and Energy – The City is committed to offering its residents access to safe and clean water and affordable, sustainable and reliable energy programs.

The City supports the County's efforts to require the State or Federal government to fully reimburse the County for all costs related to mandated programs.

The City supports proposals that encourage utilizing technology and innovation to streamline City services.

**SUPPORT**

Advocating for Inclusive Public Safety Policies – Support policies intended to promote public safety that prioritize the well-being of all members of the community. Advocate for an inclusive approach to public safety that safeguards the rights and security of every resident.

Championing Equitable Public Safety Reforms – Strongly support equitable public safety reforms aimed at reducing liability to cities, enhancing public safety, and fostering stronger community relations with peace officers. Advocate for reforms that build trust between law enforcement and the community.

Promoting proposals intended to address retail theft and vandalism – Advocate for proposals that are intended to address retail theft, sale of stolen goods, and vandalism of businesses, catalytic converters through increased penalties and supervision for serial offenses or organized crime.

Promoting technology that improves the effectiveness and efficiency of public safety officers – Seek technology and funding that improves the efficiency of the City's Public Safety efforts.

Holistic Approach to Homelessness, Mental Health, and Drug Rehabilitation – Support tools and resources intended to address homelessness, mental health, and drug rehabilitation, working in partnership with public safety authorities. Advocate for a comprehensive and compassionate approach that addresses the root causes of these challenges.

Eliminating Access to Illegal Firearms – Advocate for laws intended to eliminate access to illegal firearms, contributing to the reduction of gun-related violence and promoting community safety.

Promoting Youth Intervention Programs – Promote efforts intended to support the importance of youth intervention programs. Advocate for proactive measures that address the underlying factors contributing to youth intervention and prioritize the well-being of young community members.

Addressing Various Public Safety Issues – Support access to resources that address issues such as graffiti, damage to public and private property, theft, domestic violence, human trafficking, and the sale of illegal controlled substances such as fentanyl. Prioritize comprehensive solutions that enhance community safety and well-being.

Local Regulation of Fines in School Zones – Advocate for the ability of local governments to regulate fines for traffic violations in school zones to protect youth. Prioritize measures that ensure the safety of children in school areas.

Bolstering Emergency Preparedness and Communication – Support activities that bolster emergency preparedness and the implementation of statewide-integrated public safety communications systems between local, State, and Federal law enforcement, fire, and emergency medical response. Advocate for coordinated efforts to enhance response capabilities and communication during emergencies. Support for the establishment for the Regional EOC.

- Support measures that reduce false or abusive use of 911 requests for services.

Wildfire Prevention & Suppression – Support increased State funding of CALFIRE, Contract Counties, cities, and other sources of funding for staffing and pre-positioning of resources during high threat periods (winds, drought, flooding).

- Support funding of aerial resources for both fire suppression and incident awareness and assessment.
- Support funding for fuel reduction to reduce fire ignitions and loss of life during wildfires.

Fireworks and Community Safety

- Support legislation and budget proposals that streamline enforcement, licensing, and disposal of fireworks or explosive material.
- Support legislation and funding for fire safety, drowning prevention, and child car seat safety programming.

**Arson**

- Support stronger penalties and efforts to prosecute arson crimes.

Disaster Recovery & UASI

- Support funding for Urban Area Security Initiative (UASI) and other Department of Homeland Security grants that address regional or national threats, emergency preparedness, and communication.

EMERGENCY MEDICAL SERVICES AND 911 SYSTEM**SUPPORT****Basic Life Support/Advanced Life Support & Transport**

- Support measures that increase Medi-CAL reimbursement to fire departments for ambulance transport and paramedic treatment.
- Support measures that increase County and City authority to exercise local oversight and administration of the EMS system, including the design of service areas and contracting for service.

OPPOSE

Limiting Law Enforcement Flexibility in Deployment – Oppose any proposals that present barriers or remove the ability for law enforcement to deploy less-than-lethal methods or tactics. Advocate for the preservation of a range of options that prioritize both safety and deescalation in law enforcement responses. Oppose any legislative efforts to remove tools and/or funding that improves the City's Public Safety efforts.

Increased Costs and Risks for Local Governments

– Actively oppose proposals or policies that would increase costs or transfer risks associated with law enforcement and public safety to local governments. Advocate for responsible allocation of resources and fair distribution of responsibilities to maintain the financial stability of the City.

External Mandates with Local Cost Implications

– Strongly oppose Federal/State/County mandates on infractions/violations/crimes that shift the responsibility and/or cost burden to the City. Advocate for policies that ensure responsible governance and protect local budgets from undue financial strain.

Challenges to Local Control Over Roadways and Traffic Flow

– Oppose proposals that would reduce or bypass local control of roadways and the flow of traffic on public right of way. Advocate for the preservation of local decision-making authority to ensure effective traffic management and community safety.

Withholding Illegal Firearm Information from Local Law Enforcement

– Strongly oppose policies that would prevent local law enforcement from being notified about known individuals prohibited from owning or possessing a firearm. Advocate for robust communication channels that support law enforcement efforts to ensure community safety.

Basic Life Support/Advanced Life Support & Transport – Oppose mandated training or services by local EMS agencies without funding or cost recovery mechanisms.

**SEEK FUNDING FOR**

- Public safety services, programs, and community safety measures as they often account for the largest share of General Fund expenditures.
- Emergency preparedness and training.
- Public health and social services intended to address homelessness outreach and prevention.
- Youth development/intervention programs.
- Public safety technology that protects communities from violence, nuisance events, and crime.
- Mental health service programs.
- The expansion of community watch programs.
- Training and development — opportunities and training programs to provide enhanced education, training, and certification programs to enhance employees' abilities in the ever-changing work environment.



SUPPORT

Equitable Distribution of Health Resources – Advocate for initiatives that address disparities and prioritize the health and safety of all community members.

Expanding Mental Health Access and Crisis Intervention Services – Strongly support policies and programs intended to significantly expand access to mental health counseling and crisis-intervention services for young members of the community. Advocate for comprehensive mental health resources that cater to the needs of the community and promote overall well-being.

Expanding Access to Social and Public Services – Support proposals intended to expand access to social and public services, particularly for seniors in isolation. Prioritize initiatives that provide crucial support and resources to those in need, fostering a more inclusive and compassionate community.

Improving Access to Local Food Programs – Advocate for efforts to expand access to local food programs. Support initiatives that promote nutritional well-being and reduce disparities in food access within the community.

Supporting Essential Distribution of Resources – Support programs aimed at efficiently distributing food, drinking water, and other necessities. Advocate for initiatives that ensure the basic needs of residents are met, promoting resilience and community well-being through Serve Los Angeles non-profit organizations.

Promoting Active Lifestyles and Health – Advocate for policies intended to actively promote lifestyles that reduce obesity and associated illnesses. Support community-wide efforts to encourage physical activity, healthy living, and the prevention of health-related issues.

Treating Drug Rehabilitation as a Public Health Priority – Advocate for policies that focus on regulating sober living facilities in neighborhoods. Support comprehensive approaches that prioritize rehabilitation, treatment, and support for those affected by substance abuse, contributing to a healthier and safer community. Sober Living Home: AB2081, Chapter 376, Section 11831.5 & AB2574, Chapter 410, Section 11833.05.



SEEK FUNDING FOR

- Community health and wellness programs and services focusing on seniors.
- Programs addressing veterans, drug rehabilitation, mental health services, and homelessness.



GOVERNANCE

SUPPORT

Championing Local Autonomy – Advocate strongly for the retention of local control, empowering cities to formulate policies that intricately cater to the unique needs of their communities. Uphold the belief that local governance fosters tailored solutions for the diverse and dynamic challenges faced by the City.

Securing Financial Backing for Local Governments – Prioritize the protection and expansion of funding eligibility for local governments, encompassing tax revenues, block grants, and formula-based funding allocations. Ensure financial support is robust to bolster the City's capacity to address local priorities.

Empowering Local Representation in Decision-Making Bodies – Actively pursue efforts to enhance and fortify local representation on Regional commissions, task forces, and governing boards. Strive for an inclusive decision-making process that accurately reflects the perspectives within the community.

Local Input in Water Resource and Energy Planning – Advocate for the ability of local governments to actively participate in and provide input on statewide water resource and energy utility planning decisions. Ensure that local voices play a crucial role in shaping policies that directly impact the City's sustainability and resource management.

Empowering Local Voices in Redistricting – Support amending redistricting lines to amplify local and sub-regional voices at County, State, and Federal levels. Work towards a representation framework that better reflects and addresses the distinct needs and aspirations of the City.

Fostering Civic Engagement for Strategic Development – Actively promote civic engagement among residents and businesses, encouraging participation and soliciting feedback for the ongoing development of strategic initiatives and programs. Ensure that the community remains actively involved in shaping the City's future.

Creating Supportive Work Environments – Champion policies that promote a positive work environment, emphasizing career advancement, development, and training opportunities for the City's workforce. Strive for an atmosphere that nurtures professional growth and employee well-being.

Continuing Financing to Finance Pension Obligations – Continue to pay down Pension Obligations and ensure fiscal responsibility and sustainability in meeting long-term financial commitments.

Open Government Policies – Support policies that uphold transparency by promoting open meetings, accessible public records, and clear communication to ensure residents have the information they need about City decisions and actions.

Advocating for Ethics and Accountability – Support initiatives that advocate for strong ethical standards and accountability measures to maintain public trust including promoting fair and transparent elections and ethical conduct among public officials.

Electoral Process Advocacy – Support election-related activities, voter education campaigns and programs, and measures that enhance the integrity of the electoral process.

Advancing Comprehensive Environmental Standards – Support policies intended to significantly improve and fund local air quality standards, reduce greenhouse gas emissions, mitigate pollutants, promote clean water delivery, expand climate resiliency, and advance zero emissions technology, all with robust local input. Advocate for holistic approaches that prioritize health and well being and community involvement.

Encouraging Sustainable Building Practices – Support proposals intended to actively advance the design and delivery of sustainable and cost-effective buildings, businesses, and manufacturing centers without additional burdens or delays. Advocate for sustainable practices that minimize ecological footprints and contribute to a more environmentally conscious community with local input.



Incentivizing Energy Efficiency Investments – Support programs that provide tax credits, grants, loans, and other financial incentives to assist residents, businesses, and local governments investing in energy-efficient equipment, technologies, and fuel-efficient, low to zero emissions vehicles. Advocate for economic incentives that drive responsible and sustainable energy practices.

Reasonable CEQA Reforms that Streamline Locally Supported Projects – Advocate for reforms of California Environmental Quality Act (CEQA) that can further streamline projects and infrastructure that has received local support and demonstrated minimal or mitigated impacts, especially for climate resiliency projects.

Supporting Clean Alternative Energy Adoption – Strongly support efforts intended to promote the use and purchase of clean alternative energy from renewable resources. Advocate for initiatives that accelerate the transition towards sustainable and renewable energy sources within the community.

Promoting Water Conservation and Climate- Resilient Landscapes – Support efforts to promote water conservation and climate-based landscape developments. Advocate for policies that enhance community resiliency.

Wildfire Mitigation and Resiliency

- Support the use of state and federal funds for wildfire mitigation, defensible space, and suppression efforts (i.e., California State Greenhouse Gas Reduction Funds, Federal Forestry, and other land management agencies).
- Support legislation to increase cost recovery responding to emergency incidents at institutional facilities that are exempt from contributing to local tax base.
- Support legislation to increase cost recovery responding to emergency incidents resulting from illegal activity.
- Support efforts to address vacancies and staffing concerns at the United States Forest Service (USFS) to ensure Federal partners can support State and Regional incidents.
- Support policy updates that reflect the Orange County Fire Authority's ability to operate the Quick Reaction Force program at night.

OPPOSE

Preemption of Local Control - Advocate for a robust defense of local autonomy and the preservation of community input in decisions that directly impact the City's development and well-being. Stand against interventions in matters of zoning, land use, transportation, facilities, development, utilities, and service delivery that exceed the requirements of National Environmental Protection Act (NEPA), CEQA, and analogous environmental protection and assessment statutes.

Diminishment of Local Governance Authority – Oppose legislation or policies seeking to diminish local control in matters such as taxation, revenue generation, roadway safety, contract services, and administration. Uphold the City's autonomy in decision-making to ensure responsiveness to local needs.

Unfunded Mandates – Strongly resist the expansion and introduction of new unfunded mandates on services and resources administered by the City. Advocate for fiscal responsibility and equitable allocation of resources to maintain the City's capacity to provide essential services.

Overstepping Local Input – Oppose efforts to bypass local input on bills and proposals that could significantly impact the City's ability to provide services, resources, and effective governance. Advocate for inclusive decision-making processes that consider the unique needs of the local community.

Balancing State Budgets at the Expense of Local Programs – Oppose efforts that would reduce or reallocate funds intended for local services and programs to balance State budgets. Advocate for the protection of funds earmarked for local initiatives, ensuring the City's financial stability.

Conflict with Local Ordinances – Vigilantly defend against measures that conflict with the City's ordinances regulating the sale and delivery of goods and services. Uphold the integrity of local regulations to protect the community's well-being and interests.



Efforts to bypass Local Representation in Governing Boards – Oppose State measures or initiatives that would limit the participation of local governments on air quality, water, natural resource, utility, energy, waste disposal, and similar governing boards. Advocate for robust local representation to address regional concerns.

Impacts to Worker Protections – Oppose policies that broaden definitions of injury under worker's compensation. Advocate for fair and clear definitions that ensure the protection and well-being of the City's workforce.

