

**CITY OF CITRUS HEIGHTS
CITY COUNCIL
Regular Meeting of Thursday, January 27, 2022
Regular Meeting 7:00 p.m.
NO PHYSICAL LOCATION FOR PUBLIC ATTENDANCE**

HOW TO PARTICIPATE:

The City of Citrus Heights welcomes your interest and involvement in the City's legislative process. If you would like to provide comments to the City Council, please use the Zoom hand raise function (or *9 if you join the webinar via telephone) and the host will unmute you when it is time to speak. Speakers will be limited to 3 minutes each. Alternatively, you may submit your comment via email to cityclerk@citrusheights.net or by completion of an online Speaker Card at <https://www.citrusheights.net/FormCenter/City-Council-Meetings-Speaker-Card-30>. Written public comments shall be limited to 250 words or less. Each comment will be read aloud by the City Clerk.

Regular Meeting 7:00 p.m. Zoom Meeting –Webinar link: <https://us02web.zoom.us/j/84864211542>

The City provides two ways to watch a City Council meeting.

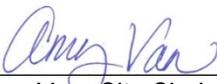
ONLINE	ON TELEVISION
 <p>Watch the livestream and replay past meetings on the City website. www.citrusheights.net</p>	 <p>Watch live and replays of meetings on Sac Metro Cable, Channel 14.</p>

PLEASE NOTE: In order to minimize the spread of the COVID-19 virus, this meeting is being held pursuant to Government Code Section 54953(e). Per the January 6, 2022 Sacramento County Public Health Order, all public meetings within Sacramento County must occur virtually until further notice. Please be advised that the Council Chambers are closed to the public and that some, or all, Council Members may attend City Council meetings telephonically or otherwise electronically.

The meeting will be held via webcast with **NO PHYSICAL LOCATION FOR PUBLIC ATTENDANCE.**

If you need a disability-related modification or accommodation, to participate in this meeting, please contact the City Clerk's Office 916-725-2448, cityclerk@citrusheights.net, or City Hall 6360 Fountain Square Drive at least 48 hours prior to the meeting. TDD: California Relay Service 7-1-1.

January 21, 2022



Amy Van, City Clerk

**REGULAR CITY COUNCIL MEETING
7:00 PM**

CALL REGULAR MEETING TO ORDER

1. Flag Salute
2. Roll Call: Council Members: Bruins, Daniels, Miller, Schaefer, Middleton
3. Video Statement

APPROVAL OF AGENDA

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

PUBLIC COMMENT

CONSENT CALENDAR

It is recommended that all consent items be acted on simultaneously unless separate discussion and/or action are requested by a Council Member.

4. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Regular Meeting of January 13, 2022
5. **SUBJECT:** Utility Locating and Marking Services - Professional Agreement
STAFF: R. Cave/ M. Poole
RECOMMENDATION: Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Interim City Manager to Execute a Professional Services Agreement with National Utility Locators, LLC, for Utility Locating and Marking Professional Services
6. **SUBJECT:** 2021 Greenback Lane Complete Streets Improvement Project Award of Contract – City PN 45-20-002
STAFF: R. Cave/ L. Blomquist/ H. Young
RECOMMENDATION: Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Interim City Manager to Execute an Agreement with McGuire and Hester for the 2021 Greenback Lane Complete Streets Improvements Project
7. **SUBJECT:** 2021 Greenback Lane Complete Streets Improvements Project Award of Construction Management, Inspection, and Materials Testing Services Agreement – City PN 45-20-002
STAFF: R. Cave/ L. Blomquist/ H. Young
RECOMMENDATION: Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Interim City Manager to Execute a Professional Services Agreement with Psomas to Provide Construction Management, Inspection, and Materials Testing Services for the 2021 Greenback Lane Complete Streets Improvements Project

8. **SUBJECT:** Adoption of Resolution Authorizing the Submittal of Applications for All CalRecycle Grant and Payment Programs for which the City is Eligible
STAFF: M. Poole
RECOMMENDATION: Adopt Resolution No. 2022-____, A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Submittal of Applications for All CalRecycle Grant and Payment Programs for Which the City is Eligible

PUBLIC HEARING

9. **SUBJECT:** Public Hearing Regarding Rate Increases by Republic Services for its Residential Garbage, Recycling, and Organic Waste Services in the City of Citrus Heights
STAFF: M. Poole
RECOMMENDATION: The following is recommended;
- a. Conduct a Public Hearing to receive public comment and accept written protests on the proposed residential solid waste rate increases; and
 - b. Adopt Resolution No. 2022 - ____, A Resolution of the City Council of the City of Citrus Heights, California, Affirming the Customer Rate Schedule Effective July 1, 2022 through December 31, 2027 as Set Forth in the 2021 Amended and Restated Residential Solid Waste and Recycling Collection Services Agreement with Allied Waste Services of North America, LLC

REGULAR CALENDAR

10. **SUBJECT:** Annual Comprehensive Financial Report
STAFF: B. Zenoni/ R. Prasad
RECOMMENDATION: City Council Accept and File the City of Citrus Heights Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021
11. **SUBJECT:** Approval of Economic Development Support Fund Grant Request by the Citrus Heights Chamber of Commerce
STAFF: M. Huber
RECOMMENDATION: Adopt Resolution No. 2022 - _____, A Resolution of the City Council of the City of Citrus Heights, California, Approving an \$14,848 Economic Development Grant for the Citrus Heights Chamber of Commerce from the Economic Development Support Fund – Part I
12. **SUBJECT:** Citrus Heights Small Business COVID Recovery Grant Program Approval
STAFF: C. Boyd/ B. Zenoni/ M. Huber
RECOMMENDATION: Adopt Resolution No. 2022 - _____, A Resolution of the City Council of the City of Citrus Heights, California, Establishing The Citrus Heights Small Business Covid Recovery Grant Program And Approving An Amendment To The Fiscal Year 2021-22 Budget

DEPARTMENT REPORTS

CITY MANAGER ITEMS

ITEMS REQUESTED BY COUNCIL MEMBERS/ FUTURE AGENDA ITEMS

ADJOURNMENT

CITY OF CITRUS HEIGHTS
CITY COUNCIL
MINUTES
Regular Meeting of Thursday, January 13, 2022
City Hall Council Chambers
Meeting Held Virtually

CALL REGULAR MEETING TO ORDER

The regular council meeting was called to order at 7:00 p.m. by Mayor Middleton.

1. The Flag Salute was led by Council Member Daniels.
2. Roll Call: Council Members present: Bruins, Daniels, Miller, Schaefer, Middleton
 Council Members absent: None
 Staff present: Boyd, Cave, Huber, Jones, Kempenaar, Reid, Turcotte, Van, and Zenoni.
3. The video statement was read by City Clerk Van.

APPROVAL OF AGENDA

ACTION: On a motion by Council Member Bruins, seconded by Vice Mayor Schaefer, the City Council approved the agenda.

AYES:	Bruins, Daniels, Miller, Schaefer, Middleton
NOES:	None
ABSENT:	None

PRESENTATIONS

4. Recognition of Outgoing Mayor

Mayor Middleton recognized outgoing Mayor Miller for his service as Mayor from December 10, 2020 – December 9, 2021.

Council Member Bruins shared her gratitude for Council Member Miller’s dedication and service.

Vice Mayor Schaefer also expressed his gratitude for Council Member Miller and his service while Mayor.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

Council Member Bruins provided an update from the Police Activities League and the upcoming corn hole event in partnership with the Chamber of Commerce.

Council Member Daniels shared his appreciation for the Citrus Heights Police Department and there assistance with homeless issues at a local shopping center.

Council Member Miller provided an update from the Regional Transit Board meeting. He also shared an update from the Finance Committee meeting, where they reviewed the Annual Comprehensive Report Audit with zero

corrections or comments. Council Member Miller also provided an update from the Sacramento Transportation Authority meeting.

Vice Mayor Schaefer attended the ribbon cutting for the new Raising Canes restaurant on Greenback Lane.

Mayor Middleton shared information regarding two upcoming COVID-19 vaccination clinics on January 26, 2022 and February 16, 2022 at the Citrus Heights Community Center.

PUBLIC COMMENT

None

CONSENT CALENDAR

5. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Special and Regular Meeting of December 9, 2021 the Special Meeting of December 17, 2021 the Special Meeting of December 18, 2021 and the Special Meeting of December 23, 2021

6. **SUBJECT:** Approve Resolution for Continued Remote Meetings in Accordance with AB 361
STAFF: A. Van/ R. Jones
RECOMMENDATION: Adopt Resolution No. 2022-001, A Resolution of the City Council of the City of Citrus Heights, California, Making the Legally Required Findings to Continue to Authorize the Conduct of Remote "Telephonic" Meetings During the State of Emergency

ACTION: On a motion by Vice Mayor Schaefer, seconded by Council Member Miller, the City Council adopted Consent Calendar Items 5 and 6.

AYES: Bruins, Daniels, Miller, Schaefer, Middleton
NOES: None
ABSENT: None

REGULAR CALENDAR

7. **SUBJECT:** Appointments to Regional Boards and Committees
STAFF: A. Van
RECOMMENDATION: The following is recommended;
 - a. Adopt Resolution No. 2022-002, A Resolution of the City Council of the City of Citrus Heights, California, Appointing a Citrus Heights Member to Serve as the Representative on the Sacramento Metropolitan Air Quality Management District (SMAQMD) Board of Directors, and Appointing a Member to Serve as the Alternate

 - b. Adopt Resolution No. 2022-003, A Resolution of the City Council of the City of Citrus Heights, California, Appointing a Citrus Heights Member to Serve as the Representative on the Sacramento Regional County Sanitation District (SRCSD) and Sacramento Area Sewer District (SASD) Boards of Directors, and Appointing a Member to Serve as the Alternate

- c. Adopt Resolution No. 2022 - 004, A Resolution of the City Council of the City of Citrus Heights, California, Appointing a Citrus Heights Member to Serve as the Representative on the Sacramento Transportation Authority (STA), and Appointing a Member to Serve as the Alternate
- d. Adopt Resolution No. 2022 - 005 A Resolution of the City Council of the City of Citrus Heights, California, Appointing a Citrus Heights Member to Serve as a Director to the Sacramento Area Council of Governments (SACOG) Board of Directors, and Appointing a Member to Serve as the Alternate

City Clerk Van presented the staff report.

Council comments and questions followed.

Council Member Miller made a motion to adopt Resolution No. 2022-002, A Resolution of the City Council of the City of Citrus Heights, California, Appointing a Citrus Heights Member (Vice Mayor Schaefer) to Serve as the Representative on the Sacramento Metropolitan Air Quality Management District (SMAQMD) Board of Directors, and Appointing a Member (Council Member Daniels) to Serve as the Alternate. Council Member Bruins seconded the motion.

Vice Mayor Schaefer made an alternate motion that he continue on the Library Board and Council Member Daniels continues to serve on the Air Quality Board. The alternate motion failed for a lack of a second.

ACTION: On an amended motion by Council Member Miller, seconded by Council Member Bruins, the City Council adopted Resolution No. 2022-002, A Resolution of the City Council of the City of Citrus Heights, California, Appointing a Citrus Heights Member (Council Member Daniels) to Serve as the Representative on the Sacramento Metropolitan Air Quality Management District (SMAQMD) Board of Directors, and Appointing a Member (Vice Mayor Schaefer) to Serve as the Alternate.

AYES: Bruins, Daniels, Miller, Schaefer, Middleton
 NOES: None
 ABSENT: None

ACTION: On a motion by Council Member Miller, seconded by Vice Mayor Schaefer, the City Council adopted Resolution No. 2022-003, A Resolution of the City Council of the City of Citrus Heights, California, Appointing a Citrus Heights Member to Serve as the Representative on the Sacramento Regional County Sanitation District (SRCSD) and Sacramento Area Sewer District (SASD) Boards of Directors, and Appointing a Member to Serve as the Alternate.

AYES: Bruins, Daniels, Miller, Schaefer, Middleton
 NOES: None
 ABSENT: None

ACTION: On a motion by Council Member Miller, seconded by Council Member Bruins, the City Council adopted Resolution No. 2022 - 004, A Resolution of the City Council of the City of Citrus Heights, California, Appointing a Citrus Heights Member to Serve as the Representative on the Sacramento Transportation Authority (STA), and Appointing a Member to Serve as the Alternate.

AYES: Bruins, Daniels, Miller, Schaefer, Middleton

NOES: None
 ABSENT: None

ACTION: On a motion by Council Member Miller, seconded by Council Member Bruins, the City Council adopted Resolution No. 2022 - 005 A Resolution of the City Council of the City of Citrus Heights, California, Appointing a Citrus Heights Member to Serve as a Director to the Sacramento Area Council of Governments (SACOG) Board of Directors, and Appointing a Member to Serve as the Alternate.

AYES: Bruins, Daniels, Miller, Schaefer, Middleton
 NOES: None
 ABSENT: None

8. **SUBJECT:** Approval of City Manager Employment Agreement

STAFF: R. Jones

RECOMMENDATION: Consider Giving Mayor Authority to enter into an Employment Agreement with a City Manager Candidate

City Attorney Jones provided Council with a review of the City Manager recruitment process. After the recruitment and interview process, Ashley Feeney has been selected as a top candidate for the position of City Manager. The proposed contract for employment includes a four-year contract with an annual salary of \$240,000, medical, dental, and vision insurance, an annual deferred compensation of \$7,500, a 5% salary match in a 401K plan, accrued leave at 160 hours per year, and the City's PERS contribution will be comparable to a PEPRA employee, which is 7.59%.

City Manager candidate, Ashley Feeney, addressed Council and expressed his gratitude for this opportunity. Feeney is a Fair Oaks resident and familiar with Citrus Heights. He has a background and skill set for economic development and community development.

Council comments followed.

ACTION: On a motion by Council Member Bruins, seconded by Council Member Daniels, the City Council gave Mayor Middleton the authority to enter into an Employment Agreement with a City Manager Candidate.

AYES: Bruins, Daniels, Miller, Schaefer, Middleton
 NOES: None
 ABSENT: None

DEPARTMENT REPORTS

20. **SUBJECT:** American Rescue Plan Act Funding Update

DEPARTMENT: Administrative Services Department

Economic Development and Communications Manager Huber provided an update on the American Rescue Plan Act funding guidelines. Initially, staff were prepared to present the COVID-19 Small Business Recovery Grant program guidelines, but given the updated eligibility of funds the program is temporarily on hold.

Interim Administrative Services Director Zenoni shared the latest guidelines that have been release by the federal government. These guidelines outline how the ARPA funding the City has received to date can be utilized. Key changes in the APRA guidelines include replacing lost public sector revenue and expanded eligible uses for capital expenditures and hiring above the pre-pandemic baseline.

Huber outlined the next steps for APRA funding which include options for moving forward with the Small Business Grant Program immediately or postponing until after a study session and determining funding allocation if moving forward immediately.

Council Member Bruins would like to conduct a study session in order to put together a sustainable program for Citrus Heights businesses. She would also like to immediately release \$300,000 in funding for the business community.

Council Member Daniels expressed his desire to move forward with the business grant program and not allocate any funding to City expenditures.

Council Member Miller agreed with Council Member Bruins and Vice Mayor Schaefer in allocating \$300,000 in grant funding immediately and holding a study session for additional funds.

Vice Mayor Schaefer shared his desire to conduct a study session in order to review funding possibilities. He also expressed his concern that these are one-time funds and utilizing funds for staffing could present future issues.

Mayor Middleton would like to make sure future funds are set up in a sustainable program.

Council directed staff to move forward with the Small Business Recovery Grant Program immediately release \$300,000 Small Business Recovery Grant Program and then schedule a study session for further funds.

CITY MANAGER ITEMS

None

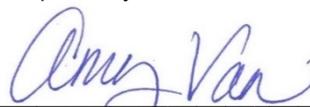
ITEMS REQUESTED BY COUNCIL MEMBERS/ FUTURE AGENDA ITEMS

None

ADJOURNMENT

Mayor Middleton adjourned the regular meeting at 7:57 p.m.

Respectfully submitted,



Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 27, 2022

TO: Mayor and City Council Members
Christopher W. Boyd, Interim City Manager

FROM: Regina Cave, General Services Director
Mary Poole, Operations Manager

SUBJECT: **Utility Locating and Marking Services - Professional Services Agreement**

Summary and Recommendation

The City of Citrus Heights as owner and operator of electrical and stormwater utility facilities in the public right of way, is required by state law to locate and mark city owned utilities as requested by USA notifications.

The city issued a Request for Proposals for professional services related to Utility Marking and Locating Services and received two proposals. National Utility Locators, LLC was selected as the most qualified and cost effective vendor.

Staff recommends the City Council adopt Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Interim City Manager to Execute a Professional Services Agreement with National Utility Locators, LLC, for Utility Locating and Marking Professional Services.

Fiscal Impact

The city has budgeted sufficient funds in Gas Tax (fund 205) and Stormwater Utility funds (fund 209) for Utility Locating and Marking services. The city will be invoiced based on actual field investigation unit costs as follows:

Number of Field Investigations Per Month	Unit Cost
Between 1 and 100	\$85.00 plus annual 3% increase
Between 101 and 200	\$78.00 plus annual 3% increase
201 and above	\$74.00 plus annual 3% increase

Subject: 2022 Utility Locating and Marking Professional Services Agreement

Date: January 27, 2022

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The total contract amount over a 3-year period is set at a not to exceed \$400,000.00. This projection is based on the current average of 140 locates at \$11,000 per month in service costs.

Background and Analysis

California Government Code Section 4216 mandates owners and operators of all underground utilities (e.g., water, gas, electric, sewer, stormwater) become members of the regional notification center. The intention of this regional notification center is to protect the health and safety of the public as it relates to construction activities in public right of ways by anyone performing excavation.

Prior to the start of any underground excavation work, contractors call the toll free number of Underground Serve Alert (USA) of Northern California with site specific details of their upcoming work. The USA center then notifies all owners of utility systems in the region and each utility owner and operator must mark their underground utilities within the zone where the excavation activity will take place.

The city, as owner and operator of electrical and stormwater utility facilities in the public right of way, is required by state law to locate and mark city owned utilities as requested by USA notifications.

On November 12, 2021, the city issued a request for proposals for the provision of Utility Locating and Marking Services. Two proposals were received by the due date of December 7, 2021 and one response declining to submit a proposal was received. A Selection Committee reviewed the proposals, and National Utility Locators, LLC was selected as the most qualified and cost effective vendor.

Attachments

- (1) Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Interim City Manager to Execute a Professional Services Agreement with National Utility Locators, LLC for Utility Locating and Marking Services
- (2) Draft Agreement

RESOLUTION NO. 2022- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH NATIONAL UTILITY LOCATORS, LLC FOR UTILITY LOCATING AND MARKING SERVICES

WHEREAS, California Government Code Section 4216 mandates that owners and operators of all underground utilities become a member of their regional notification center in order to protect the health and safety of the public as it relates to excavation activities in public right of ways;

WHEREAS, prior to the start of any underground excavation work, contractors must contact the toll free Underground Service Alert (USA) system to notify all owners of utility systems in the region of the work to mark their individual underground utilities before any excavation activity can take place;

WHEREAS, the city, as the owner and operator of many electrical and stormwater facilities, is held to the same standard as any other utility, and is responsible for marking its systems as requested by any USA notifications;

WHEREAS, the city issued a Request for Proposals for Utility Locating and Marking services on November 12, 2021 and received two qualified proposals by the due date of December 7, 2021;

WHEREAS, a Selection Committee was convened to review the proposals and select the preferred vendor;

WHEREAS, National Utility Locators was selected as the most qualified and cost effective vendor; and

WHEREAS, the proposed professional services will be paid for with funds from Gas Tax (fund 205) and Stormwater Utility (fund 209) proportionate to the utilities being marked.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights, the Interim City Manager is hereby authorized to execute the Professional Services Agreement with National Utility Locators, LLC for Utility Locating and Marking Services.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of January, 2022, by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**

ABSTAIN: Council Members:
ABSENT: Council Members:

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

**CONSULTING SERVICES AGREEMENT BETWEEN
THE CITY OF CITRUS HEIGHTS AND
NATIONAL UTILITY LOCATORS, LLC**
(involving public work)

THIS Agreement (“Agreement”) for consulting services is made by and between the City of CITRUS HEIGHTS (“City”) and National Utility Locators LLC (“Consultant”) (together referred to as the “Parties”) as of February 1, 2022 (the “Effective Date”).

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in the Scope of Work attached as Exhibit A, and incorporated herein, at the time and place and in the manner specified therein.

- 1.1 **Term of Services.** The term of this Agreement shall begin on the Effective Date and shall end on January 31, 2025, or the date the Consultant completes the services specified in Exhibit A, whichever occurs first, unless the term of the Agreement is otherwise terminated or extended, as referenced herein.
- 1.2 **Standard of Performance.** Consultant shall perform all services required pursuant to this Agreement according to the standards observed by a competent practitioner of the profession in which Consultant is engaged.
- 1.3 **Assignment of Personnel.** Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, requests in writing the reassignment of any such persons to ensure Consultant performs services in accordance with the Standard of Performance, Consultant shall, immediately upon receiving City’s request, reassign such persons.
- 1.4 **Time.** Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided herein above and to satisfy Consultant’s obligations hereunder.

Section 2. COMPENSATION. City hereby agrees to pay Consultant a sum not to exceed \$400,000.00, based on per unit pricing, as set forth in Exhibit B attached hereto and incorporated herein for services to be performed and reimbursable expenses incurred under this Agreement. This dollar amount is not a guarantee that the City will pay that full amount to the Consultant, but is merely a limit of potential City expenditures under this Agreement.

Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant’s estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the parties further agree that compensation hereunder is intended to include the

costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

2.1 Invoices. Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information, unless waived by the City Manager, or his or her designee:

- Serial identifications of progress bills; e.g., Progress Bill No. 1 for the first invoice, etc.;
- The beginning and ending dates of the billing period;
- A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;
- At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
- The total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder;
- The Consultant's signature.

2.2 Monthly Payment. City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall pay undisputed invoices that comply with the above requirements within 30 days from the receipt of the invoice.

2.3 Final Payment. Consultant shall submit its final invoice within 60 days of completing its services. Consultant's failure to submit its final invoice within this 60 day period shall constitute Consultant's waiver of any further billings to, or payments from, City.

2.4 Reimbursable Expenses. Reimbursable expenses, if any, are specified in Exhibit B and included in the total compensation referenced in Section 2. Expenses not listed in Exhibit B are not chargeable to, or reimbursable by, City.

2.5 Payment of Taxes. Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.6 Authorization to Perform Services. The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this

Agreement until receipt of a written authorization from the City Manager, or his or her designee.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement

Section 4. INSURANCE REQUIREMENTS. Before beginning any services under this Agreement, Consultant, at its own cost and expense, shall procure the types and amounts of insurance specified herein and maintain that insurance throughout the term of this Agreement. The cost of such insurance shall be included in the Consultant's bid or proposal. Consultant shall be fully responsible for the acts and omissions of its subcontractors or other agents.

4.1 Workers' Compensation. Consultant shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant in the amount required by applicable law. The requirement to maintain Statutory Workers' Compensation and Employer's Liability Insurance may be waived by the City upon written verification that Consultant is a sole proprietor and does not have any employees and will not have any employees during the term of this Agreement.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 General requirements. Consultant, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than \$2,000,000 per occurrence and \$4,000,000 aggregate, combined single limit coverage for risks associated with the work contemplated by this Agreement.

4.2.2 Minimum scope of coverage. Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition) covering any auto (Code 1), or if Consultant has no owned autos, hired (code 8) and non-owned autos (Code 9). No endorsement shall be attached limiting the coverage.

4.2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

- a. The Commercial General and Automobile Liability Insurance shall cover on an occurrence basis.

- b. City, its officers, officials, employees, agents, and volunteers shall be covered as additional insureds for liability arising out of work or operations on behalf of the Consultant, including materials, parts, or equipment furnished in connection with such work or operations; or automobiles owned, leased, hired, or borrowed by the Consultant. Coverage can be provided in the form of an endorsement to the Consultant's insurance at least as broad as CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01.
- c. For any claims related to this Agreement or the work hereunder, the Consultant's insurance covered shall be primary insurance as respects the City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and non-contributing.
- d. The policy shall cover inter-insured suits and include a "separation of Insureds" or "severability" clause which treats each insured separately.
- e. Consultant agrees to give at least 30 days prior written notice to City before coverage is canceled or modified as to scope or amount.

4.3 Professional Liability Insurance.

4.3.1 General requirements. Consultant, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than \$1,000,000 per occurrence or claim covering the Consultant's errors and omissions.

4.3.2 Claims-made limitations. The following provisions shall apply if the professional liability coverage is written on a claims-made form:

- a. The retroactive date of the policy must be shown and must be before the date of the Agreement.
- b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement or the work.

- c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Consultant must purchase an extended period coverage for a minimum of five (5) years after completion of work under this Agreement.
- d. A copy of the claim reporting requirements must be submitted to the City for review prior to the commencement of any work under this Agreement.

4.4 All Policies Requirements.

4.4.1 Submittal Requirements. Consultant shall submit the following to City prior to beginning services:

- a. Certificate of Liability Insurance in the amounts specified in this Agreement; and
- b. Additional Insured Endorsement as required for the General Commercial and Automobile Liability Policies.

4.4.2 Acceptability of Insurers. All insurance required by this Agreement is to be placed with insurers with a Bests' rating of no less than A:VII.

4.4.3 Deductibles and Self-Insured Retentions. Insurance obtained by the Consultant shall have a self-insured retention or deductible of no more than \$100,000.

4.4.4 Wasting Policies. No policy required herein shall include a “wasting” policy limit (i.e. limit that is eroded by the cost of defense).

4.4.5 Waiver of Subrogation. Consultant hereby agrees to waive subrogation which any insurer or contractor may require from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The Workers’ Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Consultant, its employees, agents, and subcontractors.

4.4.6 Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements

for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein, and Consultant shall ensure that City, its officers, officials, employees, agents, and volunteers are covered as additional insured on all coverages.

4.4.7 Excess Insurance. If Consultant maintains higher insurance limits than the minimums specified herein, City shall be entitled to coverage for the higher limits maintained by the Consultant.

4.5 Remedies. In addition to any other remedies City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option: 1) obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement; 2) order Consultant to stop work under this Agreement and withhold any payment that becomes due to Consultant hereunder until Consultant demonstrates compliance with the requirements hereof; and/or 3) terminate this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT’S RESPONSIBILITIES.

5.1 General Requirement. To the fullest extent permitted by law, Consultant shall indemnify, defend with counsel acceptable to City, and hold harmless City and its officers, officials, employees, agents and volunteers (collectively, “Indemnitees”) from and against any and all liability, loss, damage, claims, expenses, and costs, including without limitation, attorney’s fees, costs and fees of litigation, (collectively, “Liability”) of every nature arising out of or in connection with Consultant’s performance of the services under this Agreement, or its failure to comply with any of its obligations contained in this Agreement, or its failure to comply with any applicable law or regulation, except such Liability caused by the sole negligence or willful misconduct of City.

Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damage or claims for damages whether or not such insurance policies shall be determined to apply.

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

well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Section 6. STATUS OF CONSULTANT.

- 6.1 Independent Contractor.** At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City.
- 6.2 Consultant Not an Agent.** Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Consultant and any subcontractors shall comply with all laws applicable to the performance of the work hereunder. Consultant shall also, to the extent required by the California Labor Code, pay not less than the latest prevailing wage rates as determined by the California Department of Industrial Relations.
- 7.3 Licenses and Permits.** Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have, and will maintain at their sole cost and expense, all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid business licenses from City.
- 7.4 Nondiscrimination and Equal Opportunity.** Consultant shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, genetic information, marital status, sex, sexual orientation, gender or gender identity, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Consultant under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not

limited to the satisfaction of any positive obligations required of Consultant thereby.

7.5 Registration and Monitoring. Consultant shall be currently registered with the Department of Industrial Relations and qualified to perform public work consistent with Labor Code section 1725.5, except in limited circumstances as referenced in Labor Code section 1771.1(a). Additionally, Consultant is hereby notified that this Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

7.6 Prevailing Wage Rates. In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the services described in Exhibit A are to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the services described in Exhibit A. In accordance with California Labor Code Section 1773.2, the City has obtained the general prevailing wages in the locality in which the services described in Exhibit A are to be performed for each craft or type of work needed to be as published by the State of California Department of Industrial Relations, Division of Labor Statistics and Research, a copy of which is on file in the City's General Services Department and shall be made available on request. Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the services described in Exhibit A. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the City harmless from any and all claims made by any worker, governmental agency or other third party with regard thereto.

The Consultant and any subcontractors engaged in performance of the services described in Exhibit A shall comply with Labor Code Section 1775, which establishes a penalty per day for each worker engaged in the performance of the services described in Exhibit A that the Consultant or any subcontractor pays less than the specified prevailing wage.

In accordance with Labor Code Section 1776, the Consultant and each subcontractor engaged in performance of the services described in Exhibit A shall keep accurate payroll records showing the name, address, social security number, work, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed in performance of the services described in Exhibit A. Such records shall be in kept, maintained and made available in accordance with the requirements of Labor Code Section 1776.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** Upon ten days' prior written notice, City may cancel this Agreement at any time and without cause upon such written notification to Consultant. In the event of termination, Consultant shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Consultant delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Consultant or prepared by or for Consultant or the City in connection with this Agreement.
- 8.2 Amendments.** The parties may amend this Agreement only by a writing signed by the parties hereto.
- 8.3 Assignment and Subcontracting.** City and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the City Manager, or his or her designee. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the City Manager, or his or her designee.
- 8.4 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Consultant, including but not limited to the provisions of Section 5, shall survive the termination of this Agreement.
- 8.5 Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:
- 8.5.1** Immediately terminate the Agreement;
 - 8.5.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;

- 8.5.3 Retain a different consultant to complete the work described in Exhibit A not finished by Consultant; or
- 8.5.4 Charge Consultant the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Consultant pursuant to Section 2 if Consultant had completed the work.
- 8.5.5 The remedies mentioned in this Agreement are not exclusive of any other right, power or remedy permitted by law. The City's failure or delay in exercising any remedy shall not constitute a waiver of such remedy or preclude the further exercise of City's rights.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 **Records Created as Part of Consultant's Performance.** All final versions of reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Consultant hereby agrees to deliver those documents to the City upon termination of the Agreement, and the City may use, reuse or otherwise dispose of the documents without Consultant's permission. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Consultant agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential drafts and will not be released to third parties by Consultant without prior written approval of City.
- 9.2 **Consultant's Books and Records.** Consultant shall maintain any and all records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. All such records shall be maintained in accordance with generally accepted accounting principles and shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Pursuant to Government Code Section 8546.7, the Agreement may be subject to the examination and audit of the State Auditor for a period of 3 years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

- 10.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2 Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in Sacramento County or in the United States District Court for the Eastern District of California.
- 10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.
- 10.6 Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Consultant shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
- 10.7 Solicitation.** Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.
- 10.8 Notices.** Any notice, demand, request, consent or approval that either party is required to give the other pursuant to this Agreement, shall be in writing and may be given by either (i) personal service, or (ii) certified United States mail, postage

prepaid, return receipt requested,. Notice shall be effective upon personal delivery or delivery to the addresses specified below, as reflected on the receipt of delivery or return receipt, as applicable.

Consultant : National Utility Locators, LLC
2324 Landsford Street
Lancaster, CA 93535
ATTN: Mark Baghdassarian

City: City of Citrus Heights
6360 Fountain Square Drive
Citrus Heights, CA 95621
ATTN: General Services Director

10.9 Professional Seal. Where applicable in the determination of the City Manager, or his or her designee, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation. The stamp/seal shall be in a block entitled “Seal and Signature of Registered Professional with report/design responsibility.”

10.10 Integration. This Agreement, including the scope of work attached hereto and incorporated herein as Exhibits A and B represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. To the extent there are any inconsistencies between this Agreement, the Exhibits, and Consultant’s proposal, the Agreement shall control. To the extent there are any inconsistencies between the Exhibits and the Consultant’s Proposal, the Exhibits shall control.

Exhibit A Scope of Services
Exhibit B Cost Proposal

10.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

10.12 Construction of Agreement. Each party hereto has had an equivalent opportunity to participate in the drafting of the agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

10.13 No Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any third parties.

SIGNATURES ON FOLLOWING PAGE

The Parties have executed this Agreement as of the Effective Date.

CITY OF CITRUS HEIGHTS

CONSULTANT

Christopher W. Boyd, Interim City Manager

Mark Baghdassarian, Owner

Attest:

Amy Van, City Clerk

Approved as to Form:

Ryan R. Jones, City Attorney

Attachments: Attachment A – Standard Insurance Requirements

Attachment A Standard Insurance Requirements

Consultant shall indemnify, defend, and hold harmless the City, its officers, officials, agents, and employees from and against any and all claims, damages, demands, liability, costs, losses and expenses, including without limitation court costs and reasonable attorneys' fees arising out of or in connection with Consultant's negligent performance of work hereunder or its negligent failure to comply with any of its obligations contained in the Contract Documents, except such loss or damage which was caused by the [active negligence, (*only if contract involves design services in connection with a public works project - see Civil Code §2782(b), §2783*)] sole negligence, or willful misconduct of the City.