Additional Fiscal Liabilities – Oppose policies that mandate additional responsibility for providing fringe benefits to employees. Advocate for policies that balance employee welfare with the City's fiscal sustainability, ensuring a fair and sustainable benefit framework.

Limiting Government Policies – Oppose any efforts that reduces or eliminates civic participation opportunities.



SEEK FUNDING FOR

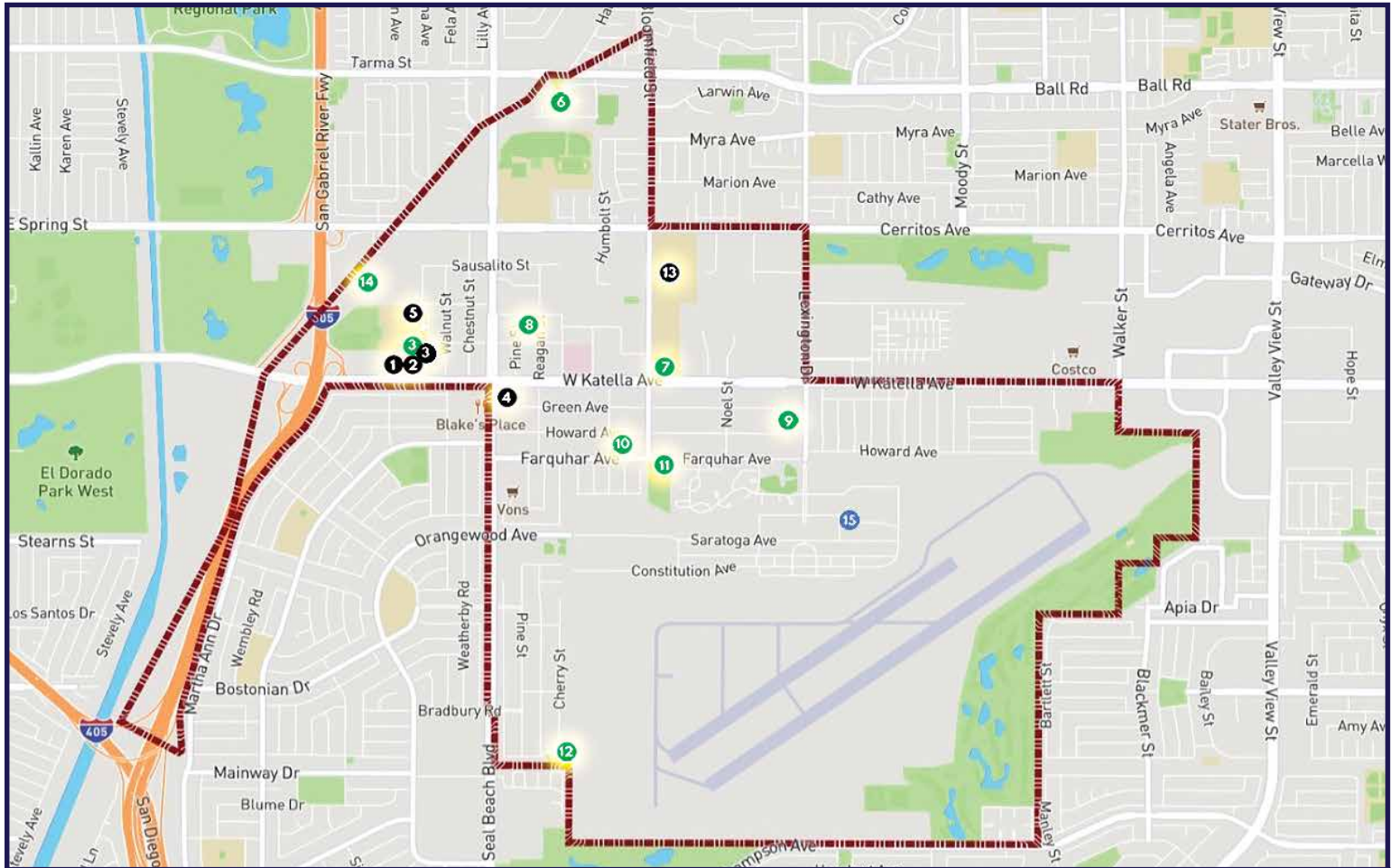
- The implementation of the City's Climate Action Plan.
- Transitioning City Fleet towards low-emissions fuels and zero emissions systems.
- Zero waste, recycling programs, organics recycling infrastructure and processing facilities.
- Distribution of clean energy generation equipment and storage for residents.
- Clean vehicle replacement and energy efficient appliance initiatives.
- Energy efficient upgrades at City facilities and equipment.
- Design and planning of EV Chargers.
- New and ongoing funding for climate-related plans, programs and projects.
- Community engagement initiatives, educational materials, and outreach programs to inform residents about local government process, services, elections, and opportunities for civic engagement.
- Implement robust cybersecurity measures to protect the City's sensitive and historical information.
- Public meeting technology and resources that enhance accessibility for public meetings, such as providing live streaming, closed captioning, or interpretation services.



2025-2026

LEGISLATIVE PLATFORM

Land Use and Financial Strength



FACILITIES AND PARKS:

- | | | |
|--|--|--|
| 1 City Hall
3191 Katella Avenue | 5 Oak Gymnasium and Field
10821 Oak Street | 11 Little Cottonwood Park
4000 Farquhar Avenue |
| 2 Police Department
3201 Katella Avenue | 6 Stansbury Park
3711 Toland Avenue | 12 Orville R. Lewis Jr. Park
3662 Kempton Drive |
| 3 Community Center
10911 Oak Street | 7 Laurel Park
10862 Bloomfield Avenue | 13 McAuliffe Field
4112 Cerritos Avenue |
| Building 2
10909 Oak Street | 8 Soroptimist Park
10822 Pine Street | 14 Coyote Creek Park
10821 Oak Street |
| 3 Roberts Park
10911 Oak Street | 9 Labourdette Park
4401 Howard Avenue | 15 MWR Aquatic Training Center at JFTB
11360 Valley Forge Ave. #44, Los Alamitos |
| 4 Los Alamitos Museum
11062 Los Alamitos Blvd. | 10 Sterns Park
3871 Farquhar Avenue | |





PARKS AND OPEN SPACES

SUPPORT

Park and Recreation Funding Prioritization – Advocate for legislation that prioritizes additional funding for cities for parks and recreation. Strive for a legislative framework that recognizes and addresses the importance of community parks and promoting equitable resource allocation.

Mitigate Park Loss – Proactively propose legislation that prioritizes and provides additional funding for cities enacting a Climate Action Plan. Emphasize the importance of proactive measures to mitigate the loss of local recreational spaces due to State or Federal housing requirements.

Innovative Funding Solutions – Advocate for favorable legislation and full funding eligibility to effectively leverage private, non-traditional funding sources, alternative financing options, and innovative project delivery methods. Empower the City to proactively advance the design and construction of City parks, greenspace, bike, and walking trails through sustainable funding mechanisms.

Funding for E-Bike Mobility – Champion legislative proposals that actively seek funding for electric vehicle mobility to broaden the definitions of bike trails to include micro electric vehicle mobility devices. Promote policies that align with evolving transportation trends, fostering inclusivity and sustainability in urban mobility.

Enriching Public Spaces – Actively support programs that not only provide additional consideration for funding but also actively integrate art, culture, and the rich historical elements of the City into public spaces. Enhance the vibrancy and character of public areas, making them reflective of the community's identity.

Sustainable Urban Greening and Watershed Programs – Advocate for comprehensive urban greening and watershed programs, promoting sustainability and environmental resilience, creating healthier and more livable urban environments.

Innovative Deployment of Urban Spaces – Champion proposals that facilitate the dynamic deployment of non-traditional park spaces, such as plazas and parklets. Encourage creativity and innovation in utilizing urban spaces to meet diverse recreational and community needs.

Expanding Per Capita Funds for Sustainable Maintenance – Advocate for the expansion of eligibility for Per Capita funds, specifically for the ongoing operations and maintenance of park facilities. Ensure a sustainable financial foundation to uphold the quality and accessibility of essential recreational spaces over the long term.



OPPOSE

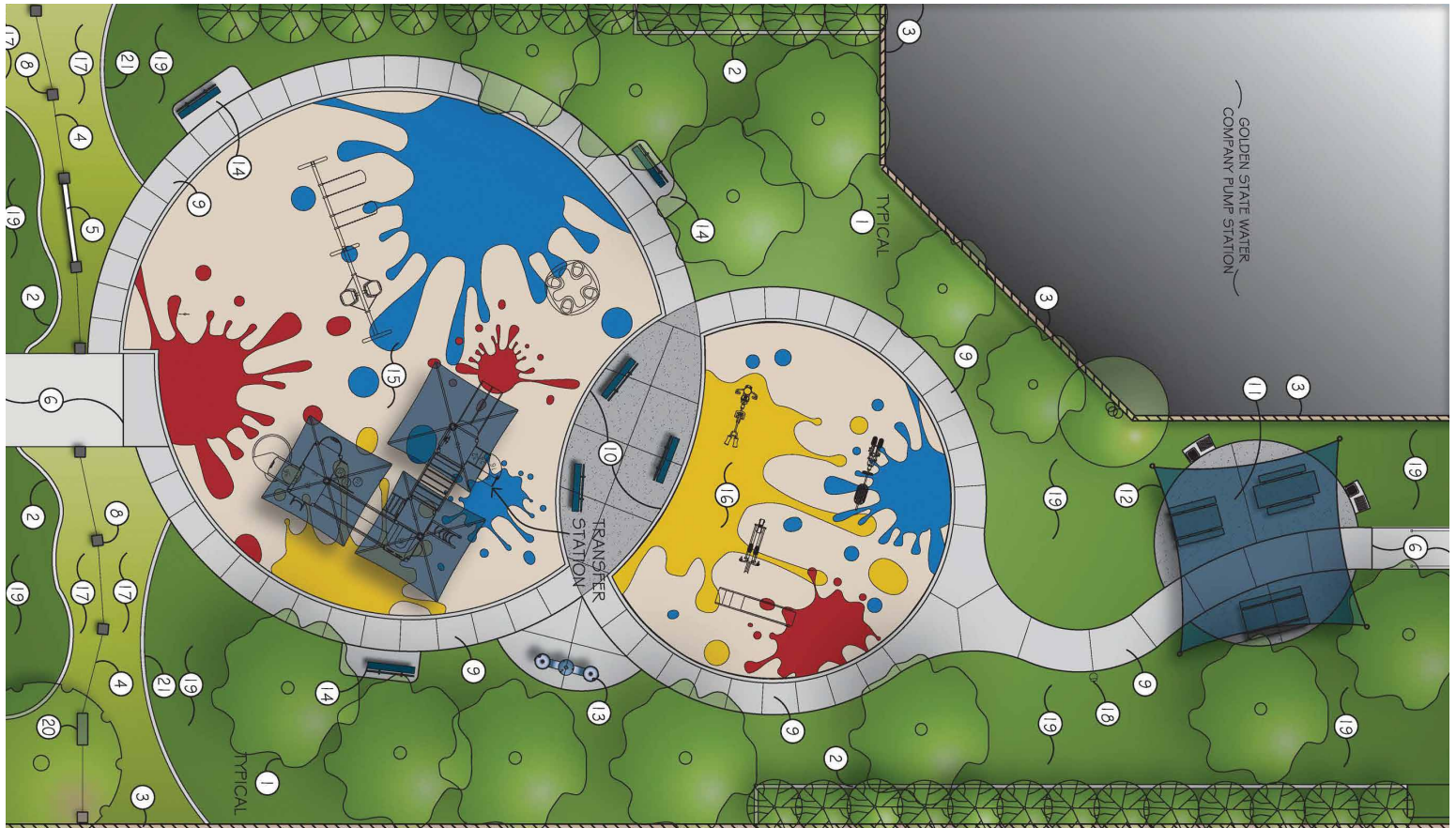
Loss of Vital Resources for Community Well-being – Oppose any attempts to reduce funding or restrict eligibility for local governments concerning resources designated for parks, urban greening, and open spaces. Uphold the City's commitment to preserving and enhancing these essential resources that contribute to the well-being and quality of life for residents.



2025-2026

LEGISLATIVE PLATFORM

Land Use and Financial Strength



SEEK FUNDING FOR

- The revitalization, maintenance, programming, operation and expansion of parks and open spaces and City recreational facilities as land becomes available.
- Shovel-ready projects that can be submitted as funding requests to expand or revitalize park space through Community Project Funding Requests within the Federal Appropriations process, the State Budget development process and through competitive grants at all levels of government.
- Urban greening, beautification and sustainable native landscaping projects through the Federal and State Grant Programs and through Department of Parks and Recreation.
- Urban Forest Promotion and Expansion.
- Wildfire, Resiliency, and Sustainability Initiatives.





SUPPORT

Strategic Corridor Revitalization Programs – Advocate for robust programs that not only streamline but also provide funding for the revitalization of key corridors such as Los Alamitos Blvd., Katella Ave., Cerritos Ave., and Bloomfield St. corridors. Emphasize the importance of preserving the City's character, identity, and culture while enhancing these vital urban spaces.

Innovative Funding Approaches for Corridor Revitalization – Champion favorable legislation that ensures full funding eligibility, allowing the City to leverage private, non-traditional funding sources, alternative financing options, and innovative project delivery methods. This approach is crucial for advancing the design and construction, and implementation of the Katella Ave., and Lexington Dr. Revitalization Project.