In order to comply with the bonding and insurance requirements contained in your contract with the City of Citrus Heights there are several things that we require. It is our intent to facilitate consideration of every project, so we are including here a **summary** checklist for your convenience.

All bonds and insurance requirements need to be complete and submitted prior to your contract being approved.

I. GENERAL

- A. **Send these requirement sheets to your insurance broker for immediate compliance.**
- B. **NO CONTRACTS WILL BE APPROVED UNTIL ALL BONDS AND CERTIFICATES ARE IN ORDER.**
- C. New and renewal Certificates and endorsements must reference a specific job. "All Operations" certificates are not acceptable.
- D. All contractors and subcontractors working on a project or jobsite must meet the same insurance requirements you do, prior to starting work on the project or site.
- E. All insurance companies must have an AM Best rating of A:VII or better.
- F. Any deductibles must be declared to and approved by the City.
- G. All insurance coverage, with the exception of Professional Liability coverage must be written on a full "per occurrence" basis.
- H. A 30-day cancellation notice is required, and written or modified to a form that binds the insurer to provide it. For non-payment of premium, a 10-day notice is acceptable.
- I. Expiration dates are required on all certificates.
- J. All Bonds and Certificates must have an original signature.

II. SPECIFIC COVERAGE

- A. **BONDING**
 - Faithful Performance (Completion) Bond**
 - Payment, Labor and Materials Bond**
- B. **GENERAL LIABILITY/AUTOMOBILE LIABILITY**
 - GENERAL LIABILITY**
 - \$2,000,000 General Aggregate
 - \$2,000,000 Products and/or Completed Operations

\$1,000,000 Each Occurrence

AUTOMOBILE LIABILITY

\$1,000,000 Combined Single Limit

C. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY

\$1,000,000 Employer's Liability

STATUTORY Workers' Compensation

D. Professional Liability

The consultant and its contractors and subcontractors shall secure and maintain in full force, during the contract term professional liability insurance policies appropriate to the respective professions and the work to be performed as specified. The limits of such professional liability insurance coverage shall not be less than \$1,000,000 per claim and \$2,000,000 aggregate. If requested by the City, the consultant's insurer must provide a complete, certified copy of the professional liability insurance policy.

III. ENDORSEMENTS

A. The GENERAL LIABILITY AND AUTOMOBILE LIABILITY policies are to be endorsed to contain, the following provisions:

1. The Entity, its officers, officials, employees, and agents are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General Liability coverage shall be provided in the form of an **Additional Insured endorsement** (CG 20 10 11 85 or equivalent) to the contractor's insurance policy, or as a separate owner's policy.
2. There must be an **endorsement** indicating that coverage is primary and non-contributory with respect to additional insureds.
3. There must be an **endorsement** that includes a severability of interest clause. (cross liability).
4. Where applicable, the General Liability policy shall contain an endorsement or provision stating that such insurance applies to the liability assumed by any subcontractor. (Owners and Contractors Protective)
5. The General Liability coverage shall be at least as broad as ISO form CG 00 01 (ed. 10/01).
6. The auto coverage shall be provided for owned, hired, and non-owned autos.
7. The auto coverage shall be as broad as ISO form CA 00 01.

B. The WORKERS COMPENSATION/EMPLOYERS LIABILITY policy must contain an endorsement with a waiver of subrogation in favor of the City of Citrus Heights for all work performed by the contractor, its employees, agents and subcontractors.

C. Acceptance of any bond, certificate of insurance, or endorsement showing proof of insurance required by your contract does not constitute approval or agreement by the City of Citrus Heights that the insurance requirements have been met or that the bond or insurance policies referenced on any certificates and endorsements are in compliance with your contractual requirements.

EXHIBIT A
SCOPE OF SERVICES



National Utility Locators LLC
2324 Landsford St.
Lancaster, CA 93535

Cover Letter

Date 11/18/2021

RFP: 2022 Utility Locating and Marking Services – City of Citrus Heights

To Whom It May Concern,

Please accept the following as our willingness to sign the City's Professional Services Agreement.

Project Manager:
Mark Baghdassarian, Owner
Mark@nationalutilitylocators.com
626-485-1547

Signature  _____
Mark Baghdassarian

Date 11/24/2021

Owner

Table of Contents

Project Understanding and Work Plan

Project Team

 Company Personnel

 Company Information

 Experience and References

 Equipment List

Cost Proposal

Project Understanding and Work Plan

National Utility Locators has experience in managing contract locating for over six years. In that time, the process has been refined to deliver the most efficient service to the client as possible. Contract locating begins with a ticket submission from the contractor and/or property owner, receipt of that ticket to our ticket management system, the screening of that ticket, dispatching a technician if necessary, and finally, the field investigation.

When a ticket is transmitted to our ticket management system, using the resources provided by our client, we decide whether or not a field investigation is necessary. If there is any question that a conflict with our client's utilities is present, a technician is dispatched. Efficiency is of utmost importance in order to provide our client with the best service by protecting their utilities without breaking their budget.

Prior to dispatching a technician, the dispatcher references the maps provided to us by the client, the caller of the USA North ticket is called if necessary, to gain a better understanding of the work area, and at that point it is determined whether or not a field investigation is necessary.

If a field investigation is necessary, a technician is dispatched in order to determine if there is an actual conflict on site by the placement of the USA marks on the ground. Upon completion of the field investigation, if any utilities are in conflict, they are located and clearly marked using APWA color coded marking paints and flags.

Project Team

Company Personnel

Nicholas Cesario



Licenses and Certifications

- API Certification, Hazwopper, CPR, Confined Space, Dynamic Locating

Educational Background

- American River College - Aug 2008 to May 2011
- Oakmont High School – Graduated May 2008

Role in this project marking for the City of Citrus Heights

- Locate technician

Experience

National Utility Locators LLC 7/21 – Present
Locating Technician

- Identifying and marking buried utilities
- Read and understand utility maps, prints, and aerial imagery
- Maintain communication with clients

GPRS 8/20 – 7/21
Locating Technician

- Clear drilling locations using electro-magnetics, GPR, and magnetometer to prevent damage to any existing underground utilities.
- CCTV inspection of sewer and storm drain lines.
- Locate and mark utilities for the purpose of USA North excavation requests of behalf of a number of city municipalities and private firms.

Utiliquet 3/18 – 8/20
Locating Technician

- Identifying and marking buried utilities
- Read and understand utility maps, prints, and aerial imagery
- Maintain communication with clients

Work history with other municipalities

- City of Citrus Heights

Mark Baghdassarian
 2324 Landsford St. Lancaster, CA
 626-485-1547

Mark is an Owner at National Utility Locators LLC and has been with the company since founding in 2019

Licenses and Certifications

- API Certification, Hazwopper, CPR, Confined Space, Dynamic Locating

Educational Background

- San Jose State University 8/13 – 6/15
 Bachelor of Science Degree in Computer Engineering
- Pasadena City College 6/10 – 8/13
 Transfer

Role in this project marking for the City of Citrus Heights

- Project Manager
- Locate technician

Experience

National Utility Locators LLC. 8/19 – Present

Owner

- Maintain relationship with clients
- Increase inflow of contract locating clientele
- Scout for potential city municipality contracts
- Maintain financial records

Pacific Coast Locators Inc. 6/15 – 8/19

Contract Locates Manager

- Maintain contract locating contracts with city municipalities and private firms.
- Monitor DigAlert/ USA North tickets using WebTms interface
- Producing monthly reports
- Locate and mark utilities for the purpose of USA North excavation requests of behalf of a number of city municipalities and private firms.

City of San Jose

11/13 – 6/15

Public Works Utility Locator

- Respond to USA North Excavation requests
- Monitor Excavation requests that come in on a daily basis
- Locate and mark City of San Jose owned utilities including traffic signal, communication, street light, and recycled water

Work history with other municipalities

- City of Ontario
- City of Oxnard
- City of Lancaster
- City of Milpitas
- City of Palo Alto

Company Information

National Utility Locators LLC is a California certified small business, registered Public Works contractor, founded in 2019, located in the City of Lancaster, and provides utility locating services for both, private firms and city municipalities. Our company an LLC with two owners that have a total of over 15 years of utility locating experience.

Our point of contact for this RFP if awarded would be: Mark Baghdassarian. Mark's title is: Owner. His contact phone number is 626-485-1547 and email is mark@nationalutilitylocators.com.

He is the person tasked with scheduling, report generation, and ticket management. This would be the person to be contacted during the period of proposal evaluation.

We have fully reviewed and acknowledged the RFP and look forward to entering into an agreement with the City of Citrus Heights.

We take pride in our level of communication for the purpose of building long term relationships with our clients. We appreciate and respect the level of importance our clients' requests have and treat every job with such a respect. We carry ourselves in a manner as we are aware, we are representing our clients in the public's eyes. We have a number of references we'd be able to provide whom can vouch for the level of customer service we provide.

Experience and References

City of Oxnard

Mike Shaffer, GIS Manager

805-397-3536

National Utility Locators has been responsible for locating City of Oxnard traffic signal and communications for 2 years. We are responsible for monitoring incoming excavation requests, dispatching technicians, and marking requested utilities that are in conflict with excavation activities in response to USA North tickets.

City of Lancaster

Bruce Katz

661-810-6906

National Utility Locators has been responsible for locating City of Lancaster traffic signal, communications, sewer, storm, recycled water, and street lights for 1 year. We are responsible for monitoring incoming excavation requests, dispatching technicians, and marking requested utilities that are in conflict with excavation activities in response to USA North tickets.

City of Agoura Hills

Brian Woodworth, Administrative Analyst

818-597-7322

National Utility Locators has been responsible for locating City of Agoura Hills communications for 1 year. We are responsible for monitoring incoming excavation requests, dispatching technicians, and marking requested utilities that are in conflict with excavation activities in response to USA North tickets.

Excavationital Transportation Corp. (DTC)

Steve Kassower, CEO

916-538-1720

National Utility Locators has been responsible for locating Excavationital Transportation Corporation's communications lines for 2 years. We are responsible for monitoring incoming excavation requests, dispatching technicians, and marking requested utilities that are in conflict with excavation activities in response to USA North tickets.

Conterra Networks

Daniel Altman

717-606-6821

National Utility Locators has been responsible for locating Excavationital Transportation Corporation's communications lines for 7 months. We are responsible for monitoring incoming excavation requests, dispatching technicians, and marking requested utilities that are in conflict with excavation activities in response to USA North/ USA North tickets through Northern and Southern California.

Equipment List

- Jameson Traceable Rodder with a 512 Hz sonde
Used to feed and locate (in conjunction with an RD 8100) non-conductive conduits that are not equipped with tracer wires.
- Schonstedt Magnatometer
Used to locate buried metal lids such as manholes or water valve covers.
- Radiodetection RD8100 PDL Utility Locating Transmitter and Receiver
Used to locate buried conductive utilities.
- GSSI Ground Penetrating Radar with 350 MHz antenna
Used to locate conductive and non-conductive utilities.

EXHIBIT B
COMPENSATION SCHEDULE

Cost Proposal



National Utility Locators LLC
2324 Landsford St.

Cost Estimate to Serve as Contract Locating Provider for the City of Citrus Heights

City of Citrus Heights

6360 Fountain Square Dr. 700 | Citrus Heights, CA 95621
W: 916-727-4770

Attn: **Mary Poole**, Operations Manager

Scope of work:

The City of Citrus Heights is looking for a utility locating company to respond to One-Call tickets. National Utility Locators will respond to 811 One-Call USA North tickets for proposed excavation projects planned near any of the City's owned utilities. National Utility Locators will be responsible for locating & marking storm water lines, street light conduit, traffic signal, and communication conduit.

In this cost estimate National Utility Locators will provide:

Screening and scheduling:

A National Utility Locators dispatcher will screen incoming City of Citrus Heights locate requests that will be directed to National Utility Locators' WebTMS system which will include calling contractors to get additional information about their planned excavation. For those that are clearly not in conflict with The City of Citrus Heights' utilities, tickets will be closed out and the contractor will be notified. A dispatcher will schedule technicians to locate and mark out The City of Citrus Heights' utilities that are, or may be in conflict with excavation activities.

Staffing and equipment:

National Utility Locators will assign and equip technicians for dispatching and locating for all of The City of Citrus Heights' owned conduit. Technician will locate all traceable lines using electro-magnetics and all non-traceable lines, such as storm water, using asbuilts provided by the city. National Utility Locators will provide all marking paint, survey flags, and all other materials necessary to complete all mark-outs in the field.

Reports:

Monthly reports documenting all locating work performed will be provided to The City of Citrus Heights on a quarterly basis and/or available to The City of Citrus Heights at their request. National Utility Locators will photo document all located The City of Citrus Heights' lines per each USA North mark-out. All photos will be made available to The City of Citrus Heights upon request. National Utility Locators will retain all documentation for later reference. Any discrepancies observed in the field between the asbuilts and actual will be documented and brought to the city contact's attention.

The City of Citrus Heights will provide:

National Utility Locators will be authorized to receive The City of Citrus Heights' USA North tickets via the National Utility Locators' WebTMS account. Our dispatcher will be able to view & close out tickets.

In addition, The City of Citrus Heights will provide maps of all utilities, to include hard copies of the system and GIS and/or files where applicable.

Prevailing Wage Cost Estimate

Cost per month to locate and mark out The City of Citrus Heights Utility lines:

This includes mobilization, utility mark-out, certified payroll, and administrative reporting.

Also included in this cost is:

Monitoring of tickets (which includes closing out tickets), strategic scheduling, making daily contact with contractors working near The City of Citrus Heights' utilities, building relationships, processing and electronic filing of monthly technician field reports. We will also be providing a Certificate of Insurance.

Cost: Field investigations up to 100 per month will be charged at \$85 per field investigation.

Cost: If field investigations reach between 101 to 200 per month, all field investigations will be charged at \$78 per field investigation.

Cost: If field investigations go over 201 per month, all field investigations will be charged at \$74 per field investigation.

We will assess a 3% price increase over the span of the entire project

Assumptions:

Day work only. Monday through Friday 7am to 4pm.

Emergency tickets which require mark-outs outside of regular business hours will be charged at \$300 per ticket.

CERTIFICATE OF COMPLIANCE WITH LABOR CODE § 3700

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

CONSULTANT

By: _____

Title: _____

2699907.4



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 27, 2022

TO: Mayor and City Council Members
Christopher W. Boyd, Interim City Manager

FROM: Regina Cave, General Services Director
Leslie Blomquist, City Engineer
Hunter Young, Principal Civil Engineer

SUBJECT: **2021 Greenback Lane Complete Streets Improvements Project
Award of Construction Contract – City PN 45-20-002**

Summary and Recommendation

On December 20, 2021, the City opened bids for the 2021 Greenback Lane Complete Streets Improvements Project (Project). After evaluating the bids, staff determined that McGuire and Hester (M&H), a California Corporation, submitted the lowest responsive and responsible bid.

Staff recommends the City Council approve Resolution No. 2022-___, a Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to execute an agreement with McGuire and Hester for the 2021 Greenback Lane Complete Streets Improvements Project.

Fiscal Impact

M&H's base bid for the project is \$2,525,620.00. This bid is based upon estimated quantities, which may vary due to actual field conditions. Ultimately, the Contractor is paid for actual work completed based upon the unit price bid, which may require the approval of a change order. Change orders for amounts less than 15% of the total contract price shall require prior written approval of the City Manager. Change orders for amounts equal to or greater than 15% of the total contract price shall require prior written approval of the City Council.

As part of the bid, the city solicited prices for Additive Alternate Item #1 to replace one storm drain pipe on Fair Oaks Boulevard north of Greenback Lane. The unit price for this additional item of work has been evaluated it is recommended to award the contract including this Additive Alternate item of work.

The full funding for the project is outlined in the tables below:

Table No 1. – Estimated Project Costs

Project Component	Estimated Cost
Recommended Contract Award	\$2,525,620.00
Recommended Additive Alternate Item #1	\$132,200.00
15% Contingency	\$398,673.00
Grand Total	\$3,056,493.00

Table No 2. – Project Funding

Source Fund	Fund No.	FY's 2021/2022 and 2022/2023
Sacramento County Contribution	-	\$400,424.00
Stormwater Utility Fund	209	\$497,000.00
Road Maintenance and Rehab Account (Revenues from SB-1)	206	\$600,000.00
Community Development Block Grant (CDBG)	234	\$287,303.00
Measure A Capital Allocation	390	\$600,000.00
Measure A Traffic Safety	310	\$80,000.00
Roadway Impacts	262	\$300,000.00
Transit Impact	266	\$20,000.00
Gas Tax	205	\$271,766.00
FY Totals		\$3,056,493.00

In addition to the construction advertisement for this project, staff issued a Request for Proposals (RFP) to select a consulting firm for Construction Management services. A professional services agreement for this service is included in a separate staff report prepared for the January 27, 2022 City Council meeting. Construction management expenses will be in addition to those listed in the table above.

The eastern terminus of the project corridor is the intersection of Greenback Lane/Fair Oaks Boulevard. As Fair Oaks Boulevard is the city limit with unincorporated Sacramento County, staff have received confirmation that Sacramento County will contribute their financial fair share to support this project. Final details associated with the County’s financial commitment will be formalized in a cooperative funding agreement to be brought before the City Council at a future date. A total of \$1,700,000 was initially budgeted for this project in the 2021/2022 budget as well as the current Five-Year CIP. However that figure was based on preliminary project estimates, and did not include Sacramento County’s contribution. With this project overlapping fiscal years, staff have identified additional funding sources from within the approved 2022/2023 budget to help make up the difference, for both the construction, as well as the construction management and inspection services. The updated budget for this project will be reflected in the mid-year adjustment as well as the updated Five-Year CP for 2023/2024-2026/2027.

Background and Analysis

The 2021 Greenback Lane Complete Streets Improvements Project will rehabilitate the asphalt pavement on Greenback Lane between Sunrise Boulevard and Fair Oaks Boulevard. In addition to pavement repairs, the Project will replace deteriorating storm drain pipe, install concrete bulbouts at Greenback/Fair Oaks to improve pedestrian safety, upgrade select traffic signal equipment at three signalized intersections, install fiber communication, and install necessary curb ramps to comply with ADA requirements.

On October 28, 2021, the City Council approved Amendment No. 1 to the 2021 CDBG Action Plan, which included allocating \$287,303 in CDBG funds for the construction of eligible improvements associated with the Greenback Lane Complete Streets project.

The project was advertised on November 3, 2021, and construction bids were received and read aloud on December 20, 2021. A total of five bids were received and after a thorough analysis, staff determined that McGuire and Hester’s base bid of \$2,525,620.00 is the lowest responsive and responsible bid.

The bid proposal documents identified the total Base Bid price as the basis for comparison and award of a contract. However, the bid package also included an Additive Alternate Bid Item, which provides for replacement of one storm drain pipe on Fair Oaks Boulevard north of Greenback Lane. As Fair Oaks Boulevard is a shared street with Sacramento County, staff consulted with County engineering staff regarding the additional storm drain pipe replacement. City and County staff jointly recommend awarding the Additive Alternate Bid Item in addition to the base bid work at an additional cost of \$132,200.

The complete bid results are shown in the following table:

Bidder	Base Bid	Additive Alternate	Total Bid
McGuire & Hester	\$2,525,620.00	\$132,200.00	\$2,657,820.00
Teichert Construction	\$2,657,675.00	\$98,300.00	\$2,755,975.00
DeSilva Gates Construction	\$2,702,702.00	\$137,000.00	\$2,839,702.00
Lamon Construction	\$2,733,949.25	\$200,967.00	\$2,934,916.25
Martin Brothers Construction	\$2,935,100.00	\$129,900.00	\$3,065,000.00

The engineer’s estimate for the base bid of this project, which serves as the basis upon which an award is recommended, is \$2,580,000.

This project is Categorically Exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines section 15301, as the repair, maintenance or modification of existing facilities involving no or negligible expansion of use beyond that which currently exists.

This item aligns with the City Council’s three-year strategic planning goal to “maintain public infrastructure and enhance alternative modes of transportation”.

Subject: 2021 Greenback Lane Complete Streets Improvements Project – Award of Construction Contract

Date: January 27, 2022

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Attachments

1. Resolution 2022-____ a Resolution of the City Council of the City of Citrus Heights, California, authorizing the City Manager to execute an agreement with McGuire and Hester for the 2021 Greenback Lane Complete Streets Improvements Project.

RESOLUTION NO. 2022-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH MCGUIRE AND HESTER FOR CONSTRUCTION OF THE 2021 GREENBACK LANE COMPLETE STREETS IMPROVEMENTS PROJECT

WHEREAS, the City Council of the City of Citrus Heights, California, wishes to proceed with construction of the 2021 Greenback Lane Complete Streets Improvements Project (Project);

WHEREAS, the Project will resurface deteriorating pavement along Greenback Lane in addition to constructing drainage, pedestrian, and traffic signal improvements;

WHEREAS, bids for the project were received, opened and read aloud on December 20, 2021, and McGuire and Hester is the lowest responsive, responsible bidder for the Project;

WHEREAS, sufficient Stormwater Utility (Fund 209), Road Maintenance and Rehabilitation Account-SB1 (Fund 206), Community Development Block Grant (Fund 234), Measure A Capital Allocation (Fund 390), Measure A Traffic Safety (Fund 310), Roadway Impact (Fund 262), Transit Impact (Fund 266), and Gas Tax (Fund 205) funds have been budgeted in Fiscal Years 2021/2022 and 2022/2023 to fund the Project; and

WHEREAS, Sacramento County will contribute proportionate funding for this project for the improvements within their jurisdictional boundary of the Greenback Lane and Fair Oaks shared roadway.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights as follows,

1. The City Council awards the 2021 Greenback Lane Complete Streets Improvements Project to McGuire and Hester, who is the lowest responsive and responsible bidder.
2. The City Manager is hereby authorized to execute an agreement with McGuire and Hester in the total amount of \$2,657,820.00 for the Project, and that a copy of the Agreement is available and on file in the City Clerk's office and is incorporated herein by reference and made a part of this Resolution.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of January, 2022 by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 27, 2022

TO: Mayor and City Council Members
Christopher W. Boyd, Interim City Manager

FROM: Regina Cave, General Services Director
Leslie Blomquist, City Engineer
Hunter Young, Principal Civil Engineer

SUBJECT: **2021 Greenback Lane Complete Streets Improvements Project
Award of Construction Management, Inspection and Materials Testing
Services Agreement – City PN 45-20-002**

Summary and Recommendation

On October 29, 2021, staff issued a Request for Proposals (RFP) seeking qualified firms to provide Construction Management, Inspection, and Materials Testing Services for the 2021 Greenback Lane Complete Streets Improvements Project (Project). A total of four proposals were received on November 18, 2021.

The City's selection team utilized a process consistent with standard industry practice governing consultant selection. Team members independently reviewed and ranked each proposal in accordance with rating criteria set forth in the RFP. After the initial review, team members met to discuss their results and weigh the pros and cons of the top ranking consultant team.

Through this evaluation process, Psomas, a California corporation, was determined to be the most qualified consultant to provide the desired services for the Project. Staff opened the budget proposal and completed negotiations to agree upon the final scope of work and budget.

Staff recommends the City Council approve Resolution No. 2022-___, a Resolution of the City Council of the City of Citrus Heights, California, authorizing the Interim City Manager to execute a professional services agreement with Psomas to provide construction management, inspection, and materials testing services for the 2021 Greenback Lane Complete Streets Improvements Project.

Fiscal Impact

Approval of this agreement represents no additional fiscal impact to the approved Fiscal Years (FY's) 21/22 and 22/23 budget. Funding for project construction, construction management,

Subject: 2021 Greenback Lane Complete Streets Improvements Project – Award of Construction Management and Inspection Services Contract

Date: January 27, 2022

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inspection, and materials testing services is included in the 2022-2026 Capital Improvement Program.

The contract with Psomas is for an amount not to exceed \$334,806.00 and will be funded from the budgeted sources as follows:

Source Fund	Fund No.	FY's 2021/2022 and 2022/2023 (Adopted Budget)
Sacramento County Contribution		\$43,862
Gas Tax	205	\$240,944
Stormwater Utility Fund	209	\$50,000
Totals		\$334,806

The above table does not include construction costs. The construction contract is included in a separate staff report prepared for the January 27, 2022 City Council meeting.

The eastern terminus of the project corridor is the intersection of Greenback Lane/Fair Oaks Boulevard. As Fair Oaks Boulevard is the city limit with unincorporated Sacramento County, staff have received confirmation that Sacramento County will contribute their financial fair share to support this contract. Final details associated with the County's financial commitment will be formalized in a cooperative funding agreement to be brought before the City Council at a future date.

Background and Analysis

The 2021 Greenback Lane Complete Streets Project will rehabilitate the asphalt pavement on Greenback Lane between Sunrise Boulevard and Fair Oaks Boulevard adjacent to the Sunrise Mall. In addition to pavement repairs, the Project will replace deteriorating storm drain pipe, install concrete bulbouts at Greenback/Fair Oaks to improve pedestrian safety, upgrade select traffic signal equipment at three signalized intersections, install fiber communication, and install necessary curb ramps to comply with ADA requirements.

Design was completed in October 2021 allowing for the solicitation of construction bids in November. A professional services agreement is needed to provide for the for Construction Management, Inspection and Materials Testing services that are necessary during the construction phase of the Project.

Attachments

1. Resolution 2022-____ a Resolution of the City Council of the City of Citrus Heights, California, authorizing the Interim City Manager to execute a professional services agreement with Psomas to provide construction management, inspection, and

Subject: 2021 Greenback Lane Complete Streets Improvements Project – Award of Construction Management and Inspection Services Contract

Date: January 27, 2022

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materials testing services for the 2021 Greenback Lane Complete Streets Improvements Project.

2. Draft Consulting Services Agreement between the City of Citrus Heights and Psomas for the 2021 Greenback Lane Complete Streets Improvements Project and Scope of Work

RESOLUTION NO. 2022-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE A CONTRACT WITH PSOMAS TO PROVIDE CONSTRUCTION MANAGEMENT, INSPECTION AND MATERIAL TESTING SERVICES FOR THE 2021 GREENBACK LANE COMPLETE STREETS IMPROVEMENTS PROJECT

WHEREAS, the City Council of the City of Citrus Heights, California, wishes to construct the 2021 Greenback Lane Complete Streets Improvements Project (Project);

WHEREAS, the Project will rehabilitate the asphalt pavement on Greenback Lane between Sunrise Boulevard and Fair Oaks Boulevard adjacent to the Sunrise Mall in addition to improvements to pedestrian facilities and storm drain systems;

WHEREAS, the City circulated a request for proposals for construction management, inspection, and materials testing services, and in accordance with standard industry practice for consultant selection and identified Psomas as the most qualified to provide the required services;

WHEREAS, the City now desires to enter into a Professional Services Contract with Psomas in an amount not to exceed \$334,806.00; and

WHEREAS, the proposed professional services will be paid for with stormwater utility (Fund 209) and Gas Tax (Fund 205) funds.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights, the City Manager is hereby authorized to execute a contract with Psomas to provide construction management, inspection, and materials testing services for the 2021 Greenback Lane Complete Streets Improvements Project, in a form approved by the City Attorney.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of January, 2022 by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

**CONSULTING SERVICES AGREEMENT
BETWEEN
THE CITY OF CITRUS HEIGHTS AND
PSOMAS
FOR
CONSTRUCTION MANAGEMENT, INSPECTION, AND MATERIALS TESTING**

THIS Agreement (“Agreement”) for consulting services is made by and between the City of CITRUS HEIGHTS (“City”) and PSOMAS (“Consultant”) (together referred to as the “Parties”) as of January 27, 2022 (the “Effective Date”).

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in the Scope of Work attached as Exhibit A, and incorporated herein, at the time and place and in the manner specified therein.

- 1.1 **Term of Services.** The term of this Agreement shall begin on the Effective Date and shall end on December 31, 2023 or the date the Consultant completes the services specified in Exhibit A, whichever occurs first, unless the term of the Agreement is otherwise terminated or extended, as referenced herein.
- 1.2 **Standard of Performance.** Consultant shall perform all services required pursuant to this Agreement according to the standards observed by a competent practitioner of the profession in which Consultant is engaged.
- 1.3 **Assignment of Personnel.** Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, requests in writing the reassignment of any such persons to ensure Consultant performs services in accordance with the Standard of Performance, Consultant shall, immediately upon receiving City’s request, reassign such persons.
- 1.4 **Time.** Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided herein above and to satisfy Consultant’s obligations hereunder.

Section 2. COMPENSATION. City hereby agrees to pay Consultant a sum not to exceed three hundred thirty four thousand eight hundred and six dollars (\$334,806.00), as set forth in Exhibit B, attached hereto and incorporated herein for services to be performed and reimbursable expenses incurred under this Agreement. This dollar amount is not a guarantee that the City will pay that full amount to the Consultant, but is merely a limit of potential City expenditures under this Agreement.

Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

- 2.1 Invoices.** Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information, unless waived by the City Manager, or his or her designee:
- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
 - The beginning and ending dates of the billing period;
 - A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;
 - At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
 - The total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder;
 - The Consultant's signature.
- 2.2 Monthly Payment.** City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall pay undisputed invoices that comply with the above requirements within 30 days from the receipt of the invoice.
- 2.3 Final Payment.** Consultant shall submit its final invoice within 60 days of completing its services. Consultant's failure to submit its final invoice within this 60 day period shall constitute Consultant's waiver of any further billings to, or payments from, City.
- 2.4 Reimbursable Expenses.** Reimbursable expenses, if any, are specified in Exhibit B and included in the total compensation referenced in Section 2. Expenses not listed in Exhibit B are not chargeable to, or reimbursable by, City.

- 2.5 **Payment of Taxes.** Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.
- 2.6 **Authorization to Perform Services.** The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of a written authorization from the City Manager, or his or her designee.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement

Section 4. INSURANCE REQUIREMENTS. Before beginning any services under this Agreement, Consultant, at its own cost and expense, shall procure the types and amounts of insurance specified herein and maintain that insurance throughout the term of this Agreement. The cost of such insurance shall be included in the Consultant's bid or proposal. Consultant shall be fully responsible for the acts and omissions of its subcontractors or other agents.

4.1 **Workers' Compensation.** Consultant shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant in the amount required by applicable law. The requirement to maintain Statutory Workers' Compensation and Employer's Liability Insurance may be waived by the City upon written verification that Consultant is a sole proprietor and does not have any employees and will not have any employees during the term of this Agreement.

4.2 **Commercial General and Automobile Liability Insurance.**

4.2.1 **General requirements.** Consultant, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than \$2,000,000 per occurrence and \$4,000,000 aggregate, combined single limit coverage for risks associated with the work contemplated by this Agreement.

4.2.2 **Minimum scope of coverage.** Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition) covering any auto (Code 1), or if Consultant has no owned autos, hired (code 8) and non-owned autos (Code 9). No endorsement shall be attached limiting the coverage.

4.2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

- a. The Commercial General and Automobile Liability Insurance shall cover on an occurrence basis.
- b. City, its officers, officials, employees, agents, and volunteers shall be covered as additional insureds for liability arising out of work or operations on behalf of the Consultant, including materials, parts, or equipment furnished in connection with such work or operations; or automobiles owned, leased, hired, or borrowed by the Consultant. Coverage can be provided in the form of an endorsement to the Consultant's insurance at least as broad as CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01.
- c. For any claims related to this Agreement or the work hereunder, the Consultant's insurance covered shall be primary insurance as respects the City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and non-contributing.
- d. The policy shall cover inter-insured suits and include a "separation of Insureds" or "severability" clause which treats each insured separately.
- e. Consultant agrees to give at least 30 days prior written notice to City before coverage is canceled or modified as to scope or amount.

4.3 Professional Liability Insurance.

4.3.1 General requirements. Consultant, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than \$1,000,000 per occurrence or claim covering the Consultant's errors and omissions.

4.3.2 Claims-made limitations. The following provisions shall apply if the professional liability coverage is written on a claims-made form:

- a. The retroactive date of the policy must be shown and must be before the date of the Agreement.

- b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement or the work.
- c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Consultant must purchase an extended period coverage for a minimum of five (5) years after completion of work under this Agreement.
- d. A copy of the claim reporting requirements must be submitted to the City for review prior to the commencement of any work under this Agreement.

4.4 All Policies Requirements.

4.4.1 Submittal Requirements. Consultant shall submit the following to City prior to beginning services:

- a. Certificate of Liability Insurance in the amounts specified in this Agreement; and
- b. Additional Insured Endorsement as required for the General Commercial and Automobile Liability Policies.

4.4.2 Acceptability of Insurers. All insurance required by this Agreement is to be placed with insurers with a Bests' rating of no less than A:VII.

4.4.3 Deductibles and Self-Insured Retentions. Insurance obtained by the Consultant shall have a self-insured retention or deductible of no more than \$100,000.

4.4.4 Wasting Policies. No policy required herein shall include a “wasting” policy limit (i.e. limit that is eroded by the cost of defense).

4.4.5 Waiver of Subrogation. Consultant hereby agrees to waive subrogation which any insurer or contractor may require from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Consultant, its employees, agents, and subcontractors.

4.4.6 Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein, and Consultant shall ensure that City, its officers, officials, employees, agents, and volunteers are covered as additional insured on all coverages.