Financial Support for Development Initiatives – Advocate for funding and financing programs aimed at attracting new development. Prioritize resources that stimulate economic growth, job creation, and overall community advancement.

Promoting Clean Technology Industries and EV Charging Stations – Support efforts to attract, retain, and establish clean technology industries and manufacturing, including the establishment of EV Charging Stations and available alternative clean fuel options. Advocate for policies that position the City as a hub for innovation and sustainable technology.

Equitable Sales Tax Reform – Advocate for efforts encouraging sales tax reform to achieve a more equitable distribution of e-commerce and internet generated sales tax among cities. Prioritize destination based sales tax policies that ensure fair revenue distribution benefiting the local community. Potential AB98 Warehouse Bill Update.

Property Tax Reform for Critical Infrastructure – Advocate for property tax reform that allows cities to capture a greater share of property taxes to fund critical infrastructure, services, and economic development activities. Seek a fair and sustainable approach to resource allocation for the City's essential needs.

Expansion of Tax Increment and Special Tax Financing Districts – Support efforts to expand tax increment and special tax financing districts, facilitating County property tax sharing for economic development activities and community revitalization. Emphasize the importance of collaborative approaches to drive economic growth and improve community well-being.

Creative Planning for Growth – Advocate for efforts encouraging the development of underutilized space, promoting creative planning for growth and proactively seeking potential available land. Prioritize initiatives that optimize land use to support sustainable and inclusive community development.

Promoting Economic Opportunities through Public- Private Partnerships (P3) – Support P3s that assist the City in creating economic opportunities for its residents and business community. Emphasize collaborative approaches that leverage the strengths of both public and private sectors for mutual benefit and community advancement.

Support ongoing efforts of CPUC to establish a fee – Similar to PEG (Public Education Government) fees to wireless phone carriers.



**OPPOSE**

Unnecessary Hurdles for Small Businesses – Oppose any measures that introduce additional barriers of entry for small businesses. Advocate for a regulatory environment that actively supports and encourages the growth of small businesses, eliminating unnecessary obstacles to their success.

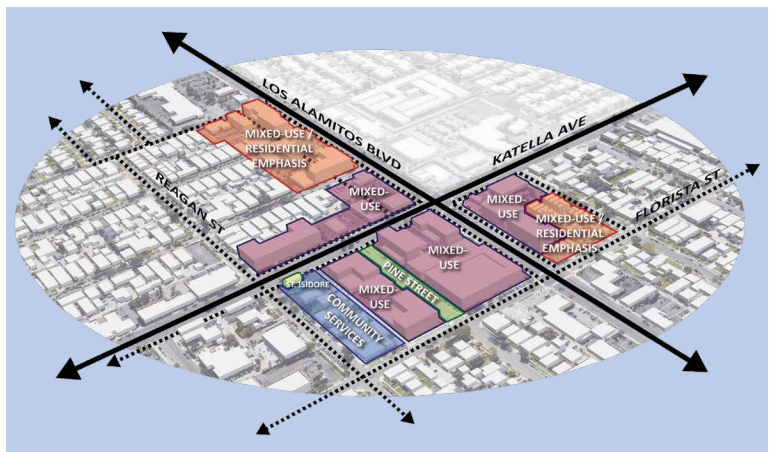
Challenges to Local Autonomy in Land Use Decision-Making – Strongly oppose State mandates, policies or legislation that attempt to preempt local land use authority and control. Defend the City's autonomy to make informed land use decisions that are reflective of the unique needs, character, and aspirations of the local community, especially when dealing with newly acquired land.

External Interference in Development Guidelines – Vigilantly oppose any legislation seeking to shift parking, zoning, or development guidelines away from local control. Advocate for the retention of local decision making authority to ensure that development aligns seamlessly with the City's vision and maintains the well-being of its residents.

Mandates impacting City Plans – Oppose proposals that would overstep local control and development of general plans, specific plans, transportation elements, and similar master planning documents.

**SEEK FUNDING FOR**

- The design and construction of the revitalization of Los Alamitos Blvd., Katella Ave., Cerritos Ave., Bloomfield St., and Lexington Dr.
- The design and construction of EV Charging Stations and available alternative clean fuel options.
- Development projects within proximity to other project sites to take advantage of economies of scale and revitalize corridors rather than individual sites.



**SUPPORT**

Comprehensive Financial Recovery Programs – Advocate for robust financial recovery programs aimed at supporting residents, small businesses, and individuals seeking employment opportunities. Prioritize initiatives that comprehensively address the diverse economic challenges faced by the community.

Holistic Workforce Development Initiatives – Champion workforce development initiatives, programs, and activities that go beyond conventional approaches. Support initiatives that not only create job opportunities but also actively promote the creation of a skilled workforce, incorporating residents and prioritizing support for the veteran community.

Strategic Partnerships for Clean Technology Workforce Development – Advocate for strategic partnerships with local trade and local educational institutions to implement cutting-edge clean technology workforce development, training, and apprenticeship programs. Emphasize collaboration to ensure that the local workforce is equipped with the skills needed in the evolving landscape of clean technology industries.

OPPOSE

Erosion of Workforce Development Programs – Oppose any proposals that seeks to limit, reduce, or eliminate critical workforce development programs, including but not limited to the Workforce Innovation and Opportunity Act, Sunburst Youth Academy and California Job Challenge. Advocate staunchly against any measures that undermine the vital initiatives designed to empower individuals, foster skill development, and create pathways to sustainable employment.

Expanding the Definition of Public Works – Oppose proposals that can expand the State definition of Public Works, therefore impacting the City's flexibility to contract and deliver services while significantly increasing the cost to deliver these services.

SEEK FUNDING FOR

- Ongoing support of Student Mentoring programs.
- Workforce Development Programs aimed to assist individuals improving their skills and career options, which may include training, education, and job placement programs.
- Establishing and maintaining local hire programs, including training for a skilled workforce specifically designed to meet the local business needs.

**HOUSING****SUPPORT**

Championing Innovative and Collaborative Housing Policies – Advocate for forward-thinking and collaborative policies that not only reduce the cost of housing but also stimulate mixed use & economic development. Support measures that foster innovation in housing solutions and encourage partnerships for sustainable and inclusive community development.

Maintaining Local Control for Effective Housing Governance – Support efforts that maintain local control, allowing flexibility in local housing governance to best address the specific needs of the community. Advocate for policies that empower the City to tailor housing solutions to the unique challenges and aspirations of its residents.

Urgent Relief through Rental Assistance Programs – Support programs and non-profits that swiftly provide emergency rental relief for both tenants and property owners. Prioritize measures that ensure the stability of housing for residents & property owners facing financial challenges, contributing to the overall well-being of the community.



SUPPORT

Holistic Solutions for Homelessness – Advocate for the continued support of non-profit temporary shelters for the unhoused and permanent supportive housing solutions tailored to the needs of adults and youth at risk of homelessness, with robust local input. Emphasize comprehensive strategies that address the root causes of homelessness and prioritize the dignity of those affected.

Promoting Mixed-Income Housing in Corridor Revitalization – Champion policies that actively advance the design and construction of mixed-income housing developments and transit-oriented developments within the City's corridor revitalization efforts. Prioritize initiatives that not only enhance housing options but also preserve the unique identity and culture of the City.

Support for Mixed-Income Housing and Residential Designations – Advocate for broad support for mixed income housing and designated residential areas. Emphasize the importance of diverse housing options that cater to different income levels, fostering inclusive and sustainable residential communities.

The City shall continue to work with the Housing Authority to promote low and very low housing and increase the number of households served as additional vouchers become available.

Preserve affordable housing units and increase assistance for affordable housing construction are ways in which the City can ensure current and future residents have the opportunity to obtain affordable housing and prevent displacement.

The City will encourage residents to participate in energy conservation incentive programs through the utility companies (Southern California Gas and Southern California Edison). To promote efficient use of energy resources, the City supports offering additional incentives and/or developing other strategies.

The City encourages housing provisions to meet the needs of those with additional needs, including, but not limited to, elderly households, persons with disabilities, including those with developmental disabilities, families with children, the homeless, and all other segments of the community.

To maximize the efficiency and effectiveness of existing and estimated future local resources, the City seeks partnerships with developers and applicable outside agencies to develop affordable housing, including public/private partnerships. The City shall evaluate the effectiveness of its current partnerships with developers and outside agencies. Based on its findings, the City will seek ways to expand and foster partnerships and increase cooperation in order to provide additional housing opportunities for lower-income households.

OPPOSE

Challenges to Local Land Use Control and Authority – Strongly oppose any efforts that seek to preempt or undermine local land use control and authority. Advocate vehemently for the preservation of the City's autonomy in making decisions that directly impact the development and character of the community.

Unfunded Mandates on Housing, Zoning, and Land Use – Oppose any imposition of unfunded mandates, particularly in matters of housing, zoning, land use, and pricing. Advocate for fair and equitable allocation of resources to support local initiatives without burdening the City with financial obligations it cannot bear.

Preserving Local Control in Parking Management – Actively resist policies and programs that aim to restrict local control in managing parking, especially in the context of housing, Transit-Oriented Developments, and mixed-use developments. Uphold the importance of local decision-making to ensure effective management aligned with the City's unique needs and priorities.

SEEK FUNDING FOR

- Emergency assistance to help secure housing for communities experiencing or at risk of being unhoused. Non-profit temporary housing programs with the partnerships of non-profits.
- The design and construction of mixed-use developments, mixed-income housing and complete streets as part of corridor revitalization projects.
- The implementation of Federal or State mandated programs that impact housing or zoning.
- Revitalization programs for residential housing.
- Rental Assistance Programs to provide rental assistance to qualified tenants in privately owned rental housing.
- First-time Home Ownership Programs to assist qualified first-time homebuyers.



TRANSPORTATION & INFRASTRUCTURE

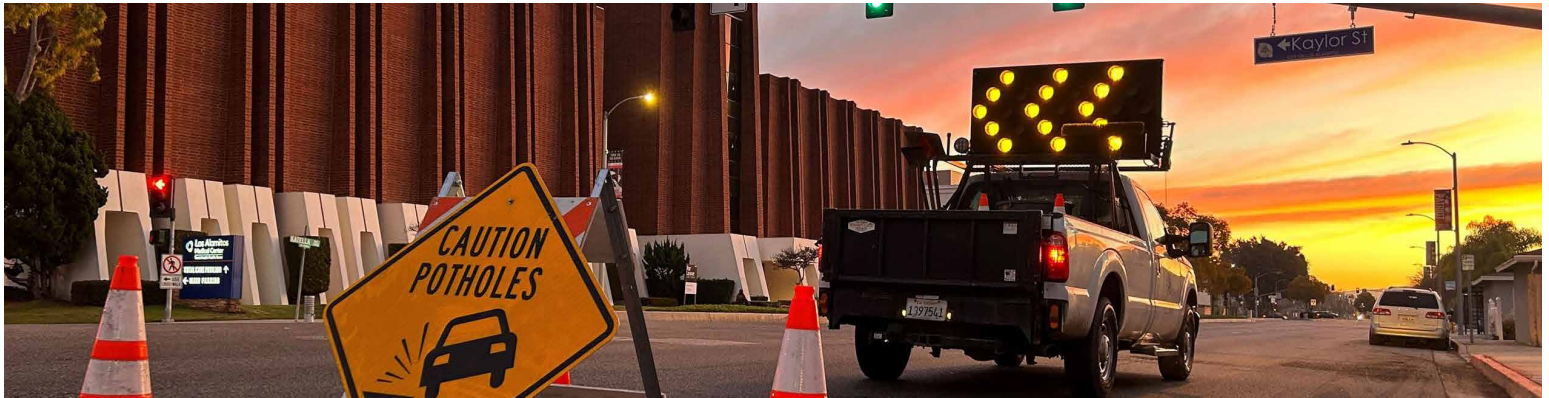
SUPPORT

Strategic Partnerships for Regional Infrastructure – Foster enduring partnerships with neighboring cities, regional agencies, and stakeholders to collaboratively present funding requests. Prioritize advancing vital infrastructure projects, such as the Los Alamitos Blvd., Katella Ave., Cerritos Ave., Bloomfield St., and Lexington Dr. project, for the overall benefit of the Region.

Holistic Approach to Mobility and Safety – Advocate for policies that holistically improve safety, mobility, and address overdue road and bridge enhancements. Encourage the adoption of measures that not only enhance transit services and reliability but also promote multi-modal, shared transportation, and active transportation options.

Expanding Funding Eligibility for Critical Infrastructure – Champion legislative proposals that expand the eligibility criteria for funding critical infrastructure and State-of-good-repair projects within the City. Seek inclusive language to ensure broader access to necessary funds.

Streamlined Design and Construction Processes – Initiate programs aimed at streamlining the design and construction phases of Complete Streets and Active Transportation Program. Emphasize the importance of efficient processes that contribute to the timely realization of essential projects and corridors.



OPPOSE

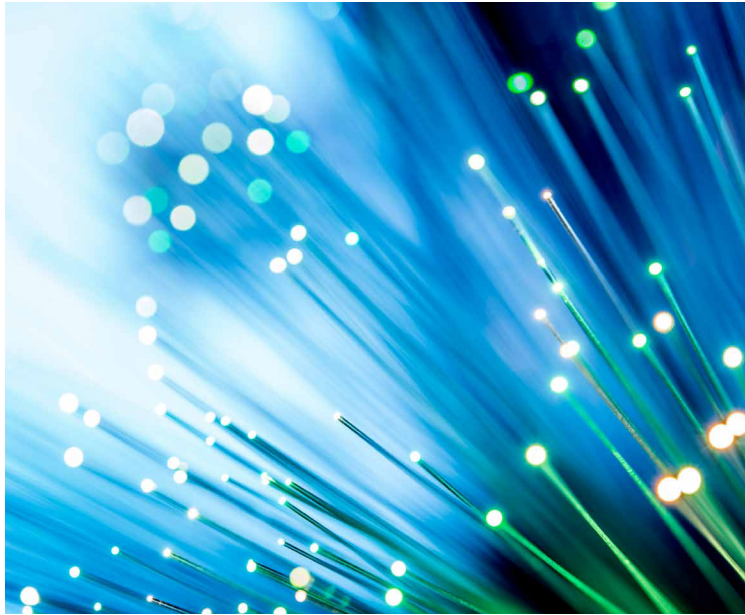
Oppose detrimental measures – Oppose policies that stand in direct conflict with the City's corridor revitalization and mobility enhancement projects and initiatives.

Leveraging Diverse Funding Sources – Pursue favorable legislation that allows full funding eligibility and facilitates the utilization of private, non-traditional funding sources, alternative financing options, and innovative project delivery methods. This approach will expedite infrastructure development within the City.

Coordinated Regional Transportation Integration – Actively coordinate with Federal, State, Regional, and local partners to explore transportation circuit integration which would connect the City to the larger Regional transportation network. Ensure that such efforts contribute to a seamless, efficient and well-integrated Regional transit system.

Closing the Digital Divide – Implement policies and programs geared towards accelerating broadband accessibility, with a prioritization of public places. Address the digital divide in underserved communities by ensuring reliable and affordable access to internet utilities and technology, thus fostering inclusivity and equal access to information.

Promoting Sustainable Transportation – Spearhead programs aimed at advancing alternative modes of transportation. Focus on addressing first/last mile connections and reducing vehicle miles traveled (VMTs).



SEEK FUNDING FOR

- Design of the Los Alamitos Blvd., Katella Ave., Cerritos Ave., Bloomfield St., Lexington Dr., and Pine Street Projects.
- The implementation of a Citywide EV Transportation Program and for an increase in Regional transportation network connections between Los Angeles and Orange County.
- Eligible projects under the Infrastructure Investment and Jobs Act (IIJA) grant programs and all other Federal sources of funding.
- Security, fiber optic, broadband and maintenance projects at City facilities.
- Unfunded projects identified in the City's Seven-Year Capital Improvement Plan (CIP).
- City water infrastructure project under IIJA (Infrastructure Investment Job Act) including but not limited to drinking water, wastewater, stormwater, and reclaimed water projects.
- The development of comprehensive roadway safety plans and implementation projects for Safe Routes to School and Complete Streets Program through the Federal Safe Streets and Roads for All (SS4A) Grant Program.
- The design and construction of complete street and active transportation projects such as the Bloomfield Active Transportation Project.
- Transportation projects that can be competitive for funding requests through the California Transportation Commissions, California State Transportation (CalSTA) Agency, Caltrans, and Orange County and all other sources of State and County funding.
- State of Good Repair projects on roadways and bridges to address damaged roads caused by freight and logistics and Distribution Center vehicles.
- Study, design and implementation of American with Disabilities Act (ADA) plans for accessibility upgrades to City owned assets, public right of way, facilities and parks.
- Planning, design, construction, and deployment of Electric Vehicle (EV) charging stations.





WATER, SEWER, STORM DRAIN & ENERGY

SUPPORT

Ensuring Clean and Safe Drinking Water – Support programs that streamline infrastructure projects dedicated to providing clean, safe drinking water. Commit to the well-being of residents by investing in initiatives that guarantee access to essential resources.

Enhancing Water Reliability and Security – Support proposals aimed at not only improving but also fortifying the reliability and security of water supplies and storage. Advocate for proactive measures that ensure the resilience of the City's water infrastructure.

Equitable Energy and Utility Policies for Low-Income Households – Support policies that prioritize and provide low-income households with reduced energy and utility rates, rebates, or subsidies. Emphasize the importance of equity in ensuring that all residents have access to essential services.

Valuing Recycled and Reused Water as a Resource – Advocate for policies that explicitly recognize recycled and reused water as a valuable resource. Promote sustainable practices that contribute to the conservation and efficient use of water in the community.

OPPOSE

Cost Pass-Through to Ratepayers – Oppose any measures that attempt to pass through costs of fines and penalties incurred by utility corporations directly to ratepayers. Advocate staunchly against any attempts to burden residents with the financial consequences of corporate misconduct, ensuring that accountability is appropriately placed.

Challenges to Municipal Autonomy in Rate Setting – Strongly oppose policies that aim to restrict the City from adjusting user rates or imposing any limitations on its rights toward rate setting. Assertively defend the City's autonomy in making informed decisions about user rates and related policies, safeguarding the ability to act in the best interests of the community.

Lowering the Cost of Water – Strongly support efforts aimed at lowering the cost of delivering water. Prioritize initiatives that streamline processes and technologies to ensure cost-effective and efficient water delivery systems.

Transparency and Fairness in Utility Charges – It is important for transparency and fairness to scale back ratepayers' costs, while simultaneously staying on track to achieve climate action goals. The prevention of new and increased charges and the development of a methodology that is transparent and developed through the public process is led by the Power Charge Indifference Adjustment (PCIA). We support fair and transparent utility charge structures that consider the interest and concerns of Los Alamitos.

Expanding Electrification Infrastructure Responsibly – Support programs intended to expand electrification infrastructure. Advocate for responsible and sustainable expansion, ensuring that electrification efforts align with resiliency goals and community needs.





SEEK FUNDING FOR

- Water Conservation Programs, including rebates, incentives, and regulations that encourage water-efficient behaviors and products.
- High priority storm water capital projects.
- Sewer Infrastructure Improvements.
- Water Infrastructure Improvement Projects.
- Dedicated operations and maintenance funding for City utility facilities.
- Low-Income household utility bill relief and outreach through community events.
- Energy delivery, storage, and electrification infrastructure and partnering with all utility partners.



PROGRAMMING & OUTREACH

SUPPORT

Empowering Multicultural Community Engagement – Support efforts to actively engage residents of the City through intentional and robust multicultural community programming. Advocate for initiatives that foster inclusivity, celebrate diversity, and strengthen the social fabric of the community.

Supporting Senior, Veteran, and Disabled Communities – Strongly support efforts to engage and provide community services for the senior population, veterans, and disabled communities within the City. Support implementation of the City's Senior Services Master Plan. Advocate for comprehensive programs that ensure the well-being, dignity, and inclusion of these valuable community members.

Support Development of the County of Orange Veterans Cemetery – Room for City collaboration with community partners to see the fruition & successful completion of the Orange Veterans Cemetery.

Developing Premier Athletic Recreation and Learning Opportunities – Support efforts to develop world-class athletic recreation, sports, and outdoor learning programming. Advocate for inclusive opportunities that enhance the quality of life, public health, athletic sports opportunities, and community enrichment outcomes for all residents of the City. Support planning, design, and implementation of the City's Park and Recreation Master Plan.

Integrating Art, Culture, Patriotism and History into Community Programming – Strongly support programs that actively integrate art, culture, patriotism, and the rich historical elements of the City into community programming. Advocate for initiatives that celebrate the unique identity of the community, fostering a sense of pride and connection among residents.

Increasing Citizen Engagement – Advocate for initiatives that foster citizen participation, such as multi-linguistic public forums and town hall meetings, and online platforms to involve the community in the decision-making processes and to increase transparency.

Senior Services Master Plan – The City continues to champion the five overall goals and objectives of California's Master Plan for Aging. As the state's over-50 population grows, the City believes it is imperative to implement effective strategies that provide a proactive approach to supporting older adults navigating complex systems of care. Continue support received for Senior Grocery Program.

SEEK FUNDING FOR

- The Senior Services Master Plan, and senior, veteran and disabled wellness programming and community services.
- The Park and Recreation Master Plan and expansion of open space, gathering space, and athletic sports facilities and services offered.
- Implementation of art, culture, patriotism and historic preservation programs.
- Educational opportunities for all residents within the City.





CITY OF LOS ALAMITOS

3191 Katella Avenue
Los Alamitos, CA 90720
(562) 431-3538

City of Los Alamitos

CITY COUNCIL AGENDA REPORT

MEETING DATE: March 24, 2025

ITEM NUMBER: 11E

To: Mayor Shelley Hasselbrink & Members of the City Council

Presented By: Ron Noda, Development Services Director

Subject: Request for Additional Appropriation of Funds for Labourdette Park Project (CIP 24/25-02)

SUMMARY

This item requests authorization to appropriate additional funds in the amount of \$650,000 for the Labourdette Park Project (CIP 24/25-02).

RECOMMENDATION

Appropriate an additional \$650,000 to the Labourdette Park Project (CIP 24/25-02) from the General Fund, which will result in a project total of \$1,350,000.

BACKGROUND

The Labourdette Park Project (CIP 24/25-02) was approved with an initial budget of \$700,000, funded by \$400,000 from the General Fund and \$300,000 from the Community Development Block Grant (CDBG). The project scope includes the design, construction, and purchase of playground and exercise equipment.

DISCUSSION

Following the initial project design and allocation, various underlying challenges have impacted the project. Chief among them is the park's underlying ownership. As the Council is aware, the City leases this property from Golden State Water (GSW). GSW's ownership has resulted in additional infrastructure needs, architectural design revisions, and increased construction management due to GSW's underground infrastructure. These challenges have been further complicated by additional regulatory processes and filings that are now required by the federal and state governments.

A schedule of the additional appropriations needed to complete the project is provided below. An appropriation of \$650,000 from the General Fund is being requested.

FISCAL IMPACT

This project is in need of additional appropriations. It is requested an appropriation of \$650,000 from the General Fund to fund this project. The breakdown of additional appropriations is below:

Marjani Builders, Inc. Contract

\$336,826

Construction Contingency (approximately 25%)	\$184,174
Construction Management and Inspection	\$110,000
Labor Compliance Management	\$19,000
Total	\$650,000

Attachment: None

City of Los Alamitos

CITY COUNCIL AGENDA REPORT

MEETING DATE: March 24, 2025

ITEM NUMBER: 11F

To: Mayor Shelley Hasselbrink & Members of the City Council

Presented By: Ron Noda, Development Services Director

Subject: Resolution No. 2025-07 - Caltrans Local Assistance Procedures Manual

SUMMARY

This item recommends adopting Caltrans Local Assistance Procedures Manual (LAPM) Chapter 10 Consultant Selection - Section 10.1: Federally Funded Architectural and Engineering (A&E) Contracts.

RECOMMENDATION

Adopt Resolution No. 2025-07, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ADOPTING CALTRANS LOCAL ASSISTANCE PROCEDURES MANUAL CHAPTER 10: CONSULTANT SELECTION."

BACKGROUND

Title 23 Code of Federal Regulations allows Caltrans Division of Local Assistance (DLA) to prescribe the policies and procedures for engineering and design related services, also known as Architectural and Engineering (A&E). While the Federal Highways Administration expectation is to achieve a 100% compliance rate with Caltrans procedures, past Local Agencies process review findings have shown a significant lack of, or incomplete A&E procurement policies and procedures. Non-compliance on this matter can result in a loss of funds and/or other sanctions.

DISCUSSION

The City is responsible for constructing transportation projects in its jurisdiction that are State and Federally funded. Due to limited staffing and expertise, certain services, including A&E services, are contracted out to qualified consulting firms. DLA's policies and procedures for A&E services reside in the Local Assistance Procedures Manual (LAPM) Chapter 10 Consultant Selection. The City accepts compliance responsibility when receiving Federal or State funds from DLA and by signing the 2009 Master Agreement for Federal-Aid Projects, the City can continue receiving Federal and State transportation funding. DLA requires local cities to adopt LAPM Chapter 10 policies and procedures for procuring, managing, and administering A&E consultant contracts for all Federal consultant contracts. The City's current policies and procedures are aligned with the LAPM, but to meet this requirement, the City must adopt a City Resolution showing that the City is adopting Caltran's LAPM Chapter 10. Failure to do so could result in non-compliance during a project audit. It may result in loss of funds and jeopardize future opportunities to receive federal and state funds.

FISCAL IMPACT

The City will follow the Caltrans Division of Local Assistance LAPM for A&E services on all federal and state-funded projects. Funding for capital improvement project A&E services is included in the project budgets, typically the Capital Improvement Project list that is reviewed and approved annually by the City Council.

Attachment: 1. Resolution 2025-07 - Caltrans Local Assistance Procedures Manual

RESOLUTION NO. 2025-07

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF LOS ALAMITOS, CALIFORNIA, ADOPTING
CALTRANS LOCAL ASSISTANCE PROCEDURES
MANUAL CHAPTER 10: CONSULTANT SELECTION**

WHEREAS, the City of Los Alamitos is responsible for constructing transportation projects that are state and federally funded; and

WHEREAS, in order to comply with the Federal regulations and due to limited staffing and expertise, certain services, including Architectural and Engineering (A&E), are contracted out to qualified firms; and

WHEREAS, the Federal regulations set forth standards for procuring and administering A&E contracts; and

WHEREAS, the provisions of the Brooks Act (40 United States Code, Section 1104) require local agencies to award federally funded engineering and design-related contracts, otherwise known as A&E contracts, on the basis of fair and open competitive negotiations, demonstrated competence, and professional qualifications (23 CFR 31.201-3); and

WHEREAS, pursuant to 23 CFR 172.5 (b), local agencies shall develop and sustain organizational capacity and provide the resources necessary for the procurement, management, and administration of engineering and design-related consultant services, reimbursed in whole or in part with Federal-Aid Highway Program funding as specified in 23 U.S.C. 106(g)(4)(A); and

WHEREAS, the provision 23 CFR 172.5 (b)(1) requires local agencies to adopt written policies and procedures for the procurement, management, and administration of engineering and design-related consultation services in accordance with applicable Federal and State laws and regulations; and

WHEREAS, the City of Los Alamitos has developed additional policies, dated March 24, 2025, to ensure avoidance of interested policies for compliance with Federal regulations on the procurement and administration of A&E contracts.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS DOES RESOLVE AS FOLLOWS:

SECTION 1. That the recitals set forth are true and correct and are incorporated herein as if set forth in full.