4.4.7 Excess Insurance. If Consultant maintains higher insurance limits than the minimums specified herein, City shall be entitled to coverage for the higher limits maintained by the Consultant.

4.5 Remedies. In addition to any other remedies City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option: 1) obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement; 2) order Consultant to stop work under this Agreement and withhold any payment that becomes due to Consultant hereunder until Consultant demonstrates compliance with the requirements hereof; and/or 3) terminate this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

5.1 General Requirement. To the fullest extent permitted by law, Consultant shall indemnify, defend with counsel acceptable to City, and hold harmless City and its officers, officials, employees, agents and volunteers (collectively, "Indemnitees") from and against any and all liability, loss, damage, claims, expenses, and costs, including without limitation, attorney's fees, costs and fees of litigation, (collectively, "Liability") of every nature arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of the Consultant in performance of the services under this Agreement, except such Liability caused by the sole negligence or willful misconduct of City.

Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damage or claims for damages whether or not such insurance policies shall be determined to apply.

5.2 PERS Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is

determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Section 6. STATUS OF CONSULTANT.

- 6.1 Independent Contractor.** At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City.
- 6.2 Consultant Not an Agent.** Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Consultant and any subcontractors shall comply with all laws applicable to the performance of the work hereunder. Consultant shall also, to the extent required by the California Labor Code, pay not less than the latest prevailing wage rates as determined by the California Department of Industrial Relations.
- 7.3 Licenses and Permits.** Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have, and will maintain at their sole cost and expense, all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid business licenses from City.
- 7.4 Nondiscrimination and Equal Opportunity.** Consultant shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, genetic information, marital status, sex, sexual orientation, gender or gender identity, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by

Consultant under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Consultant thereby.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 **Termination.** Upon ten days’ prior written notice, City may cancel this Agreement at any time and without cause upon such written notification to Consultant. In the event of termination, Consultant shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Consultant delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Consultant or prepared by or for Consultant or the City in connection with this Agreement.

- 8.2 **Amendments.** The parties may amend this Agreement only by a writing signed by the parties hereto.

- 8.3 **Assignment and Subcontracting.** City and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant’s unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the City Manager, or his or her designee. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the City Manager, or his or her designee.

- 8.4 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Consultant, including but not limited to the provisions of Section 5, shall survive the termination of this Agreement.

- 8.5 **Options upon Breach by Consultant.** If Consultant materially breaches any of the terms of this Agreement, City’s remedies shall include, but not be limited to, the following:
 - 8.5.1 Immediately terminate the Agreement;

- 8.5.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;
- 8.5.3 Retain a different consultant to complete the work described in Exhibit A not finished by Consultant; or
- 8.5.4 Charge Consultant the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Consultant pursuant to Section 2 if Consultant had completed the work.
- 8.5.5 The remedies mentioned in this Agreement are not exclusive of any other right, power or remedy permitted by law. The City's failure or delay in exercising any remedy shall not constitute a waiver of such remedy or preclude the further exercise of City's rights.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 **Records Created as Part of Consultant's Performance.** All final versions of reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Consultant hereby agrees to deliver those documents to the City upon termination of the Agreement, and the City may use, reuse or otherwise dispose of the documents without Consultant's permission. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Consultant agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential drafts and will not be released to third parties by Consultant without prior written approval of City.
- 9.2 **Consultant's Books and Records.** Consultant shall maintain any and all records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. All such records shall be maintained in accordance with generally accepted accounting principles and shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Pursuant to

Government Code Section 8546.7, the Agreement may be subject to the examination and audit of the State Auditor for a period of 3 years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

- 10.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2 Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in Sacramento County or in the United States District Court for the Eastern District of California.
- 10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.
- 10.6 Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*
- Consultant shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*
- 10.7 Solicitation.** Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

10.8 Notices. Any notice, demand, request, consent or approval that either party is required to give the other pursuant to this Agreement, shall be in writing and may be given by either (i) personal service, or (ii) certified United States mail, postage prepaid, return receipt requested,. Notice shall be effective upon personal delivery or delivery to the addresses specified below, as reflected on the receipt of delivery or return receipt, as applicable.

Consultant: Psomas
Frank Martin, PE, Project Manager
1075 Creekside Ridge Drive, Ste 200
Roseville, CA 95678

City: City of Citrus Heights
6360 Fountain Square Drive
Citrus Heights, CA 95621
ATTN: General Services Director

10.9 Professional Seal. Where applicable in the determination of the City Manager, or his or her designee, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation. The stamp/seal shall be in a block entitled “Seal and Signature of Registered Professional with report/design responsibility.”

10.10 Integration. This Agreement, including the scope of work attached hereto and incorporated herein as Exhibits A and B represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. To the extent there are any inconsistencies between this Agreement, the Exhibits, and Consultant’s proposal, the Agreement shall control. To the extent there are any inconsistencies between the Exhibits and the Consultant’s Proposal, the Exhibits shall control.

Exhibit A Scope of Services
Exhibit B Compensation Schedule

10.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

10.12 Construction of Agreement. Each party hereto has had an equivalent opportunity to participate in the drafting of the agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

10.13 No Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any third parties.

SIGNATURES ON FOLLOWING PAGE

The Parties have executed this Agreement as of the Effective Date.

CITY OF CITRUS HEIGHTS

PSOMAS

Christopher W. Boyd, Interim City Manager

Frank Martin, PE, project Manager

Attest:

Amy Van, City Clerk

Approved as to Form:

Ryan R. Jones, City Attorney

EXHIBIT A
SCOPE OF SERVICES

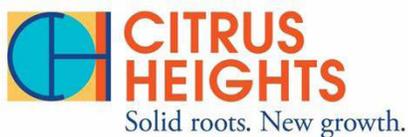
Construction Management, Inspection, and Materials Testing for the **2021 GREENBACK LANE COMPLETE STREETS IMPROVEMENTS PROJECT**

City of Citrus Heights



Proposal | 11.18.2021

Submitted To:



November 18, 2021

Hunter Young, Principal Civil Engineer
City of Citrus Heights – General Services Division
6360 Fountain Square Drive
Citrus Heights, CA 95621

Subject: City of Citrus Heights RFP for CM, Inspection, and Materials Testing for the 2021 Greenback Lane Complete Streets Improvement Project

Dear Mr. Young:

The City of Citrus Heights needs a CM firm to effectively manage the improvements on Greenback Lane in a high-traffic business-centric area. The team proposed local residents of Roseville, Granite Bay, and Antelope, and described on the following pages, has experience working in a similar *environment and worked together in the same capacity* on a similar project or similar size earlier this year in Sonoma County. This project was completed on time, under budget, and to the great satisfaction of the County. This team knows how to manage a contractor with respect to traffic control, project housekeeping, and Temporary Pedestrian Access Route (TPAR) compliance. As our proposed Project Manager and Resident Engineer, I have the direct experience of performing in a similar role almost 20 years ago on the Sunrise Marketplace project, located just south of the Greenback/Sunrise intersection, so I have great insight into project challenges and solutions to the proposed work and work area.

Authorized to Bind Statement

I, Frank Martin, a Principal of Psomas, am authorized to bind the firm contractually on behalf of Psomas. My contact information is: Frank Martin, (916) 871-4154, and fmartin@psomas.com. All administrative work will be performed from our nearby office (which is also our regional “main” office) in Roseville located at 1075 Creekside Ridge Drive, Suite 200, Roseville, CA 95746.

Our team has walked the project site, reviewed the contract plans, and is ready to start work with some potential constructability comments immediately.

Sincerely,

PSOMAS

Frank Martin, PE
Vice President, Project Manager/Resident Engineer

1075 Creekside Ridge Drive
Suite 200
Roseville, CA 95678

Tel 916.788.8122
Fax 916.788.0600

PROJECT UNDERSTANDING

The following section discusses the specific scope of work that Psomas will perform to deliver a successful project for the City of Citrus Heights.

Understanding of Project Goals

The City of Citrus Heights will be using local funds to perform improvements on Greenback Lane between Fair Oaks Boulevard and Sunrise Boulevard. The improvements will include extensive changes to the curb ramps at the intersection of Fair Oaks and Greenback, improvements to two of the curb ramps and construction of a new median at Sunrise Vista Drive, improvements to the drainage systems along this section of Greenback, grinding and replacement of 2-inch (Fair Oaks) or 3-inch (Greenback) of roadway surfacing, and construction of video detection at the intersection of Sunrise Boulevard/Greenback Lane and Fair Oaks/Greenback Lane. This is a *brief* summation of the project. In the limited space available to discuss the project, we would like to focus on some key project challenges and how our experience with similar work will benefit the City.

Potential Challenges

ADA Ramp Construction with TPAR Requirements

The State of California mandates that pedestrian and bicycle traffic must be maintained during construction. The current Temporary Pedestrian Access Route (TPAR) manual and specifications show how this access is to be maintained. At the intersection of Fair Oaks and Greenback, TPAR's created by the contractor will push out into traveled lanes, restricting vehicular flow during construction of the ramps.



Solution

Similar to our recent experience in Sonoma County, we would like to work with the City to include TPAR requirements in the specifications and discuss when Greenback could be reduced to 2 lanes in each

direction. Fair Oaks could be reduced to one lane in each direction and detail the space required (to the Design Engineer) to reflect temporary staging. If this area can only exist in this configuration for a very brief period of time, we could include requirements to use high early strength concrete and specify the duration that lane closures could exist. We could also choose to perform this work during a specific period of time when traffic flows are expected to be lower, and then advertise this with the use of CMS boards.

More Complex Drainage than Indicated on Plans

Project Plan Sheet 8 of 17 shows drainage work to be performed, as well as "replacement" work to be performed through the median and bus pad.

The existing drainage line at this location is over 5 ft deep, so the work will require shoring. The median is complicated at this location, so the specifications should detail expectations for the replacement. Additionally, we are concerned that the bus pad will consist of fairly thick (8-inch or more) and heavily reinforced concrete. Bid as shown on the plans, we would be worried that a delay and change order would be requested by the contractor.



Solution

For the bus pad, research should be performed into the as-built conditions. If nothing can be discovered, a detail should still be provided that reflects 8-inch or more of reinforced concrete. Additionally, a detail should be provided that reflects splicing by use of mechanical couplers of the existing pad steel. In the Project Special Provisions, it should be noted that identifying and providing splicing that meets the Caltrans standards shall be included in the price of the drainage system work, with no additional payment made. This will require the contractor to make assumptions that should eliminate the potential for change order work at this location. Additionally, if there are restrictions on when this work can be

performed because of bus use, the City may want to consider using a high early strength mix, and maybe even specify that concrete work shall be completed in a night's operation, with the bus pad fully functional by a specific time in the morning. Additionally, if feasible, and in coordination with Sacramento Regional Transit District (SacRT), the bus stop could be relocated or temporarily closed for a short period of time.

Final Configuration Will Constrict Bicycle Lane Heading North on Fair Oaks Boulevard



During our field visit, we pulled tape to measure existing lane widths on Fair Oaks Boulevard. We would like to revisit some of those measurements

with the Design Engineer, as we feel the dimensions shown on Fair Oaks south of Greenback are less than shown in the final configuration. But in the northbound direction, the final configuration of the ramp and striping will result in a bicycle lane that is small and is in the concrete gutter pan. Our concern is there will be future incidents with bicycles or bicycles and cars at this location.

Solution

We'd like to meet with the City and the Design Engineer to discuss alternatives to the current details at this location. Our field assessment left us with the inclination that there was room to revise the curvature of the ramp to still have the curb ramps line up, provide sufficient room to meet ADA guidelines, and avoid the tight space for bicycles at this location.

Traffic Control Will Be Contractor Issue - Needs to Be Managed Appropriately

Current MUTCD guidelines cover traffic control tapers and how to handle driveways. With all of the business driveways, lane closures will need to extend much



longer than contractors realize. Psomas dealt with this during construction of the Sunrise Marketplace median work on Sunrise Boulevard over 15 years ago, and the traffic and amount of business has only increased during this time.

Solution

At the pre-construction meeting, our Resident Engineer will remind the contractor of the requirements for traffic control plans and will review them appropriately prior to any implementation. Our Construction Inspector will enforce the approved plans prior to any work being performed. During implementation, we will assess the traffic control plans and will recommend changes as needed if we see the traffic behaving unsafely. We would also like to discuss contingencies with the City as to getting guidelines for picking up lane closures if the traffic is queuing to an extent that is untenable for the City.

These are a few of the challenges this project will face. Providing public relations to affected businesses will be critical. We suggest a media "blast" be issued to not only the general public, but specifically to the businesses within the project limits, detailing the project scope and how the business may be impacted. An additional media flyer can be distributed by our staff if necessary.

Discussion of possible roadway base repair work should be had before grinding starts, as there are areas along Greenback where a 3-inch grind might only be a temporary fix. Management of ADA guidelines and requirements will be key. So will management of the SWPPP or WPCP, as some of our project work drains into the creek near the corner of Fair Oaks and Greenback.

Subconsultant Support

While this is an RFP for Construction Management and not Design services, our CM team will be supported by Twining for Materials Testing and Argonaut Ecological for Stormwater Support. A further explanation of their qualifications and references is included in later sections of this proposal response.

Consultant Services Agreement Statement

As part of this section and in response to the requirements of the RFP, Psomas has reviewed the City's Consultant Services Agreement and can meet the requirements of this agreement with no changes required.

PROJECT TEAM

Primary Point of Contact

Frank Martin, PE, a Vice President and Team Leader of our Northern California CM operations, will have direct and continued responsibility for the services provided to the City, as Project Manager/Resident Engineer for this project. Frank has almost 30 years of Resident Engineer and/or Project Manager experience and has led our Northern California team for the past four years. Frank will be the primary contact for the City, contractor, and all project stakeholders, will handle day to day activities, and will monitor that the Psomas team deliver on all scope of service items.



Introduction

Psomas has provided Construction Management services in Northern California since 1999. We are currently engaged in the business of the Construction Management and

Inspection services involving public improvement projects, and are familiar with the Caltrans LAPM. From the Roseville office, we have delivered 53 projects that are state, federal, and/or locally funded projects for local agencies within the past year.

Firm Background

Founded in 1946, Psomas is a California Corporation (C0705477) with 606 employees in 15 offices located in Roseville, Sacramento, Auburn, Walnut Creek, Bakersfield, Los Angeles, Santa Ana, Riverside, San Diego, Culver City, Pasadena, Valencia, Salt Lake City, Utah and Phoenix and Tucson, Arizona. Services for this project will be managed from Psomas' Roseville office.

Dedicated to using our talents and passions to improve the environment for humankind, Psomas services public and private sector clients with top-notch staff who can deliver award-winning projects through innovation, creativity, and cutting-edge technical expertise. Psomas provides "third party" or "agency" construction management and inspection services and will serve as your advocates in the field, as well as commit to acting responsibly with public funds. Through our staff and utilization of web-based software, we can provide you with a full range of

contract administration, quality control inspection, cost and schedule control, document management, change order negotiation, and dispute resolution services. We know what it takes to deliver a successful project.

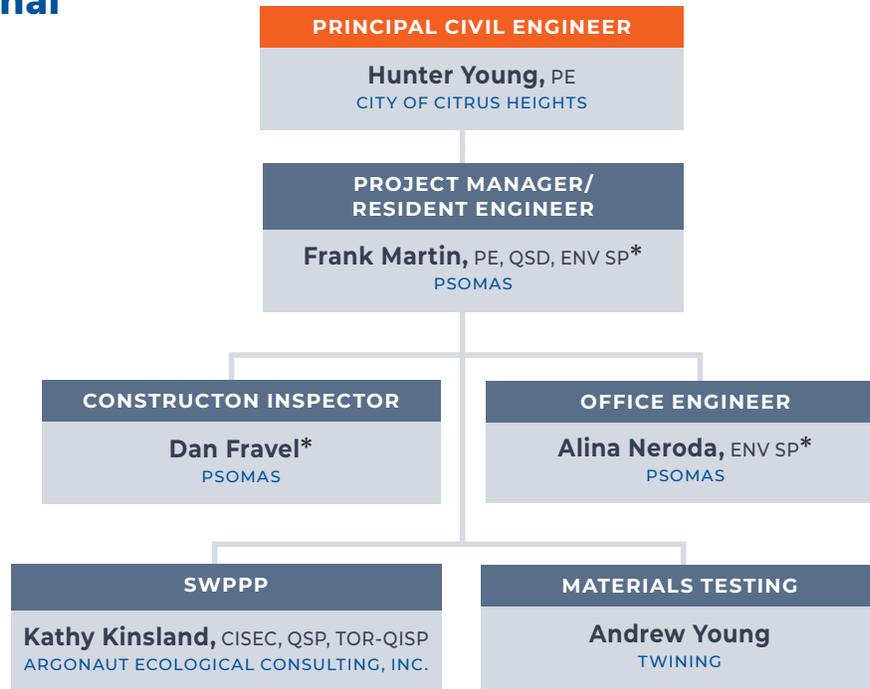
Team Capability and Experience

As stated above, Psomas has been providing on-call and Capital Improvement Project experience throughout the Sacramento region for over 20 years. Our PM/RE, Frank Martin, has directly managed approximately 20 projects of similar size and complexity for Psomas over this duration, including the Sunrise Marketplace Median Landscaping Project. Task orders from our various on-calls with Roseville, Sacramento, Elk Grove, and Folsom are often of similar size, with Psomas typically managing 4-8 local projects between \$500k and \$4 million in size and between 30 and 80 days in length. We have become very adept at managing projects like the Greenback Complete Streets Improvement Project to successful conclusions, as can be attested by our references.