SECTION 2. The Local Assistance Procedures Manual (LAPM) Chapter 10, Consultant Selection, dated March 24, 2025, or as amended in future updates, is approved and adopted.

SECTION 3. The A&E services Administration and Procurement Policies developed by the City of Los Alamitos for State and Federal Funded Projects dated March 24, 2025, are approved and adopted.

SECTION 4. Authorizes the City Manager to approved amendments to the City's adopted A&E Services Administration and Procurement Policies in consultation with the Federal Highways Administration.

PASSED, APPROVED, AND ADOPTED this 24th day of March, 2025.

Shelley Hasselbrink, Mayor

ATTEST:

Windmera Quintanar, MMC, City Clerk

APPROVED AS TO FORM:

Michael S. Daudt, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LOS ALAMITOS)

Commented [MD1]: What local policies are being adopted?
The resolution title and staff report only mention adoption of the LAPM Chapter 10.
If there are local A&E policies being adopted, they should be included with the staff report and/or this resolution.

I, Windmera Quintanar, MMC, City Clerk, of the City of Los Alamitos, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 24th of March, 2025, by the following vote, to wit:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

Windmera Quintanar, MMC, City Clerk

City of Los Alamitos

CITY COUNCIL AGENDA REPORT

MEETING DATE: March 24, 2025

ITEM NUMBER: 11G

To: Mayor Shelley Hasselbrink & Members of the City Council

Presented By: Ron Noda, Development Services Director

Subject: Resolution No. 2025-08 - Standard Specifications and Engineering Standards for Construction

SUMMARY

This item recommends adopting the 2024 Standard Specifications for Public Works Construction, commonly known as the "Green Book," as the City's Public Works construction standards.

RECOMMENDATION

Approve Resolution No. 2025-08, entitled, "A RESOLUTION OF THE CITY COUNCIL OF LOS ALAMITOS, CALIFORNIA APPROVING STANDARD SPECIFICATIONS AND ENGINEERING STANDARDS FOR CONSTRUCTION."

BACKGROUND

The Standard Specifications for Public Works Construction was originally published in 1967 and is commonly known as the "Greenbook". The 2024 Edition is the 20th edition of the set of guidelines set by the State of California. The original edition took four years to compile, with the City and the County of Los Angeles as the major contributors to the effort. To date, more than 200 cities, counties and agencies have adopted the Greenbook as their standard for public works construction.

In January 1996, Public Works Standards, Inc., a mutual benefit corporation, was formed to oversee the updates and publication of the Greenbook every three years. The Corporation's Board of Directors comprises members of the American Public Works Association (APWA), Associated General Contractors of California, the Engineering Contractors Association, the Southern California Contractors Association and BNI Publications (publisher of the book).

DISCUSSION

The Greenbook is designed to aid in furthering uniformity of plans and specifications in public works construction as well as to promote more competitive bidding by private contractors. It provides specifications that have general applicability to public works projects. The Greenbook is comprised of nine sections: General Provisions, Construction Materials, Construction Methods, Existing Improvements, Pipeline System Rehabilitation, Temporary Traffic Control, Street Lighting and Traffic Signal Systems, Landscaping and Irrigation, and Asphalt Concrete Recycling. The City has been using the book as the City's public works construction standards for many years and staff is seeking to formally adopt the 2024 Greenbook standards. The

Standards will be the foundation for the City's Capital Improvement Projects plans and specifications going forward.

FISCAL IMPACT

None.

Attachment: 1. Resolution 2025-08 - Standard Specification and Engineering Standards for Construction

RESOLUTION NO. 2025-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, APPROVING STANDARD SPECIFICATIONS AND ENGINEERING STANDARDS FOR CONSTRUCTION

WHEREAS, the City of Los Alamitos Development Services Department and Public Works are responsible for maintaining Standard Specifications and Engineering Standards, establishing quality requirements and contract conditions for construction; and

WHEREAS, the Standard Specifications and Engineering Standards must be periodically updated to allow for construction practices and contract law changes.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS DOES RESOLVE AS FOLLOWS:

SECTION 1. That the recitals set forth are true and correct and are incorporated herein as if set forth in full.

SECTION 2. The 2024 Standard Specifications and Engineering Standards, copies of which are on file in Development Services, are hereby approved.

SECTION 3. Previous editions of the Standard Specifications and Engineering Standards are hereby superseded, and the 2024 Standard Specifications and Engineering Specifications approved herein shall be applicable to all projects advertised and approved following the approval of these standards, except as expressly provided below.

SECTION 4. The Director of Development Services is authorized to release for advertising the previous Standard Specifications, currently pending projects that are deemed by the Director of Development Services substantially complete with design at the time of this adoption. The City Council affirms its approval of the Standard Specifications as applicable to those projects.

PASSED, APPROVED, AND ADOPTED this 24th day of March, 2025.

Shelley Hasselbrink, Mayor

ATTEST:

Windmera Quintanar, MMC, City Clerk

APPROVED AS TO FORM:

Michael S. Daudt, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LOS ALAMITOS)

I, Windmera Quintanar, MMC, City Clerk, of the City of Los Alamitos, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 24th of March, 2025, by the following vote, to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

Clerk

Windmera Quintanar, MMC, City

City of Los Alamitos

CITY COUNCIL AGENDA REPORT

MEETING DATE: March 24, 2025

ITEM NUMBER: 11H

To: Mayor Shelley Hasselbrink & Members of the City Council

Presented By: Ron Noda, Development Services Director

Subject: Orange County Transit Authority Project V Extension

SUMMARY

The City of Los Alamitos is requesting an extension for the Orange County Transit Authority (OCTA) Project V - Community-Based Transit Circulator Program Project.

RECOMMENDATION

Authorize the City Manager to sign and submit a letter to the Orange County Transit Authority (OCTA) requesting an extension in the Project V - Community-Based Transit Circulator Project.

BACKGROUND

The Orange County Transportation Authority's (OCTA) Board of Directors approved Measure M2 funding for the City of Los Alamitos' Community-Based Transit Circulator Program for \$1,930,472 on September 12, 2024 through the Comprehensive Transportation Funding Programs (CTFP) Community-Based Transit/Circulators Program (Project V) 2024 call for projects. Project V is meant to fill in the gaps in those areas that have less frequent or limited service with funding targeted at supporting various types of needs for transit services, including special events, local circulators, commuter rail feeders, seasonal demands, demand-responsive, and shared-ride-hailing services that better suit local needs in areas not fully served by regional transit. The on-demand category refers to shared mobility solutions that typically respond to user-initiated requests for transportation, such as ride-hailing and micro-transit. On-demand services are eligible for up to \$296,000 annually (with annual escalation over the next six years) and require a 50 percent local match.

DISCUSSION

The tentative timeline for the project is outlined below:

- Present request for proposal (RFP) to the City Council for approval - April 2025
- Award RFP - June 2025
- Awarded Vendor begins onboarding, outreach, and mobilization - July to December 2025
- Launch of Community-Based Transit Circulator Program - January 2026

The request for an extension is required to document that the City is actively engaged in the

process of an RFP, therefore being eligible to receive the grant amount of \$1,930,472.

FISCAL IMPACT

None.

Attachment: 1. OCTA Extension Request



CITY OF
Los Alamitos
California

3191 Katella Avenue
Los Alamitos, CA 90720-5600
Telephone: (562) 431-3538
FAX: (562) 493-1255
www.cityoflosalamitos.org

March 17, 2025

Adriann Cardoso
Community Based Transit Circulators Program (Project V)
Orange County Transportation Authority
550 S Main Street
Orange, CA 92868

Dear Adriann Cardoso,

The City of Los Alamitos requests an extension for the Los Alamitos On-Demand Service Citywide EV Transportation Program. The Request for Proposal (RFP) for the project is scheduled to be presented at the April 28, 2025 City Council meeting with the anticipated awarding at the June 16, 2025 City Council meeting. After the RFP is awarded, the City will work with the vendor to process all documents needed to begin service. Please feel free to contact me at Csimmons@cityoflosalamitos.org if you have any questions.

Thank you,

Chet Simmons
City Manager

City of Los Alamitos

CITY COUNCIL AGENDA REPORT

MEETING DATE: March 24, 2025

ITEM NUMBER: 12A

To: Mayor Shelley Hasselbrink & Members of the City Council

**Presented By: Irving Montenegro Jr., Manager
Ron Noda, Development Services Director**

Subject: Resolution No. 2025-10 - Economic Development Strategic Plan (EDSP)

SUMMARY

The City of Los Alamitos Economic Development Strategic Plan is a five-year (2025-2030) plan with four core goals. Included in the plan are strategic priorities, several sub-priorities, and actions that support these goals, and they were developed through the collaboration of City Council members, city staff, and community stakeholders. A draft Economic Development Strategic Plan report is provided.

RECOMMENDATION

1. Receive the presentation of the Los Alamitos Economic Development Strategic Plan (EDSP); and,
2. Discuss the EDSP; and,
3. Provide comments and directions regarding any needed revisions to the EDSP; or,
4. If no revisions are required, adopt Resolution No. 2025-10, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS, CALIFORNIA, ADOPTING THE CITY OF LOS ALAMITOS ECONOMIC DEVELOPMENT STRATEGIC PLAN DATED MARCH 24, 2025".

BACKGROUND

Economic Development is vital as it helps communities grow, improves quality of life, creates jobs, enhances economic vitality, and promotes sustainable economic growth. The Development Services Department, along with Economic Development Consultant Jacob Green and Associates, have prepared a comprehensive Five-Year (2025-2030) Economic Development Strategic Plan (EDSP) for immediate implementation. During the course of this past year, Jacob Green and Associates conducted various discussions with key stakeholders in the City of Los Alamitos, including interviews with City Council, to gain critical insight into the needs of the community and vision for future economic interests. Additionally, Jacob Green and Associates produced community surveys at community events like Spring Carnival, conducted SWOT analysis and workshops during Good Morning, Los Alamitos, and contributed to broad discussion and planning with Community Partners and City Staff.

DISCUSSION

The City of Los Alamitos Five-Year (2025-2030) Economic Development Strategic Plan (EDSP) consists of a thoughtful yet digestible roadmap with attainable milestones and markers. The EDSP recognizes the need for a proactive and strategic approach to citywide economic development initiatives and objectives necessary for successful implementation. The process of developing the plan involved analyzing current conditions, identifying opportunities and strengths, and setting goals for the future. At the core of the EDSP are four overarching goals supported by four strategic objectives and several specific sub-priorities and actions, all of which align well with current City standards and initiatives such as the Town Center Mixed Use Plan, General Plan, and Active Transportation Plan.

Economic Development Goals

1. Development styles and mixed uses that keep finances stable, supporting ongoing and improved public investment in the community's quality of life.
2. Local economy that stimulates jobs and promotes housing for Los Alamitos residents.
3. Creation of distinctive shopping and entertainment corridors and districts that attract consumer spending by residents, workers, and regional visitors.
4. An economic development mindset which is integrated throughout the City.

Strategic Objectives

1. Build on past successes and established strengths within the Los Alamitos Community.
2. Optimize Los Alamitos as a business-friendly environment.
3. Enhancement of the City's revenue base and exploration of innovative approaches to leverage private development investment in the community.
4. Constantly building towards the future for sustainable growth, resilience, and prosperity.

Sub-Priorities and Actions

1. Town Center Mixed-Use Strategic Plan (Pine Street District).
2. Existing improvements to the Civic Center Campus.
3. Business engagement and networking (Business Stakeholder Alliance)
4. Commitment to ongoing economic development programs, initiatives, and events.
5. Exploration of opportunity sites.

This plan is intended for collaborative use by City officials, staff, existing community stakeholders and potential economic development partners. It highlights the natural attractions of some of the City's pristine community landmarks, such as the Los Alamitos Unified School District, celebrating its reputation for an outstanding education system; its vast offering of multi-age Recreation and Community Services programs, events, and activities; the safety of the community provided by the Los Alamitos Police Department and its partners including Orange County Fire Authority (OCFA), and commitment to the community's healthcare needs through full-service acute care via UCI Health (Los Alamitos), which also serves as the City's largest employer.

FISCAL IMPACT

None. Funding requests for upcoming programs and initiatives will require the Council's feedback and approval through the City Council process.

- Attachment:
1. Resolution 2025-10 - Economic Development Strategic Plan (EDSP)
 2. Exhibit A-Los Alamitos Economic Development Strategic Plan

RESOLUTION NO. 2025-10

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF LOS ALAMITOS, CALIFORNIA, ADOPTING THE
CITY OF LOS ALAMITOS ECONOMIC DEVELOPMENT
STRATEGIC PLAN DATED MARCH 24, 2025**

WHEREAS, the City of Los Alamitos began formulating an Economic Development Strategic Plan (EDSP) with the goal of developing a framework for a proactive and strategic approach to citywide economic development initiatives and objectives; and

WHEREAS, the resulting EDSP will assist the Council in its deliberation regarding programs, infrastructure, initiatives, and planning related to economic development; and

WHEREAS, the adoption of the EDSP will also allow the City to pursue grants related to implementation of economic development related projects and initiatives; and

WHEREAS, the City Council received a presentation, considered and provided directions on the EDSP on March 24, 2025.

**NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF LOS
ALAMITOS DOES RESOLVE AS FOLLOWS:**

SECTION 1. That the recitals set forth are true and correct and are incorporated herein as if set forth in full.

SECTION 2. The City Council hereby adopts and approves the City of Los Alamitos Economic Development Strategic Plan (EDSP), which is attached hereto as Exhibit "A."

SECTION 3. The City Manager is authorized to apply for and submit applications for grant programs to support the implementation of the EDSP and is authorized to submit any supporting documentation and execute any amendments thereto, as may be required in furtherance of said grant applications.

PASSED, APPROVED, AND ADOPTED this 24th day of March, 2025.

Shelley Hasselbrink, Mayor

ATTEST:

Windmera Quintanar, MMC, City Clerk

APPROVED AS TO FORM:

Michael S. Daudt, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF LOS ALAMITOS)

I, Windmera Quintanar, MMC, City Clerk, of the City of Los Alamitos, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 24th of March, 2025, by the following vote, to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

Windmera Quintanar, MMC, City Clerk



Economic Development Strategic Plan 2025



TABLE OF CONTENTS

Message to Community	2
Acknowledgements	3
Executive Summary	4
Introduction	5
Vision and Goals	8
Strategic Planning Methodology	10
Strategic Objectives and Priorities	14
Ongoing Strategic Plan Management	25



Dear Los Alamitos Community,

It is with great excitement and anticipation that we present the Los Alamitos Five-Year Economic Development Strategic Plan. This project is the result of dedicated work, honest assessment, meaningful engagement, and a deep-rooted commitment to serving every member of our small but vibrant community. Los Alamitos is more than just a City - it is a destination where you can raise a family, start your career, develop lifelong friends, support locally owned shops, and get to know your neighbors. Los Alamitos celebrates its proud history through a variety of collaborative and city-run services and embraces its diverse population with an unrelenting spirit to provide the highest quality of life for all who call this city their home.

As stewards of this small town, our responsibility to set a thoughtful path forward is profound. This is not just about implementing projects and programs. It is about building trust, fostering collaboration, nurturing local partnerships, and ensuring that Los Alamitos retains its small-town charm while being recognized as a prime location for businesses, families, and individuals alike.

In developing this strategic plan, we listened carefully to our residents, business owners, stakeholders, and City employees. The result is a strategic roadmap that travels from the present to future destinations grounded in principles of modern community planning, listing our small town for future challenges and opportunities in an ever-changing local and regional economy. This blueprint provides a flexible yet actionable framework for economic growth while preserving what makes Los Alamitos special.

We extend our heartfelt gratitude to our entire community for your engagement, support, and partnership with the Development Services Department throughout this process. Together, we are shaping the future of Los Alamitos while preserving our small-town character, enhancing community pride, and showcasing our town as a welcoming place for businesses and investment.

As we embark on this exciting new journey ahead, your City Council invites you to remain engaged, hold us accountable, and see this plan come to fruition. This goes beyond just a Strategic Plan; it is a shared vision for ensuring that our small-town community thrives, one that celebrates business success, fosters prosperity, and continues to enhance the quality of life that makes Los Alamitos a truly special place to live, work, and play.

Respectfully,

Los Alamitos City Council



Shelley Hasselbrink
Mayor



Tanya Doby
Mayor Pro Tem



Emily Hibard
Councilmember



Gary Loe
Councilmember



Jordan Nefulda
Councilmember



This plan would not be possible if not for the contributions of our professional staff, elected leaders, City departments and community partners. It is truly an honor to serve our community.

Strategic Plan Committee

Chet Simmons - City Manager

Ron Noda - Deputy City Manager & Development Services Director

Irving Montenegro, Jr. - Development Services Manager

Elisha Boothe - Economic Development Supervisor

Gabriela Martinez - Development Services Department Secretary

The development of the Plan included extensive outreach efforts to obtain as much public input as possible. This information was utilized in the preparation of the SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis, which is contained in this Plan. The Plan Committee and consulting team met with many community partners and stakeholders, as well as hosted community events, listed as follows:

- Individual Interviews with Community Partners and Stakeholders - Week of March 3, 2024.
- Plan Presentation at "Good Morning, Los Alamitos" Event - March 26, 2024.
- Opportunity for Public Input at "Los Alamitos Spring Fair" - March 30, 2024.
- Community Partner/Stakeholder Survey - February 26, 2024 - April 8, 2024.



EXECUTIVE SUMMARY

The City of Los Alamitos City Council presents its 2024-2029 Economic Development Strategic Plan, a comprehensive and forward-looking economic and business development roadmap that will help shape the future of the community that we love and serve. In concert with the General Plan, this plan serves as a guiding document, outlining our goals and objectives, as well as the strategic priorities to achieve success over the next five years.

At the core of this Strategic Plan are 4 overarching goals, supported by 4 strategic objectives, 5 strategic priorities and several specific sub-priorities/actions. These goals encompass the City Council's commitment to trust, public engagement, quality of service, accountability, community growth, and business success. By implementing this plan, we aim to sharpen the focus of our economic development efforts and ensure growth and continuing success of our community.

Central to our strategic approach is the recognition of the importance of collaboration and inclusivity, as we actively engage with our business community stakeholders and community members to develop a plan that aligns with their needs and aspirations. By fostering a collaborative relationship between the City and the community, we aim to foster a spirit of partnership and thriving business environment for all.

This Strategic Plan serves as a measure of our commitment to transparency and accountability. It will guide our resource allocation and ensure that we are utilizing our capabilities and capacities efficiently and effectively. With this plan as our compass, we are confident in our ability to community a vision for private investors and businesses wishing to do business in the City of Los Alamitos.

In conclusion, the Los Alamitos Economic Development Strategic Plan 2024-2029 is a comprehensive guide for optimizing and acting on economic growth opportunities, starting now and continuing for the next five years. This plan is intended for collaborative use by City officials, staff, and existing community stakeholders, as well as potential economic development partners. The following Community Overview and discussion of the Community Vision and Economic Development Goals will provide a common base of understanding for current and future partners to grow the local economy and create a brighter future for Los Alamitos.



Purpose

The purpose of this plan is to establish a strategy for the City of Los Alamitos to facilitate and participate in economic development in the current five-year period from 2024 – 2029. This strategic plan will recommend specific actions for the City to identify and guide development interests, initiate partnerships, and incentivize property improvements to expand the tax base and enhance the quality of life in Los Alamitos.

Location and Setting

The City of Los Alamitos is in a very advantageous position for economic development in Southern California. Located on the western edge of Orange County, Los Alamitos is flanked by regional transportation corridors I-605 on its western boundary and I-405 just south of the City limit. The City is four square miles in area, and half of its land area is dedicated to the Joint Forces Training Base – Los Alamitos (JFTB-Los AI), which has a close relationship with the City. JFTB-Los AI hosts several annual community events and makes recreation facilities available to the public when not in use for military training. JFTB-Los AI is also a major employer in Los Alamitos, with 850 full-time employees, supporting approximately 6,000 National Guard and Reserve troops.

Population

The current full-time population of the City is approximately 11,500 and has remained quite stable at this level since 2000, as illustrated in the following table from the 2021 General Plan Housing Element.

Housing Element Table 2-2
Population Growth 2000–2021

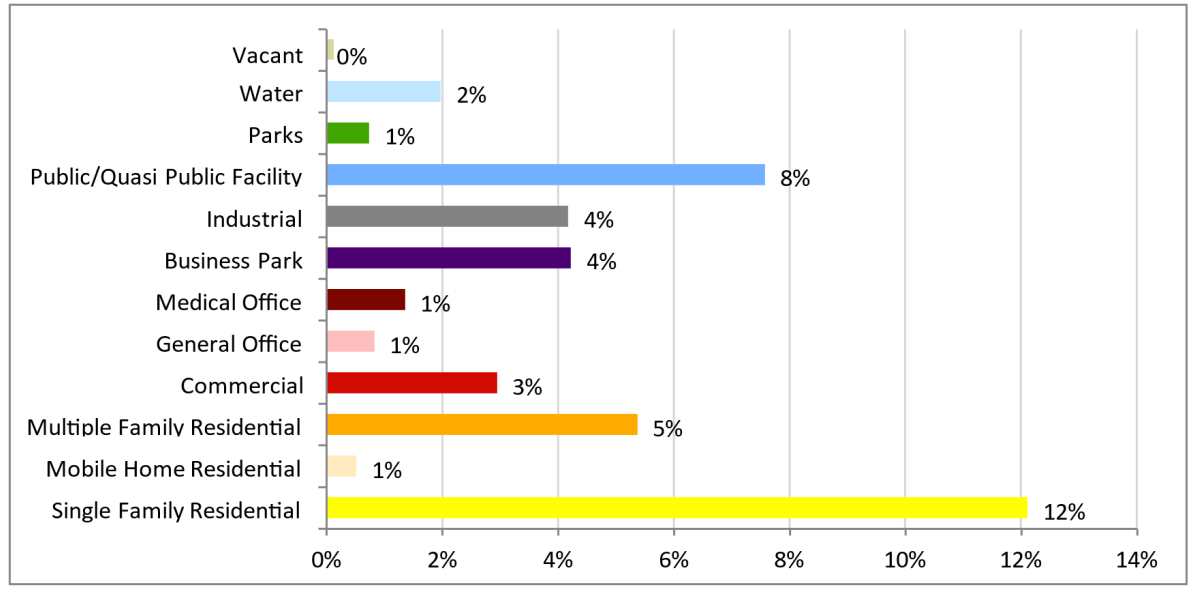
Jurisdiction	2000	2010	2021	2010-2021 Growth	
				Number	% change
City of Los Alamitos	11,536	11,449	11,538	89	1%
Orange County	2,846,289	3,010,232	3,153,764	143,532	5%

Source: US Census Table P1, 2000 and 2010, California Department of Finance E-5, 2021.

One reason for the long-time stability of the population is that Los Alamitos is a mature city, with virtually no vacant land available for new development. Very little growth in housing has been possible over the years because the City is essentially “built out”. The following table from the 2015 General Plan illustrates the mix of existing land uses at the time. Note that the land use areas are expressed as percentages rounded to whole numbers, and the totals don’t add up to 100% due to the exclusion of the JFTB-Los AI. Vacant land is represented in the table with a small amount less than 0.5% and therefore rounded to 0%.



General Plan Land Use Element Chart 1. Los Alamitos, Detailed Existing Land Use Breakdown by Acreage (without JFTB-Los AI)



Source: Los Alamitos 2035 General Plan

Education and Recreation Assets

The community of Los Alamitos is multi-generational, active, and invested in the community. Boasting outstanding education provided by the Los Alamitos Unified School District, the City attracts parents to live and work in the community to take advantage of the educational opportunities for their children. This significant demographic unit of families with children is a priority for the City, which offers an array of recreation services and family-oriented events.



Professional Service and Employment

The City is also home to UCI Health – Los Alamitos, a full-service acute care hospital, part of a health care network serving Orange and Los Angeles Counties. With over 1,000 employees, the medical center is the largest employer in the City, which acts as a magnet for professional and medical services. Retail businesses thrive on commercial corridors in Los Alamitos, and manufacturing and technical businesses also have a strong presence, as exemplified by Arrowhead Products, Mittera, and Epson America.



Community Pride and Support

Given its strategic location, its many community assets, programs, events and job-rich business sector, Los Alamitos is truly a great place to live, work and play. Residents and leaders of Los Alamitos are proud of the community, and the reminder to shop, eat, play, stay and support local businesses is prominent in the City.



Los Alamitos Vision For the Future

The Los Alamitos community is well-developed with safe, attractive neighborhoods, a diverse, job-rich business sector, and many community assets that make Los Alamitos a great place to live and do business. These conditions may be attributed in part to City leadership adopting and being guided by a clear vision for the future of the community. The current expression of this vision for the future is the Citywide Vision statement in the Los Alamitos 2035 General Plan. This Citywide Vision is comprised of several declarative statements about the ideal long-term future condition of the City in the horizon year of 2035. Each statement addresses a different element of community life, as follows:

Citywide Vision

Los Alamitos is an attractive, dynamic, and modern city renowned for its world-class schools, parks, and recreation facilities as well as a nationally-recognized medical center.

The City is comprised of well-maintained neighborhoods that enjoy strong identities, generate civic pride, and collectively offer wide range of places to live.

Los Alamitos hosts a town center that defines the popular image of the City and offers multiple places for the residents, workers, and students of Los Alamitos to meet friends, stroll, enjoy great food, and shop.

The City is home to successful businesses that provide the City with a diversity of tax revenue and fiscal support, helping ensure Los Alamitos is economically sustainable.

Los Alamitos maintains a system of streets and trails that are safe for everyone and every form of transportation - be they children, families, workers, or customers who walk, bike, ride transit, or drive.