Specific to the capabilities and experience of this proposed team, we are offering the City of Citrus Heights the same team that provided successful results on the Sonoma County OBAG 2 project this spring. With Frank as the part-time Project Manager/Resident Engineer, Dan Fravel as the full-time inspector, and Alina Neroda as the part-time office engineer, Psomas delivered a project on-time, under budget, and under the contractor's bid cost. We accomplished this by quickly addressing RFI's and reviewing submittals, but also by proactively working with the contractor as a team (County included) to find different and better ways to construct key challenge items (like working in front of the busy DMV), occasionally not only addressing a challenge/issue but also finding a cost-cutting way to address it. This team works very well together and would include the City Project Manager and/or staff as the City would desire.

The Psomas Team will utilize our subconsultant partners, Argonaut Ecological Consulting for SWPPP and Twining for Materials Testing services. Their firm information can be found on the following page.

Organizational Chart



* Key Staff

Team Member Qualifications and Experience

Success during the construction phase of a project happens when the right Construction Team and Agency support work with a contractor to help them build a good project, and hold the contractor to task to monitor that all agency expectations are met. The team we have put together knows this and has delivered routinely during their careers. We have devoted the following three pages to resumes of our key staff because their qualifications can exceed the City’s expectations and deliver a winning project for the community. Their credentials including, education, licenses, and certifications, have been included.

Subconsultants Introduction

Argonaut Ecological Consulting, Inc. – SWPPP



Argonaut is a California-certified DBE (CA # 36268) and has a successful history of working throughout the Central Valley since 1993 and on all Psomas projects since 2001. Argonaut provides regulatory and compliance support services to municipalities, construction management teams, and traditional land developers. Their services focus on biological resources, stormwater/water quality compliance, and cultural resources.

Twining – Materials Testing

Highly regarded by state and local agencies, developers, contractors, consultants, and industry for providing high-quality services that are reliable, timely, and compliant, Twining has been a central part of some of California’s most regionally significant construction projects.

Twining is a full-service engineering and quality control company with unmatched technical expertise. Their services span from QA/QC, materials testing, and inspection, to highly technical capabilities in applied engineering and integrated disciplines.

Twining has worked with Psomas on numerous projects in the Northern California region, including the City of Sacramento’s Water Meter Program Project and multiple pavement resurfacing projects for the City of Elk Grove.



Frank Martin III, PE, QSD, ENV SP

Project Manager/Resident Engineer

Frank Martin is a registered civil engineer, Quality Stormwater Practitioner, and ISI Envision Sustainability Professional with 30 years of experience providing construction management, planning, design, constructability reviews, and contract administration services. Frank is the current Consultant Contract Manager for the \$33 million dollar Caltrans on-call in District 3, which includes the entire Sacramento region, in responsible charge for over 35 engineers and inspectors providing services to Caltrans. In addition to being the Team Leader of Psomas' Northern California efforts, Frank manages 1-3 projects per year on a part-time basis to keep abreast of current standards and mentor staff.

REGISTRATION

1994/CA/Professional Engineer/Civil/52555

EDUCATION

1991/BS/Civil Engineering/ California Polytechnic State University, San Luis Obispo

CERTIFICATIONS

Envision Sustainability Professional/Institute for Sustainable Infrastructure/
Qualified SWPPP Practitioner/California Stormwater Quality Association/23931

PROFESSIONAL AFFILIATIONS

American Council of Engineering Companies
American Public Works Association
American Society of Civil Engineers
Construction Management Association of America
Women's Transportation Seminar

TRAINING

OSHA 10-hour Safety

EXPERIENCE

With Psomas for 19 years; with other firms for 11 years

Experience

Parrotts Ferry/State Route 49 Intersection Improvements – Tuolumne County, CA: Resident Engineer for the \$4.4 million intersection improvements project. The project will revise a high-incident intersection with new detection, revised alignment, and added turn lanes. The project will also include an extensive retaining wall, drainage improvements, and relocation of Tuolumne Irrigation District reclaimed water and sanitary sewer lines.

Sonoma County OBAG2 Resident Engineer and Inspection Services – Sonoma, CA: Project Manager/Resident Engineer for the \$3.2 million project includes roadway dig-outs and repair, over 40 ADA ramp replacements, and improvements to signalized intersections. Frank managed the project remotely from Roseville. This project was completed on time and under budget with the same team proposed for the Greenback Lane Complete Streets Project.

Sunrise Marketplace Median Landscaping Improvements – Citrus Heights, CA: Project Manager and Resident Engineer responsible for providing construction management and contract administration for the \$1.2 million median landscaping improvement project along Sunrise Boulevard and Greenback Lane for the City of Citrus Heights. While this project was completed almost 15 years ago, Frank managed the contractor through extensive traffic control requirements and performed public relations communication with adjacent businesses.

C Street-Central Galt Roadway Improvements Project – Galt/ Sacramento, CA: Project Manager for the \$3.3 million streetscape project. Work includes clearing and grubbing, installation of curb, gutter, sidewalks and walkways, special concrete pavement, special asphalt paving, underground utilities, asphalt pavement, slurry seal, traffic striping, street lighting, median construction, placement of landscaping and irrigation and other incidental work.



Daniel Fravel

Construction Inspector

Dan Fravel is a construction inspector with five years of experience in the direct performance of roadway improvement projects after a career of work as an analytical chemist. Dan has received direct training in the construction administration and inspection of roadway overlay materials, HMA replacement, ADA and other concrete construction, and roadway rehabilitation and improvement work. His analytical chemist background makes Dan very familiar with material components, Quality Assurance requirements and enforcement, testing frequencies and reporting, as well as meeting Federal and State requirements.

Dan has been involved with multiple projects along key arterials with complicated traffic control situations and is very comfortable enforcing the MUTCD and standards regarding traffic control and TPAR's.

EDUCATION

BS/Biochemistry/ California Polytechnic State University, San Luis Obispo

EXPERIENCE

With Psomas for 5 years

Experience

City of Roseville Washington Boulevard Bikeway and Pedestrian Pathway Project – Roseville, CA:

Construction Inspector on the \$3 million project that includes widening Washington Boulevard and constructing a new 1-foot' Class 1 bike lane along the east side from just north of All American City Boulevard to the Union Pacific Railroad Andora Undercrossing. This project will be completed in January.

Sonoma County OBAG2 Resident Engineer and Inspection Services

– Sonoma, CA: Construction Inspector for the \$3.2 million project includes roadway dig-outs and repair, over 40 ADA ramp replacements, and improvements to signalized intersections. The project required extensive public relations coordination with local residents, businesses, and the local DMV. Dan was the Construction Inspector providing all field construction inspection services, coordination with the County's material testing lab, and measuring and reporting of ADA ramp compliance. This project was recently completed.

Sonoma County 2020 PPP - FDR Project – Sonoma County, CA:

Construction Inspector for this \$11 million project to rehabilitate 15 miles of County roads using various methods, including eight miles of Full Depth Reclamation (FDR), removing and replacing asphalt concrete pavement, and asphalt overlays.

City of Roseville On-Call Construction Resident Engineer and Inspection Services - CIP Public Works 2017-2020 – Roseville, CA:

Construction Inspector on the \$2.9 million annual pedestrian improvements project for the City of Roseville. The project centered around replacing over 240 curb ramps in residential areas throughout the City of Roseville.

2018 City of Sacramento Annual Resurfacing Project – Sacramento, CA:

Construction Inspector on the \$2.5 million dollar resurfacing project performed in the East Sacramento and Downtown Sacramento streets, including the direct streets around the capital. Work included extensive traffic control restriction, coordination with the Capital and adjacent businesses, as well as extensive public relations communication.



Alina Neroda, ENV SP

Office Engineer

Alina Neroda is a recent graduate of the Sacramento State civil engineering program. In the two years she has been with Psomas, she has performed office engineering duties on several local projects, including the \$240 million Sacramento Water Meter Project. She is currently performing part-time office engineering duties on four separate projects, three of which for Frank Martin, our proposed Resident Engineer. She will be performing administrative duties including labor compliance, submittal reviews, estimate preparation, and document control.

EDUCATION

2020/BS/Civil Engineering/
California State University,
Sacramento

CERTIFICATIONS

Envision Sustainability
Professional/Institute for
Sustainable Infrastructure
Water Pollution Control
Manager/Caltrans

EXPERIENCE

With Psomas for 2 years;
with other firms for 2 years

Experience

City of Roseville Washington Boulevard Bikeway and Pedestrian Pathway Project – Roseville, CA:

Office Engineer on the \$3 million project that includes widening Washington Boulevard and constructing a new 1-foot' Class 1 bike lane along the east side from just north of All American City Boulevard to the Union Pacific Railroad Andora Undercrossing. This project will be completed in January.

City of Chico Airport Bike Path Bridge – Chico, CA: Office Engineer on the \$180 thousand project that includes removal of a failed bike path bridge, abutment construction, and placement of a new prefabricated steel bridge. Alina is performing labor compliance, estimate preparation, review of submittals, and document control. This project will be completed in December.

Sonoma County OBAG2 Resident Engineer and Inspection Services – Sonoma, CA:

Office Engineer for the \$3.2 million project includes roadway dig-outs and repair, over 40 ADA ramp replacements, and improvements to signalized intersections. The project had extensive public relations coordination with local residents, businesses, and the local DMV. Alina performed office engineering duties including tracking of all RFIs and submittals, monthly estimate preparation, and all document filing and posting to Procore. She also performed peak construction inspection services of ADA ramp and electrical work. This project was recently completed.

Parrotts Ferry/State Route 49 Intersection Improvements – Tuolumne County, CA: Office Engineer for the \$4.4 million intersection improvements project. The project will revise a high-incident intersection with new detection, revised alignment, and added turn lanes. The project will also include an extensive retaining wall, drainage improvements, and relocation of Tuolumne Irrigation District reclaimed water and sanitary sewer lines. This project is in the pre-construction phase, where Alina is assisting with submittal reviews and document control.

Accelerated Water Meter Program – Sacramento, CA: Office Engineer/Field Engineer on the \$240 million Accelerated Water Meter Program. The program includes the installation of approximately 41,000 water meters, replacing water service lines, and installing around 100 miles of water main with associated appurtenances. Alina was tasked with taking photos of each meter prior to burial, logging all photos by location/date, and public relations with regard to yard access with hundreds of Sacramento residents.

One unique aspect of Psomas is the length of time we've had relationships with agencies, and the staff retention that exists at Psomas. We often hear from clients that the reason we are renewed for so many local on-calls and repeat CIP work is because we 1) honor our commitments with regard to staff, 2) manage our budgets to deliver services as expected with no adds, and 3) we create team environments, including the contractors, that result in collaborative efforts, something that comes in handy when a challenge rears its ugly head. In the areas below, we have highlighted two recent project successes from our Construction Management Team and also provided a reference for our subconsultant partners. We hope you ask these client references about their experiences with Psomas, how we follow through on commitments, and what we did "beyond the call of duty" to deliver successful projects for them.

Reference Projects

Sonoma County OBAG2 Resident Engineer and Inspection Services

Sonoma, CA | Sonoma County

The \$2.2 million project includes roadway dig-outs and repair, over 40 ADA ramp replacements, and improvements to signalized intersections. The



project was partially in the Caltrans right of way and had Caltrans oversight, and extensive public relations coordination with local residents, businesses, and the local DMV. Dan Fravel was the Construction Inspector providing all field construction inspection services, coordination with the County's material testing lab, and measuring and reporting of ADA ramp compliance. This project is currently in the punch-list close-out phase. This project was completed on time and over \$150 thousand under the original bid price.

City of Roseville Washington Boulevard Bikeway and Pedestrian Pathway Project

Roseville, CA | City of Roseville/City of Roseville

As part of an on-call that Psomas has held for most of the last 20 years, Psomas is providing a Resident Engineer, Office Engineer, and two inspectors for

this project. This \$4.4 million project includes widening Washington Boulevard and constructed a new 10-foot Class 1 bike lane along the east side from just north of All American



City Boulevard to the Union Pacific Railroad Andora Undercrossing. Traffic signal modifications will be made at Diamond Oaks Road, Junction Boulevard, and Sawtell Avenue with a new signal installed at Kaseberg Drive intersection.

To avoid damaging existing landscape and tree line along the east edge of the new pathway, the majority of work is being pushed out toward Washington Boulevard. Traffic control along Washington Boulevard is a primary focus on keeping vehicles and bicyclist/pedestrians safe along the project limits.

These improvements will help the overall connectivity for bicyclist and pedestrians in the area, provide safer traffic movement at the intersections along this stretch and provide a connection point for the future improvements of the All American City roundabout and widening of the Andora undercrossing.

Client References

Psomas Reference 1	<p>Anthony Moore, Construction Senior Engineer County of Sonoma 707.483.2526 Anthony.Moore@sonoma-county.org Project: Sonoma County OBAG2 Resident Engineer and Inspection Services</p>
Psomas Reference 2	<p>Beth Taylor, PE - Assistant Engineer City of Roseville 916.774.5460 BFTaylor@roseville.ca.us Project: Washington Boulevard Bikeway and Pedestrian Pathway Project</p>
Argonaut Reference	<p>Amy Dunay, Senior Environmental Planner City of Elk Grove, Capital Program Division 916.260.1857 adunay@elkgrovecity.org Project: Kammerer Road Reconstruction</p>
Twining Reference	<p>Josh Werner, Assistant Civil Engineer City of Sacramento 916.808.8158 JWerner@cityofsacramento.org Projects: J Street Overlay; Folsom Blvd Overlay; Railyards West Tunnel Access; East Commerce Way Widening & Del Paso Road Widening; 2018 Seal Coat Project</p>

WORK PLAN

In Section B, “Project Understanding,” we provided a detailed discussion of potential challenges and included solutions and examples based on our team’s experience. For this section, where the RFP asks again for that information, we would reference the City back to Section B.

In the table below, we have provided a description of the Work Plan proposed for this project. Due to the page limitations of the RFP, we cannot include a complete detailed description, as this typically covers 4-6 pages. However, of key note is that Psomas always performs Construction Management and Inspection

to the requirements of Caltrans and the Caltrans Local Procedures Manual. While this project is locally funded, our documentation, reporting, and inspection measuring and reporting will satisfy the City of Citrus Heights that your project dollars (and CM dollars) are being spent wisely. Our attention to detail and focus on schedule and performance often results in projects under budget, allowing you to stretch your local dollars further for projects within the community. After the table, a more comprehensive detailing of construction inspection is provided since the field representative and his work will be key to this project’s success.

Task 1	Task 2	Task 3
Pre-Construction	Construction	Post-Construction
Providing preliminary project construction management and inspection support services	Providing complete construction management, administrative oversight, quality assurance of material testing and inspection and quality control support during construction. These tasks will all be under the direction and supervision of our Resident Engineer.	Providing project close-out duties and other final support services as required by the Town, contract documents, and all third-party agencies.
1.1 Review project documents 1.2 Meet with City of Citrus Heights Project Manager and Design Engineer from Kimley Horn 1.3 Host Pre-construction conference 1.4 Meet with business owners/managers adjacent to work site 1.5 Document existing conditions	2.1 Project correspondence 2.2 Monthly invoicing/tracking 2.3 Weekly project meetings 2.4 Schedule management 2.5 Payment recommendations 2.6 Change order management 2.7 Requests for information 2.8 Submittal management 2.9 Stormwater and SWPPP development support 2.10 Permit compliance 2.11 Business liaison as needed 2.12 Construction Inspection 2.13 Issuance of corrective notices 2.14 Traffic control enforcement 2.15 Health and safety awareness 2.16 Material sampling and testing 2.17 Labor compliance	3.1 Punch lists 3.2 Final inspection 3.3 Contract acceptance 3.4 Project close-out



1075 Creekside Ridge Drive
Suite 200
Roseville, CA 95678
916.788.8122

www.Psomas.com

EXHIBIT B
COMPENSATION SCHEDULE

CERTIFICATE OF COMPLIANCE WITH LABOR CODE § 3700

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

CONSULTANT

By: _____

Title: _____

2699899.5



CITY OF CITRUS HEIGHTS
CITY COUNCIL STAFF REPORT
MEMORANDUM

DATE: January 27, 2022

TO: Mayor and City Council Members
 Christopher W. Boyd, Interim City Manager

FROM: Regina Cave, General Services Director
 Mary Poole, Operations Manager

SUBJECT: **Adoption of Resolution Authorizing the Submittal of Applications for All CalRecycle Grant and Payment Programs for Which the City is Eligible**

Summary and Recommendation

The City Council adopted Resolution 2017-022 on April 13, 2017 to authorize the City of Citrus Heights to apply for and enter into agreements for all available grants and payment programs offered through the Department of Resources, Recycling and Recovery (CalRecycle) for the period of April 13, 2017 through April 12, 2022. CalRecycle requires the resolution to be updated every five years.