Source: Los Alamitos 2035 General Plan

Economic Development Goals

The Los Alamitos 2035 General Plan contains an optional policy element to guide economic development. Like the Citywide Vision and all other elements of the General Plan, the Economic Development Element has a long-range planning horizon of 2035. There are four goals stated in the Economic Development Element:

Goal #1 - *Development patterns and a mix of uses that provide a fiscal balance sufficient to continue and increase public investment in the community's quality of life.*

Goal #2 - *A local economy that provides jobs for Los Alamitos residents and improves the region's balance of jobs and housing.*

Goal #3 - *Distinctive shopping and entertainment corridors and districts that attract consumer spending by residents, workers, and regional visitors.*

Goal #4 - *An economic development mindset integrated throughout the community and City Hall.*



Foundation for an Economic Development Strategy

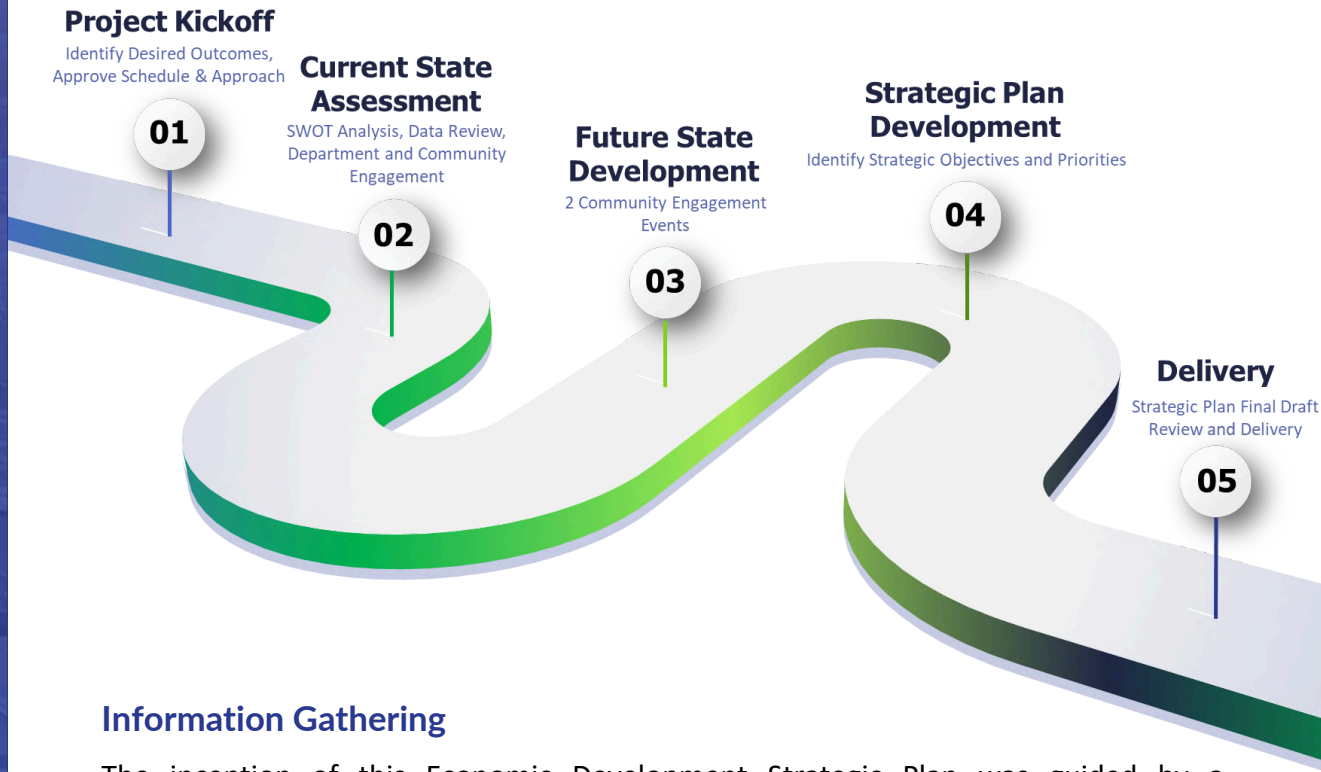
It could be argued that every aspect of the Citywide Vision depends on successful economic development. However, this Economic Development Strategic Plan will focus on the vision of a vibrant town center and the vision of a successful business environment that provides economic sustainability.

To make The City's vision for the community more actionable, it is essential to translate broad goals into specific, achievable steps. This involves developing a clear and detailed strategic plan that outlines priorities, sets measurable objectives, and allocates resources effectively. Engaging with stakeholders and the community throughout the process ensures that the vision aligns with residents' needs and fosters broad support. Regular progress reviews, transparency, and adaptability are also crucial, allowing the City to stay on course and make necessary adjustments. By focusing on actionable strategies, the City can turn its vision into tangible outcomes that enhance the quality of life for its citizens.

The City Council and City staff understand that the entire "City Team" has a responsibility, both individually and collectively, to promote and market the City as a good place to do business. This mindset translates into good customer service for every resident, business and visitor to the City.



Project Life Cycle



Information Gathering

The inception of this Economic Development Strategic Plan was guided by a comprehensive process designed to leverage robust community engagement, City Council input, and insights from stakeholders in the local economy. Information was gathered utilizing best practices for engagement, including face-to-face interviews, anonymous surveys open to all residents, and community outreach events, including a stakeholder workshop held at a Good Morning Los Alamitos event. These inputs, along with extensive input from City staff and field observations were synthesized in a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis.



Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

Identifying and studying SWOT is an effective way to gain an understanding of existing conditions, as well as potential changes for better or worse. Analysis of existing conditions in this format helps frame the analysis in terms of strategic recommendations for next steps that will:

- **LEVERAGE STRENGTHS**
- **ADDRESS WEAKNESSES**
- **CAPITALIZE ON OPPORTUNITIES**
- **MITIGATE THREATS**

The information gathering phase of the SWOT analysis of this EDSP revealed several common themes and commonly held views about conditions influencing economic development in Los Alamitos. Following are some highlights:

Strengths

Los Alamitos is widely regarded as a tight-knit community with a small town “feel”. Excellent schools, several major local employers, stable and responsive city government and a wide array of community events make the City highly desirable as a place to live and raise a family. The City also has a good reputation for being business-friendly, especially in its efforts to support local small businesses with promotions like “Los Al Bucks” and the “Mayor’s Business Spotlight”.

Weaknesses

Typical weaknesses of mature cities in Southern California are notable in Los Alamitos. There isn’t much vacant land available for development. Along with the scarcity of vacant land, there is a lack of public gathering space and public parking in developed areas of the City. Major streets carry heavy traffic, and improvements are needed to enhance parking, walking and biking. Infrastructure throughout the City is aging, in need of maintenance, repair, and in some cases rebuilding. New housing development has slowed due to limited building sites, which keeps housing costs high. Commercial property maintenance and proactive improvements are lacking in some areas, which may be attributed to absentee property owners.

Opportunities

Residents and other stakeholders engaged in the SWOT analysis were quite optimistic about economic development opportunities in Los Alamitos. Even adverse conditions may be viewed as opportunities to change things for the better. For instance, the lack of vacant properties for development was identified as a weakness, but people see many opportunities for additional infill development or redevelopment on commercial corridors of the City. People also see room for improvement in engagement between the Chamber of Commerce and the Los Alamitos business community. This was identified as an opportunity to fund and grow business partnerships. With this community feedback in mind, this strategic plan will highlight specific opportunities for development, public improvements, public-private partnerships for economic development and actions to enhance economic conditions in the City. There are very few vacant properties in the City, but there are several sites identified in this plan that have potential for redevelopment or additional use. Public Private partnership opportunities exist for the City to work with property owners and developers to redevelop properties or add development to underutilized sites.



Threats

Los Alamitos is a small community where public safety, community services and quality of life are the highest priorities. However, compliance with state and federal laws and regulatory requirements takes a significant amount of time and resources. This threatens the pursuit of economic development. Homelessness is a regional threat to the quality of life in local communities. Participants in the SWOT analysis cited this growing problem as something that needs attention in many areas, including commercial properties suitable for economic development. Another threat identified in an interview was the potential loss of what makes Los Alamitos special in the pursuit of economic opportunities. This is tied to the general threat of competition from surrounding cities for economic development. The City needs to stand out by highlighting the community strengths as well as its development opportunities.

Strength-Building Recommendations

The recommendations presented in this EDSP are proposed to build on the City's strengths, work on or work around its weaknesses and take advantage of opportunities, all while guarding against potential threats to the City's economic success. In addition to the specific actions detailed in this plan as strategic priorities, the following general recommendations will be helpful in addressing economic development weaknesses and maximizing economic development opportunities. These practices are recommended to improve the competitive advantage of Los Alamitos in the areas of economic development and business retention:

1. Time business outreach visits to maximize benefits. If City actions will affect commercial properties, the Business Visitation Program staff should be informed, and plan their visits accordingly. Well-timed visits in addition to standard forms of notice are truly appreciated. Example situations:

- When Neighborhood Preservation is initiating action to gain compliance with maintenance standards.
- When a scheduled road improvement or a special event will impact access to the property.

2. Focus public improvements to leverage private investment. The need for public infrastructure improvement far exceeds available funding. Capital improvement programs (CIPs) identify many projects with a tentative schedule spanning several years. When adjustments to the CIP schedule can complement private development, the positive impacts of both public and private improvements are enhanced. Open communication and flexible timing are essential to this cooperation. Example situations:

- If a private development is responsible for some off-site improvements to an intersection slated for substantial improvements in the CIP, adjusting the CIP project schedule to coincide with the private development delivers a better development project and more complete intersection improvements.
- If a street pavement overlay project is scheduled for a block where a new development is about to break ground, delaying the pavement project until the development is completed will prevent damage to the new pavement by utility connections for the development project.



3. Offer flexible standards and procedures to incentivize exceptional infill development. One way to stand out to a developer among potential host cities is to show willingness to be flexible to achieve a mutually beneficial outcome. Infill development is often constrained by limited space to provide the desired development as well as required parking and landscape areas. With all development, time is essential. Examples of flexibility incentives:

- On existing developed sites, permit removal of low-value landscape area to replace with building space or additional parking and high-value trees.
- Approve off-site parking or shared parking agreements if pedestrian access is good and the economic benefit warrants the inconvenience.
- Streamline development review procedures for high-priority projects.





Strategic Objectives

Build on the Established Strengths of the Los Alamitos Community and Past Successes

Building on established strengths as a strategic objective involves leveraging the core competencies, assets, and capabilities that the City has already developed and refined. By focusing on areas where the City has proven success, we can optimize resources, enhance efficiency, and reduce risks associated with venturing into unfamiliar territories. This approach allows for the deepening of expertise, fostering innovation within known domains, and sustaining competitive advantages. Moreover, it will enable the City to maximize the value of its existing strengths, while also creating a solid foundation for exploring new opportunities and scaling future growth.

This Economic Development Strategic Plan (“EDSP”) does not envision a major change in Los Alamitos’ economic development direction. By building on our established strengths and celebrating past successes, the City will sharpen its focus and create a robust, dynamic, and inclusive economy that meets the needs of today and anticipates the opportunities of tomorrow.

Optimize Los Alamitos as a Business-Friendly Environment

A business-friendly environment is crucial for a city because it stimulates economic growth, attracts investment, and creates job opportunities for residents. By fostering conditions that support business development—such as streamlined regulations and robust infrastructure—a city can encourage the establishment and expansion of enterprises. This, in turn, enhances the local economy, increases the tax base, and improves public services. Additionally, a business-friendly environment can draw talent and innovation to the area, making the City more competitive and vibrant. Ultimately, this leads to a higher quality of life for citizens and contributes to the long-term sustainability and prosperity of the community.

The City’s objective is to enhance and build on Los Alamitos’ reputation as having a premier business-friendly environment, fostering economic growth and innovation by streamlining regulatory processes, enhancing infrastructure, and offering robust support services. The aim is to attract and retain diverse enterprises by providing a competitive and welcoming landscape that encourages investment, entrepreneurship, and sustainable development. The City’s local and small-town feel provides the opportunity for a more “hands-on” approach to engaging with the existing business community and inviting new business and development investment in the community. The “My City - My Los Al” marketing awareness program is an excellent example of this approach and sets the City apart from others.

Enhance the City’s Revenue Base and Explore Innovative Approaches to Leverage Private Development Investment in the Community

Los Alamitos is committed to strengthening its revenue base through strategic initiatives and innovative partnerships. The City aims to foster a robust economic environment by exploring and implementing creative approaches that leverage private development investment. By collaborating with private sector stakeholders, the City will drive sustainable growth, enhance public services, and ensure long-term financial stability for the community. Efforts will focus on attracting new businesses, supporting local enterprises, and optimizing land use to maximize revenue opportunities while maintaining the City’s unique character and quality of life. By way of the annual work plan and budgeting process, the City will prioritize financial resources for maximum benefit to the community.



Look Ahead, Plan, and Build for the Future

It is important for the City to look ahead and plan for the future to ensure sustainable growth, resilience, and the well-being of its residents. By anticipating challenges such as population fluctuations, environmental changes, and technological advancements, the City can develop strategies to address potential issues before they arise. Forward-looking planning enables the City to invest in infrastructure, services, and policies that will meet future needs, fostering a thriving, adaptable community. This proactive approach not only enhances the quality of life for current residents but also prepares the City to remain competitive and vibrant in the years to come.

Los Alamitos aims to foster a sustainable, inclusive, and innovative community that thrives on forward-thinking urban planning, resilient infrastructure, and equitable access to resources. By prioritizing environmental stewardship, economic vitality, and social well-being, the City envisions a future where all residents enjoy a high quality of life, diverse opportunities, and a vibrant, interconnected urban environment. This commitment guides all efforts to create a city that is not only prepared for the challenges of tomorrow but also poised to seize its opportunities, ensuring a dynamic and prosperous future for generations to come.

Strategic Priorities

Town Center Mixed Use Strategic Plan/Pine Street District

Building on the existing Town Center Mixed Use Plan and successes already established hosting community events and numerous activities on Pine Street, the City will focus on the following specific implementation actions/step(s):

- To incentivize private investment, the City will evaluate and update the Zoning Code and development standards as they apply to the Pine Street District to promote the widest range of possible land uses, consistent with the Town Center Strategic Plan.
- The City will implement a comprehensive hardscape improvement program for Pine Street, including paving enhancements, wayfinding and a banner program to specifically delineate the Pine Street District as a central gathering place and focus for the City.
- The City shall further evaluate and implement public improvements along Katella Avenue at/near the intersection with Pine Street, to emphasize the pedestrian/vehicular connection at this location and calm traffic along this section of Katella Avenue.
- The City will conduct a feasibility study to determine the potential for establishing a Business Improvement District (BID) for the Pine Street District. BIDs can be a source of funds that can enhance baseline services already provided by the City.
- To further attract business to the Pine Street District, the City will evaluate and establish programs to incentivize specific business investment, such as a restaurant equipment assistance program and/or a business façade improvement program.



Existing Civic Center Campus

The City is proceeding with specific projects in the Civic Center area to improve and/or make better use of existing facilities. The renovation of the existing Community Center is underway. Future projects include renovations and improvements to the existing City Hall complex. The City will focus on the following specific implementation actions/step(s):

- The City will continue to implement improvements to existing Civic Center facilities and embark on new projects as appropriate.
- As part of this effort, the City will consider moving some operations off-site and/or re-purposing existing facilities. All projects are focused on making best use of existing facilities and ensuring optimal service delivery as well as fostering a sense of pride in the community. A further purpose is to increase access and use by members of the public and modernize technology for the public to process registrations and permits.

Business Engagement and Networking

The City has a robust outreach and marketing program focused on communication with residents, businesses, and commercial property owners. It is a goal of the City to grow those efforts, with specific focus on business awareness, attraction, retention and marketing. The City will focus on the following specific implementation actions/step(s):

- To expand interaction and engagement with business, the City will grow its Monthly Business Visit program. City staff will visit approximately 5 – 10 businesses per month. Further, the City will seek to partner with the Chamber of Commerce to participate in this program, to assist in expanding the reach of the program and interact with as many businesses as possible.
- To further facilitate business engagement and connection in the community, the City will establish a Business Alliance Commission that will create a nexus for businesses to support one another and establish clear channels of communication. This Alliance will convene on a regular basis to discuss and promote all Los Alamitos businesses and recommend allocation of resources to assist businesses in Los Alamitos. In connection with this effort and to fund programming and related efforts, the City will evaluate current business license fees and implement modifications to these fees as appropriate.
- The City will explore new business assistance programs to add value, with particular focus on small business. Examples include targeted exterior façade and signage improvement programs, as well as educating/assisting businesses with access to business resources such as social media and attracting new employees.
- To increase awareness of the importance of business success in the community, the City will pursue growing the Mayor's Business Spotlight Program. This information will be shared via the City's social media platforms.
- The City will maintain all current business engagement and networking programs, all of which seek to connect with existing and new business and bring awareness to the priorities of the City Council with respect to business success in the community. These programs and initiatives are noted as follows:
 - Mayor's Business Spotlight - serves as a complimentary initiative aimed at highlighting the diverse array of local businesses within the City of Los Alamitos. Each month, a select business will be featured in an informal on camera interview with the Mayor sharing the business' history, unique service, and reasons for calling Los Alamitos as their home. Businesses may inquire for interest, otherwise the selection of businesses is based on the various Shop Local Campaign pillars: Eat, Shop, Play, Stay, and Support Local.

STRATEGIC OBJECTIVES AND PRIORITIES



- Business Visitation Program - Economic Development Personnel will conduct five to 10 business visits each month building rapport and trust through purposeful dialogue. Additionally, the visits will consist of evaluation of business concerns surrounding key elements such as safety, marketing, attraction, accessibility, and support.
- Good Morning/Evening, Los Alamitos - this annual business and community engagement affair invites residents, business owners, stakeholders, and partners to attend and learn about City projects, programs, and resources. Offered twice a year, this program increases interest through meaningful dialogue and information shared by City Personnel, including the City Manager.
- New Business Welcome Program - in partnership with the Chamber of Commerce and through the initial process of new businesses establishing their business license, the Economic Development team will meet and greet with new businesses in town providing them with a welcome packet which includes City swag, key service and resource information, City publications, and multiple references to common concerns.
- Parklet Series - in concert with the City's Town Center Mixed Use Plan and intent to revitalize and reimagine the future Downtown, Pine Street is the hub for community events, economic vitality, and high pedestrian traffic flow. Each spring and summer, a portion of Pine Street will be sectioned off with a parklet that invites patrons to convene, shop, and dine while events take place.
- Nites on Pine - in an effort to increase visibility and vibrancy on Pine Street, this lively street fair will feature live music, a free kid's zone, gourmet food trucks, and creative pop-up retail vendors. Scheduled monthly on the 3rd Saturday, all of Pine Street will be enclosed to provide an intimate and fun ambiance for those in attendance.
- Revive Façade Improvement Grant Program - this program is designed for brick and mortar storefronts and commercial establishments to invest in their property through improvements to their façade, address outdated repairs for their business, replace old structures and landscaping, and otherwise freshen the aesthetics for greater shopping experience and customer appeal.
- Pine StrEATS - the Economic Development Division partners with Recreation and Community Services Department in the Celebrate Los Al event each fall by providing a grant opportunity of up to \$5,000 for Los Alamitos based restaurants. This grant covers all costs related to event personnel and supplies, including marketing expenses aimed at promoting their business during the event. The goal is to encourage residents to try the selected food offerings from each participating business and highlight some of the hidden gems in the City.
- Discover Los Alamitos - in partnership with a City consultant who shines a light on the inspiring stories behind local businesses through engaging and meaningful social media content. Discover Los Alamitos will feature businesses across various sectors surrounding the Shop Local Campaign: eat, shop, play, stay, support local. This initiative is designed to connect residents and visitors with the heart of Los Alamitos, helping to uncover hidden gems while boosting economic growth and community engagement.
- Legacy Business Program - this program, conducted two times per year, recognizes and promotes the longevity of a Los Alamitos business that has been located in the City for 25 or more years.

Strategic Development Opportunity Sites

As part of this Economic Development Strategic Plan effort, the City will implement a special focus of attention on the following opportunity sites, which represent potential opportunities for either new development or re-positioning/expansion of existing development.

4411 Katella Avenue

4411 Katella Avenue currently is home to Arrowhead Products, a long-standing Los Alamitos-based business and a market leader in providing creative engineering solutions in the fields of aerospace engineering and rocket propulsion. The company employs approximately 600 people and is located at 4411 Katella Avenue. This approximately 28-acre site represents both mid and long-range opportunities for business expansion and/or infill development.

In the context of economic development and exploration of all potential opportunities for this important site, the City seeks to establish a regular and on-going dialogue with company representatives, to discuss options for business expansion, potential mixed use development, and infill residential development specifically at the northern portion of the site. It is the goal of the City that these discussions focus on outcomes with are mutually beneficial to the Company and the City. The following implementation/action step(s) will be pursued by the City in connection with this specific site:

- Engage Company Representatives: City staff will engage with company representatives to discuss the site area of interest, exchange ideas for approaches to addressing future development of the site, and agree upon a schedule for regular and on-going dialogue concerning the site.
- Conduct Assessment for Potential Site Development: City will propose that the parties conduct a development site assessment, summarizing site development potential, and what, if any, land use regulation changes might be necessary to achieve mutually identified goals for the site.
- Develop a Strategic Vision and Master Plan: The parties will create a detailed vision for the site, outlining the desired land use, density, and design principles. This should be guided by the City's and company's broader strategic objectives and incorporate sustainable development practices. A master plan should be developed to serve as a roadmap for the project.
- Identification of Disposition and Development Plan. The parties will mutually develop an approach to potential disposition and development of the site, to achieve mutually agreed-upon goals. This plan will reference the agreed-upon scope of development for the site, and will further identify the means by which the site might be developed, either by current ownership, or by way of the sale/lease to another entity.

4141 Katella Avenue

Currently the 1.32-acre site houses the Davita Center and is located at 4141 Katella Avenue. Current land use at the site is medical services. The City seeks to position this site for future in-line commercial/retail development, with the potential for a high-quality drive-thru restaurant use at the southeast corner of the site. The following implementation/action step(s) will be pursued by the City in connection with this specific site:

- The City will conduct an assessment of current land use regulations and development standards as they apply to the site and make recommendations for necessary amendments to facilitate the type and intensity of development for the site.





10862 Bloomfield Street

The City is in the very early stages of exploring the possibility of making this very well-located 9.275-acre site available for infill mixed-use or residential development. Should the site be made available for development, all park acreage lost would be replaced and enhanced at another location in the City. The City Council and staff are mindful of this very important community asset and will seek to obtain community input at critical junctures during this process. The following implementation/action step(s) will be pursued by the City in connection with this specific site:

- The City will form an ad-hoc stakeholder group that will meet on a regular basis to explore alternatives as they relate to the possible development of the park site and replacement of the park acreage at another location. The results of the ad-hoc committee's work will be presented to the City Council at a public forum.

Joint Forces Training Base

The City values its long-standing partnership with the command staff at the Joint Forces Training Base (JFTB-Los AI). The association between JFTB-Los AI and the City go hand-in-hand; as Southern California and the City of Los Alamitos have grown, the physical presence of the Base and its operations have been a hallmark of the history and story of the City.

Most importantly, the City seeks to expand the regular dialogue between the two entities. Existing partnerships, such as the joint-use agreement for City park space at Little Cottonwood Park and LAYB ballfields, and the use of JFTB-Los AI facilities for City and regional events have benefitted the local community in numerous ways. The City looks forward to exploring other partnership opportunities which can be of benefit to the City and to JFTB-Los AI operations. The following implementation/action step(s) will be pursued by the City in connection with this important community partnership:

- The City will take the lead to establish a regular schedule of meetings/consultations with command staff at JFTB-Los AI, to ensure that on-going communication and dialogue is in place, and to set the stage for enhancing partnership opportunities between the two entities.

5030 - 5090 Katella Avenue

Located at the southwest corner of Katella Avenue and Siboney Street, this 2.40-acre site is currently occupied by a mix of commercial and professional office uses. The site represents an important redevelopment opportunity given its adjacency to major commercial retail and restaurant uses on Katella Avenue in Los Alamitos and in the nearby City of Cypress. The City seeks to position this site for a potential new mixed use development. Consistent with this objective, the City will work to enhance dialogue with the property owner and/or representatives toward this end. The following implementation/action step(s) will be pursued by the City in connection with this specific site:

- The City will conduct an assessment of current land use regulations and development standards as they apply to the site and make recommendations for necessary amendments to facilitate the desired type and intensity of development for the site.

4411 KATELLA AVENUE

The City seeks to establish a regular and on-going dialogue with Arrowhead Products company representatives, to discuss options for business expansion, potential mixed use development, and infill residential development specifically at the northern portion of the site.



Area of potential future infill residential development.



4141 KATELLA AVENUE



The City seeks to position this site for future in-line commercial/retail development, with the potential for a high-quality drive-thru restaurant at the southeast corner of the site.

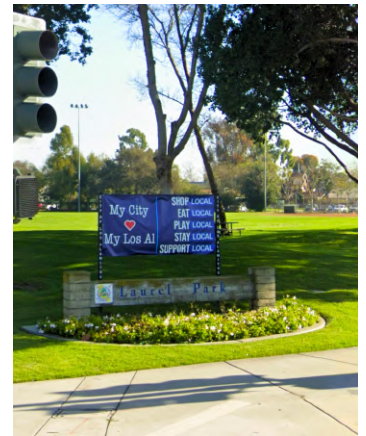




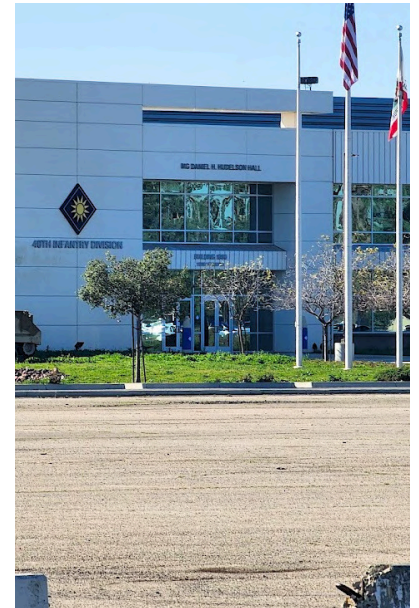
10862 BLOOMFIELD STREET



The City is in the very early stages of exploring the possibility of making this site available for infill mixed-use or residential development. Should the site be made available for future development, all park acreage lost would be replaced and enhanced at another location in the City.



JOINT FORCES TRAINING BASE



The City seeks to expand the regular dialogue between representatives of the two entities. Using the existing partnerships and joint-use agreements as a foundation, the City looks forward to exploring other partnership opportunities which can be of benefit both to the City and to Base operations.



5030 - 5090 KATELLA AVENUE



The City seeks to position this site for a potential new mixed-use development, should it be redeveloped at some point in the future.





Los Alamitos City Council



2025-2030 STRATEGIC PLAN

City of Los Alamitos

PREPARED BY



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CITY OF
Los Alamitos
California