The attached resolution provides authorization for a new five (5) year period for City applications for grant funding through CalRecycle for which the City is eligible.

Fiscal Impact

None.

Conclusion

Staff recommends that the City Council adopt the Resolution to authorize the City of Citrus Heights to apply for and enter into agreements for all available grants and payment programs offered through CalRecycle for the period of five (5) years from the date of adoption of the resolution.

Attachments

- (1) Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the Submittal of Applications for All CalRecycle Grant and Payment Programs for Which the City is Eligible

RESOLUTION NO. 2022-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AUTHORIZING THE SUBMITTAL OF APPLICATIONS FOR ALL CALRECYCLE GRANT AND PAYMENT PROGRAMS FOR WHICH THE CITY IS ELIGIBLE

WHEREAS, Public Resources Code sections 48000 et seq., 14581, and 42023.1(g), authorize the Department of Resources Recycling and Recovery (CalRecycle) to administer various grant and payment programs in furtherance of the State of California’s efforts to reduce, recycle and reuse solid waste generated in the state thereby preserving landfill capacity and protecting public health and safety and the environment;

WHEREAS, in furtherance of this authority, CalRecycle is required to establish procedures governing the administration of the payment programs; and administration of the application, awarding, and management of the grant programs;

WHEREAS, CalRecycle’s procedures for administering payment and grant programs require, among other things, an applicant’s governing body to declare by resolution certain authorizations related to the administration of the payment and grant program.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights, that the City is authorized to submit applications to CalRecycle for any and all grant and payment programs offered;

BE IT FURTHER RESOLVED that the City Manager, the General Services Director, and/or the Operations Manager are hereby authorized and empowered to execute in the name of the City of Citrus Heights, all documents, including but not limited to, applications, agreements, amendments and requests for payment, necessary to secure funds and implement the approved grant or payment project;

BE IT FURTHER RESOLVED that these authorizations are effective from the date of adoption through January 26, 2027.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of January, 2022, by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS
CITY COUNCIL STAFF REPORT
MEMORANDUM

DATE: January 27, 2022

TO: Mayor and City Council Members
 Christopher W. Boyd, Interim City Manager

FROM: Regina Cave, General Services Director
 Mary Poole, Operations Manager

SUBJECT: **Public Hearing Regarding Rate Increases by Republic Services for its Residential Garbage, Recycling and Organic Waste Services in the City of Citrus Heights**

Summary and Recommendation

Staff recommends the City Council:

- 1) Conduct a Public Hearing to receive public comment and accept written protests on Republic's proposed residential solid waste rate increases; and
- 2) Adopt Resolution No. 2022 - _____, A Resolution of the City Council of the City of Citrus Heights, California, Affirming the Customer Rate Schedule Effective July 1, 2022 through December 31, 2027 as Set Forth in the 2021 Amended and Restated Residential Solid Waste and Recycling Collection Services Agreement with Allied Waste Services of North America, LLC

Fiscal Impact

The addition of food waste collection required by SB 1383, along with related requirements for monitoring, reporting and enforcement, will have a significant administrative impact on the solid waste division. The proposed rate adjustments are designed to allow Republic Services to fund the additional outreach, education, monitoring, reporting and enforcement assistance that Republic Services will be required to provide. The existing administrative fee the city collects remains in effect and will continue to support administration of residential solid waste service programs, including SB 1383. Fiscal impacts will continue to be evaluated as SB 1383 implementation occurs.

Background and Analysis

On September 19, 2016, Senate Bill 1383, the Short-Lived Climate Pollutants Organic Waste Methane Emissions Reductions Act, was approved by the Governor. SB 1383 includes extensive changes to statewide requirements related to organics disposal reduction. The Act builds upon previous unfunded mandates, including AB 939, AB 341 and AB 1826, with the latter two focused on mandatory commercial recycling and mandatory commercial organics recycling. SB 1383 provides more stringent requirements for commercial waste generators, and expanded the list of covered generators to incorporate all generators of organic waste, including the residential sectors. SB 1383 mandates that

Subject: Public Hearing Regarding Rate Increases by Republic Services for its Residential Garbage, Recycling and Organic Waste Services

Date: January 27, 2022

Page 2 of 4

residential customers are provided with organics collection services by January 1, 2022. However, the city has been coordinating with CalRecycle staff who are in support of the city's proposed July 2022 residential program implementation.

As is required by the residential collection services franchise agreement with Republic Services, the city negotiated in good faith to achieve the most cost effective and least burdensome service structure to meet SB 1383 requirements. On October 28, 2021, the City Council approved the amended agreement for residential solid waste collection and recycling services. The amendment is consistent with relevant SB 1383 focus areas, and specifically addresses requirements for residential organics waste collection, processing, education, monitoring, reporting and enforcement.

Service Impacts

The biggest service impact to the residential customer waste collection experience will be expansion of the current every other week green waste collection to a weekly collection of green waste/food waste. This change will allow for additional organic material types to be collected in the green organic waste cart. Residents will be directed to place food waste and food-soiled paper products as well as yard waste in the green organic waste cart. Garbage service will continue to be provided on a weekly basis and mixed recyclables will continue to be collected every other week.

The amended agreement includes new elements to ensure the city and the residential customers are able to meet state requirements mandated under SB 1383. The addition of food waste and food-soiled paper to the yard waste stream results in added processing complexity and cost. Customer education, route monitoring, reporting and program auditing are required and addressed in the amendment as well. The additional costs to provide these services are reflected in the rate adjustment proposed to go into effect along with the new organics collection services, starting in July 2022.

Rate Impacts

Under the residential solid waste and recycling collection services agreement, annual rate adjustments are limited to a maximum of 3.5% based on the Consumer Price Index (CPI). Table 1 shows the following rate information:

- the current rates as of January 1, 2022;
- the proposed rates that if approved, will go into effect on July 1, 2022; and
- the maximum potential rate increases per calendar year through December 31, 2027, the end of the current contract term.

Table 2 shows the maximum potential bi-monthly charges for the standard service packages (residents are invoiced every two months). The proposed rate schedule ensures that Citrus Heights residential customers will continue to pay among the lowest rates in the region, with a comprehensive menu of convenient and regulation-compliant solid waste collection and recycling services.

Subject: Public Hearing Regarding Rate Increases by Republic Services for its Residential Garbage, Recycling and Organic Waste Services

Date: January 27, 2022

Page 3 of 4

Table 1: Maximum Monthly Rate Schedule through December 31, 2027
(actual rates determined by annual CPI adjustment)

Garbage Cart Size	Monthly Service Charges						
	Jan 2022	Jul 2022*	Jan 2023	Jan 2024	Jan 2025	Jan 2026	Jan 2027
32-gallon	\$21.27	\$26.81	\$27.74	\$28.72	\$29.73	\$30.77	\$31.85
64-gallon	\$23.61	\$29.80	\$30.84	\$31.92	\$33.04	\$34.20	\$35.40
96-gallon	\$29.37	\$37.15	\$38.45	\$39.80	\$41.20	\$42.64	\$44.13

*new organics collection services begin; rate increase implemented

Table 2: Maximum Bi-Monthly Rate Schedule through December 31, 2027

Garbage Cart Size	Bi-Monthly Service Charges (Customers are Billed Every Two Months)						
	Jan 2022	Jul 2022	Jan 2023	Jan 2024	Jan 2025	Jan 2026	Jan 2027
32-gallon	\$42.54	\$53.62	\$55.48	\$57.44	\$59.46	\$61.54	\$63.70
64-gallon	\$47.22	\$59.60	\$61.68	\$63.84	\$66.08	\$68.40	\$70.80
96-gallon	\$58.74	\$74.30	\$76.90	\$79.60	\$82.40	\$85.28	\$88.26

The rates as shown are the maximum rates under the current contract terms, which allow for up to 3.5% increase per year based on the agreed upon CPI. The actual rates may be lower depending on the annual CPI adjustment.

Public Hearing

At the October 28, 2021 City Council meeting, the Council directed staff to proceed with a public hearing to hear testimony and receive written protests against the proposed rate adjustments. If, by the conclusion of the public hearing, a majority of the affected property owners submit a written protest, the city may not impose the proposed fee increases. In late November, 2021, staff prepared and mailed out the public hearing notice (Attachment 2) to affected property owners as shown on the most recent Sacramento County equalized assessment roll, at the mailing address shown on the roll.

Submittal of Written Protests

The City Clerk has been accepting written protests against the proposed rates. Protests can be deposited in the drop box at City Hall through the close of the public input portion of the public hearing. If protests are received with respect to a majority of the affected parcels, the City Council may not approve the rate increase. Only written protests will be counted, and each protest must include the name of the property owner (or person shown on the records of the City as being responsible for the account) submitting the protest, the signature of that person, an indication of the address, APN or account number of the parcel, and a statement that the written document is a protest against the proposed rates. Only one protest will be counted per parcel.

Results of Protest Process

As of the date of the preparation of this staff report, the City Clerk has received a total of 70 (seventy) written protests. Staff will present updated results at the conclusion of the public hearing.

Subject: Public Hearing Regarding Rate Increases by Republic Services for its Residential Garbage, Recycling and Organic Waste Services

Date: January 27, 2022

Page 4 of 4

Implementation Schedule

Implementation Item	Implementation Date
Public Hearing Notices Mailed to Affected Property Owners	By December 11, 2021
Public Hearing on Customer Rates	January 27, 2022
Education and Outreach	January 2022 and ongoing
Organics Collection Service Begins	July 2022
Monitoring and Reporting	July 2022 and ongoing

This project aligns with the City Council’s three-year strategic planning goal to: Maintain and Enhance Fiscal Stability.

Attachments

- 1) Resolution No. 2022-____ A Resolution of the City Council of the City of Citrus Heights, California, Affirming the Customer Rate Schedule Effective July 1, 2022 through December 31, 2027 as Set Forth in the 2021 Amended and Restated Residential Solid Waste and Recycling Collection Services Agreement with Allied Waste Services of North America, LLC
- 2) Public Hearing Notice Mailed to Property Owners as shown on the Sacramento County Equalized Assessment Roll 45 Days in Advance of the Public Hearing

RESOLUTION NO. 2022-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, AFFIRMING THE CUSTOMER RATE SCHEDULE EFFECTIVE JULY 1, 2022 THROUGH DECEMBER 31, 2027 AS SET FORTH IN THE 2021 AMENDED AND RESTATED RESIDENTIAL SOLID WASTE AND RECYCLING COLLECTION SERVICES AGREEMENT WITH ALLIED WASTE SERVICES OF NORTH AMERICA, LLC

WHEREAS, the State of California enacted Senate Bill 1383 on September 19, 2016 and regulations were subsequently adopted by CalRecycle in November 2020;

WHEREAS, SB 1383 regulations necessitated that the city amend the Residential Solid Waste and Recycling Collection Services Contract to provide for residential organics services collection;

WHEREAS, the city and Allied Waste Services of North America, LLC (Republic Services) negotiated in good faith on the terms of the amendment;

WHEREAS, the negotiated amendment provides weekly residential organics collection services, maintains existing services and minimizes customer rate and service impacts as much as possible;

WHEREAS. The city approved the negotiated amendment and the proposed customer rate schedule on October 28, 2021 subject to the results of a public hearing;

WHEREAS, the public hearing notice was mailed to the affected property owners more than 45 days in advance of the public hearing;

WHEREAS, the city held a public hearing on January 27, 2022 to allow affected property owners the opportunity provide public comment and to submit a written protest of the proposed rate increases; and

WHEREAS, the required majority of written protests in opposition to the proposed rates increase was not received by the conclusion of the public hearing.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights hereby affirm the residential solid waste and recycling customer rate schedule as set forth in the 2021 Amended and Restated Residential and Solid Waste and Recycling Collection Services Agreement.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of January, 2022 by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk



CITRUS HEIGHTS

Solid roots. New growth.

NOTICE OF PUBLIC HEARING FOR PROPOSED RATE INCREASES

Adjustments for Residential Garbage, Recycling, & Organic Waste Customers

Why Are My Rates Proposed To Change?

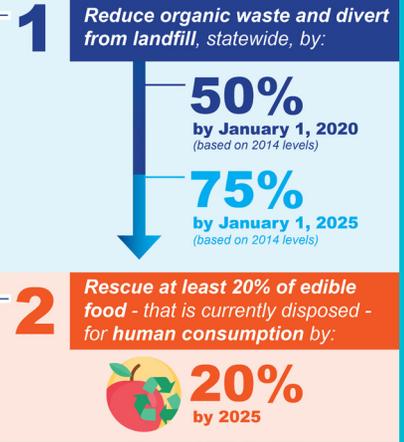
In September 2016, Governor Brown signed into law Senate Bill (SB) 1383. SB 1383 establishes methane emissions reduction targets, in a statewide effort to reduce emissions of short-lived climate pollutants. **Food waste alone accounts for approximately 17-18% of total landfill disposal.**

In order to comply with the requirements of SB 1383, the City of Citrus Heights and Republic Services (Republic) have amended their residential franchise agreement to expand the solid waste services provided to customers. Unfortunately, SB 1383 is an unfunded state mandate for the newly required organics programs.

After extensive negotiations, Republic and the City have agreed to a rate structure that will fund the costs of these expanded services. The purpose of this notice is to let you know about planned changes to the residential solid waste service and rates, effective July 1, 2022, and to give you an opportunity to be involved in the City's regulatory process.

ATTACHMENT 2:
Mailed Public Hearing Notice

SB 1383 has two major objectives:



What is Organic Waste?

- » Food Scraps, Coffee Grounds, Tea Bags
- » Food-Soiled Paper Products
 - Pizza Boxes, Napkins, Coffee Filters, Egg + Paper Cartons, To-go Bags + Boxes (no Styrofoam or Plastic)
- » Green Waste
 - Landscape + Pruning, Leaves, Flowers, Sludge
- » Lumber, Wood

For More Information on SB 1383 & Organic Waste Disposal, Please Visit the City's Website:
www.citrusheights.net/1151



Public Hearing

When: January 27, 2022, 7:00 PM

Where: City Council Chambers
City of Citrus Heights
6360 Fountain Square Drive
Citrus Heights, CA 95621

Written Protests

The City will accept one written protest, per parcel, (no emails or faxes will be accepted) against the proposed rate increase from property owners and customers of record. Protests can be submitted at the public hearing, until the end of the public input portion of the hearing. They can also be mailed or hand-delivered, but must be received prior to the close of the Public Hearing, by the City Clerk, at the address shown to the right. If a majority of valid written protests are received, the proposed rate increase will not be implemented.

For information on how to participate in this public hearing and to view the City Council agenda*, please visit:
<https://www.citrusheights.net/agendacenter>

*agendas are generally posted on the Friday prior to the upcoming meeting.

Current Services:

- » Weekly garbage cart service
- » Bi-weekly recycle & yard waste cart service
- » Used oil and household battery collections
- » Appointment-based household sharps collection
- » Three scheduled Neighborhood Cleanups per year
- » Extra leaf bag pick-up in Nov, Dec, and Jan
- » Free access to Sacramento County HHW drop off

What's Changing:

Starting July 2022, residential garbage and recycling services will include the following changes:

- » Yard waste carts will be renamed to “organic waste” and will accept food waste and food soiled paper
- » Weekly organic waste cart service

Send Written Protests to:

Citrus Heights City Clerk
6360 Fountain Square Drive
Citrus Heights, CA 95621

Protests Must Include:

1. Customer Name
2. Customer Signature
3. Service Address or Parcel Number
4. A Statement that You are Protesting the Proposed Rate Increase

New Monthly Rates

Can Size	January Rates <small>(effective 1/1/22)</small>	Proposed Rates <small>(effective 7/1/22)</small>	Monthly Increase
32-Gal	\$ 21.27	\$ 26.81	\$ 5.54
64-Gal	\$ 23.61	\$ 29.80	\$ 6.19
96-Gal	\$ 29.37	\$ 37.15	\$ 7.78



Customer rates will continue to adjust annually, every January, based on the Consumer Price Index (not to exceed 3.5%), without additional public hearings.

Presort Standard
US Postage
PAID
Permit 586
Sacramento CA



6360 Fountain Square Drive, Citrus Heights, CA 95621
www.citrusheights.net

City of Citrus Heights
Agenda Center





CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 27, 2022

TO: Mayor and City Council Members
Christopher W. Boyd, Interim City Manager

FROM: William Zenoni, Interim Administrative Services Director
Rajneil Prasad, Accounting Manager

SUBJECT: **Annual Comprehensive Financial Report**

Summary and Recommendation

Staff recommends the City Council accept and file the City of Citrus Heights Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021.

Fiscal Impact

There is no fiscal impact associated with this action.

Background and Analysis

In accordance with the provisions of California Government Code Sections 37208, 53891, and Section 2-355 of the Citrus Heights Municipal Code, the City prepares and publishes annual audited financial statements. The accounting firm of Lance, Soll & Lunghard, LLP (LSL CPAs) performed the annual audit of the City's general purpose financial statements for the fiscal year ended June 30, 2021. The auditor has opined that the City's financial statements present fairly, in all material respects, the respective financial position of the City of Citrus Heights. The statements are in conformity with Generally Accepted Accounting Principles.

The Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 was reviewed in detail by the Finance and Administration Committee on January 11, 2022 and is posted on the City's website at:

<http://citrusheights.net/213/Financial-Reporting-Budget-CIP>

Attachment

1. City of Citrus Heights Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CITY OF CITRUS HEIGHTS, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2021

Prepared by
Finance,
A Division of the Administrative Services Department

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CITY OF CITRUS HEIGHTS
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR FISCAL YEAR ENDED JUNE 30, 2021

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CITY OF CITRUS HEIGHTS
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR FISCAL YEAR ENDED JUNE 30, 2021

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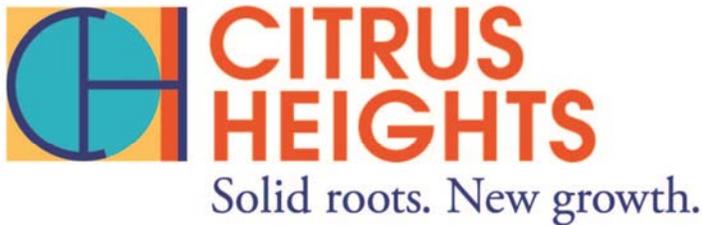
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CITY OF CITRUS HEIGHTS
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
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City of Citrus Heights
6360 Fountain Square Drive
Citrus Heights
California 95621
(916) 725-2448
Fax (916) 725-5799
TDD 7-1-1

www.citrusheights.net

*The City of CITRUS HEIGHTS
is committed to providing
high quality, economical,
responsive city services
to our community.*

December 14, 2021

To the Honorable Mayor and Members of the City Council and Citizens of the City of Citrus Heights:

City staff is pleased to submit the City of Citrus Heights' Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. The City of Citrus Heights has a long tradition of self-reliance. Strong financial policies and responsible fiscal management of taxpayer dollars remain a core tenant of City operations. Our City is committed to continued strong fiscal stewardship, transparency, and accountability over taxpayer dollars. Working together, the City Council and City staff ensure our budget and financial policies reflect spending consistent with essential priorities.

It is the policy of the City Council that a licensed certified public accountant conduct an annual audit at the end of each fiscal year and issue a complete set of audited financial statements. The audit is conducted in accordance with generally accepted auditing standards and the financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP).

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the City. City staff believes the data presented in this report is accurate in all material respects and all statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included. Management of the City has established an internal control framework that is designed to both 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 GAAP. Because the cost of a control should not exceed the benefits derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

While traditionally addressed to the governing body of the City, this report is intended to provide relevant financial information to the citizens of the City of Citrus Heights, city staff, creditors, investors, and other concerned readers. City staff encourages all readers to contact the Finance Division with any questions or comments concerning this report.

The City's financial statements have been audited by Lance, Soll & Lunghard, LLP, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance

PORSCHE MIDDLETON, *Mayor* • TIM SCHAEFER, *Vice Mayor*
JEANNIE BRUINS, *Council Member* • BRET DANIELS, *Council Member* • STEVE MILLER, *Council Member*
CHRISTOPHER W. BOYD, *City Manager* • RYAN R. JONES, *City Attorney*

that the financial statements of the City for the fiscal year ended June 30, 2021 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an unmodified opinion, which states that the City's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports will be available in the City's separately issued Single Audit Reports.

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 the MD&A. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Citrus Heights

The City of Citrus Heights operates under a Council-Manager form of government and provides municipal services that include public safety, public works, and community development. This report includes all funds of the City of Citrus Heights. The MD&A continues to demonstrate our commitment to providing essential quality of life services, maintaining public safety, improving the City's infrastructure including streets and roads, and growing our local economy while maintaining financial stability.

The City Council establishes annual budgets for the General Fund, Proprietary Funds, and Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department directors submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the following year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30th of each year in accordance with the City's Municipal Code.

The City of Citrus Heights was incorporated on January 1, 1997, as a general law city. Citrus Heights was the first new city in Sacramento County in more than 50 years and was the largest city to incorporate in the State of California. With a population of approximately 88,000 in a 14.2 square-mile area, Citrus Heights is 98% developed, with two large commercial corridors and a well-established residential community. We attract a population of all ages, and have a higher percentage of millennials and retirees than other cities our size.

The Citrus Heights City Council consists of five members, elected to four-year overlapping terms in district-based elections. Council members must be residents of the City. The positions of Mayor and Vice Mayor are chosen by the City Council through policy direction determined by the City Council. The Mayor conducts the City Council meetings and represents the City on ceremonial occasions.

The City Council serves as the policy board for the municipality. As an elected Board of Directors, the City Council provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the policy makers for the community, the City Council also is responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager, City Attorney, and all members of advisory boards and commissions.

In Citrus Heights, the total labor force is approximately 43,400. Unemployment in Sacramento County is at approximately 7.5%, which is below the current rate of unemployment for California (7.6%). The City of Citrus Heights is home to a diverse labor force, specializing in such occupations as sales, executive and managerial services, technical support, professional specialties, and other services. As the geographic center of the Greater Sacramento area, Citrus Heights offers residents and workforce effective access to the region. Almost 90% of Citrus Heights' workforce travels in from outside the City, creating a daytime population of over 30,000 jobs. Citrus Heights jobs are projected to grow by 7% in the next five years.

Most of Citrus Heights' commercial real estate is comprised of large retail and small office space. Citrus Heights has long been known as a retail mecca, but the current retail market is in a state of change. Consumers are relying less on brick and mortar stores now that online shopping is mainstream. Citrus Heights is home to one of the Sacramento area's first regional shopping centers, Sunrise Mall. In its prime, Sunrise Mall served as the economic engine of the City and the community's central gathering place. With the addition of other regional malls and a shift toward online shopping, Sunrise Mall has experienced immense fall off in economic impact — resulting in a decline of almost 50% since 2006. In 2019, City Council directed staff to embark on a specific plan process for Sunrise Mall. This plan has engaged each of the five owners of the 100-acre mall site, stakeholders, and the community, to work together on a new vision for Sunrise Mall. Through zoning, visioning, and entitling, the plan re-envisioned Sunrise Mall as a regional destination and economic engine for the community. Citrus Heights is a City that takes charge of its own future. By undertaking this process, we are encouraging continued growth and prosperity for our

commercial business community. The Specific Plan and Environmental Impact Report was unanimously approved by City Council in October 2021. In addition to fostering in a new era for Sunrise Mall, the City also works hard to support our small businesses. There are over 2,100 businesses in Citrus Heights, and 67% of those have less than 10 employees. Many of our small businesses are supported by three business districts: Sunrise MarketPlace, Auburn Blvd Business Association, and Antelope Crossing Business Association.

Budget Initiatives

The City of Citrus Heights has developed broad policy direction through the development of budget strategies that establish long-term policy guidance for conducting the City's financial activities. Citrus Heights has a long tradition of self-reliance and local control with excellent quality of life services our residents expect and deserve. The City Council has established policies to meet the following strategic objectives:

1. **Strategic Focus** – The City's financial management should be strategic, reflecting the Council's and the community's priorities for service while providing resources that realistically fund routine operations. Most importantly, we strive to maintain essential services reflective of our community's values and engage in continued fiscally responsible planning amid state mandates and takeaways.
2. **Fiscal Control and Accountability** – The City's financial activities should be fiscally sound and accountable to the City Council through the City Manager. It is our intent to maintain local control over local funds for our local needs in a fiscally prudent manner that addresses essential priorities.
3. **Clarity** – The City's financial planning and reporting should be clear and easy to understand so that all participants, the City Council, the community, and staff can productively participate in making good decisions. Our intent is to keep local government transparent and accountable, which includes our community's ability to engage with our financial information. The City of Citrus Heights regularly issues communications that inform and engage residents in fiscal updates.
4. **Long-Term Planning** – The City of Citrus Heights has always taken charge of its own future. We became a city by intent, establishing our own police department and being fiscally responsible, and we have plans for our future. The City's financial planning should emphasize multi-year horizons to promote long-term planning of resource uses. We have always engaged in long-term and comprehensive financial planning to ensure that the City can keep its budget balanced while preserving local control and essential services such as public safety and street maintenance in Citrus Heights.
5. **Flexible and Cost Effective Responses** – The City's financial management practices should encourage a mission-driven organization that responds quickly and

straightforwardly to community demands. The City's management should flexibly respond to opportunities for better service, should proactively manage revenues, and should cost-effectively manage ongoing operating costs. We must maintain public safety, economic development, and local control to adequately address our community's essential services and quality of life.

6. **Staffing Philosophy** – The City has worked towards establishing a balance between City employees and contract staff to ensure the most efficient City operations.

Financial Policies

The City Council has developed policy parameters for the City's fiscal management. Those fiscal policies address a number of issues including financial activity reporting, budgeting and financial planning, appropriation control, debt management, investments, fees and charges, purchasing, performance measures and competitive review, and reserves.

Long-Term Financial Planning

The City's financial planning promotes long-term planning of its resources that is reflective of community priorities, essential services, and quality of life. The ten-year financial forecast has served as the primary budget guidance tool since the City's incorporation in 1997. The forecast is updated annually to project future General Fund revenue and expenditures. Several factors directly affect the City's General Fund revenue. Since the City currently receives approximately 40% of its General Fund revenue from sales and use tax, it is especially susceptible to economic downturns and the changing retail economy. In addition, the City is approximately 98% built out which results in fewer opportunities for revenue generating growth. The City will continue to balance the General Fund by implementing a combination of cost saving measures as well as prudent financial planning.

Current Economic Conditions and Outlook

The outbreak of the coronavirus disease, COVID-19, was declared a pandemic by the World Health Organization. The Governor declared a state of emergency in the State on March 4, 2020 and the Mayor declared a state of emergency in the City on March 19, 2020, each of which is still in effect.

The COVID-19 pandemic has wreaked havoc on the global economy, with a devastating impact on national and local economies. COVID-19 remains a considerable source of uncertainty. Public health orders, business closures, supply chain disruption, changing consumer trends and uncertain markets continue to be variable factors in future planning.

The City of Citrus Heights anticipates receiving the property tax revenue previously retained by the County of Sacramento under the revenue neutrality agreement in January 2023.

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The City of Citrus Heights anticipates receiving the property tax revenue previously retained by the County of Sacramento under the revenue neutrality agreement in January 2023.

The City's economic development efforts and implementation of the City's financial policies help to promote Citrus Heights' fiscal stability. Since incorporation in 1997, at the direction of the City Council, staff has conducted a systematic review of operations, resulting in some cases in the transition from contract service to an in-house operational model; in other instances, a renegotiation of existing service contracts; and in other instances, retention of the contract operational model with a different service provider. These operational analyses and reforms are intended to promote long-term stability.

Awards and Acknowledgements

The City of Citrus Heights received an award for its submission of the FY 2019-2020 Comprehensive Annual Financial Report for the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). This was the twentieth consecutive year that the City received this award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. City staff believes that this report will again meet the program requirements to receive the award.

The preparation of this Annual Comprehensive Financial Report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Division and the auditing firm of Lance, Soll & Lunghard, LLP. I would also like to thank members of the City Council, the City Manager, and the various departments for their cooperation and support in planning and conducting the financial operations of the City during the past fiscal year.

Respectfully Submitted,



William Zenoni

Interim Administrative Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Citrus Heights
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

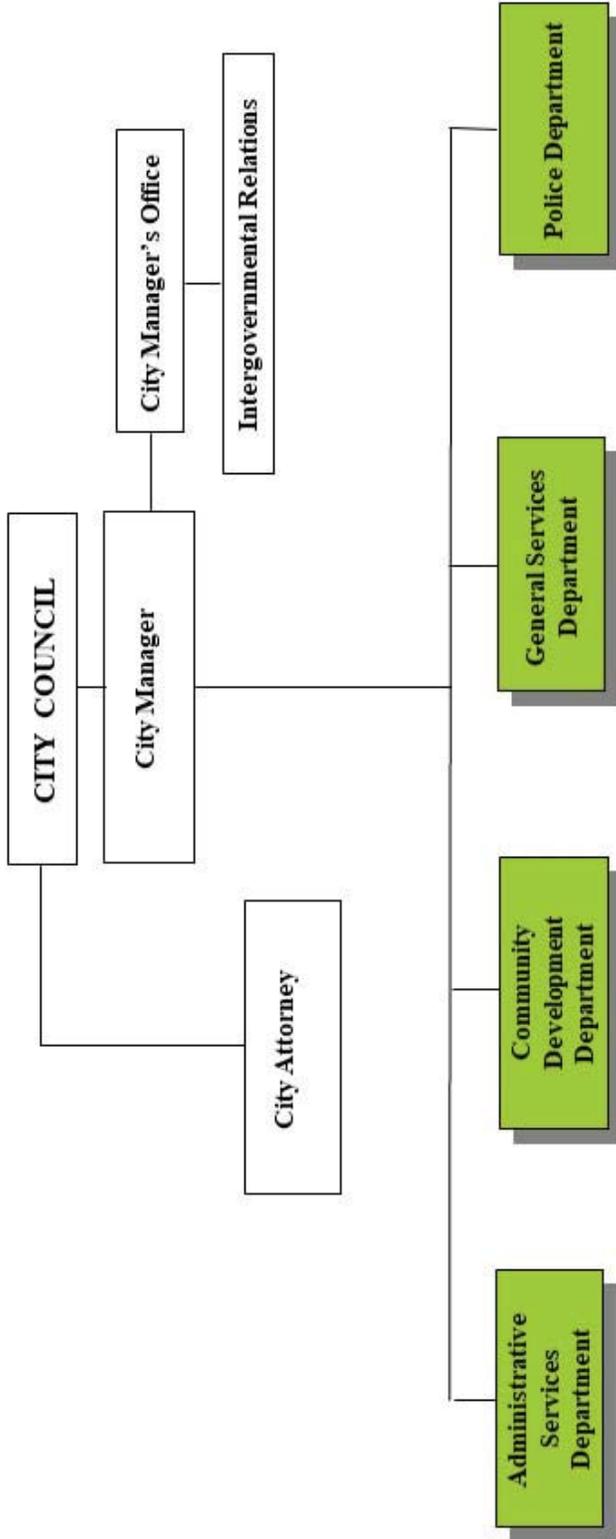
June 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF CITRUS HEIGHTS

Organization Chart



City of Citrus Heights, California

List of Officials

Elected

- Steve Miller, Mayor
- Porsche Middleton, Vice Mayor
- Jeannie Bruins, Council Member
- Bret Daniels, Council Member
- Tim Schaefer, Council Member

Appointed

- Christopher W. Boyd, City Manager
- William J. Zenoni, Interim Administrative Services Director
- Colleen M. McDuffee, Community Development Director
- Ronald A. Lawrence, Chief of Police
- Ryan R. Jones, City Attorney

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Citrus Heights, California, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Citrus Heights, California, as of June 30, 2021, 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. 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 date of the financial statements.



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 the GAAS and *Governmental 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.

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund and the CBDG grants special revenue fund, the schedule of proportionate share of the net pension liability – cost sharing plan, the schedule of plan contributions – cost sharing plan, the schedule of changes in the net OPEB liability and related ratios, and the schedule of OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Sacramento, California
December 14, 2021

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**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section provides a narrative overview and analysis of the financial activities of the City of Citrus Heights (City) for the fiscal year ended June 30, 2021. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- ◆ As of June 30, 2021, total assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$338,846,023 (net position). The portion of net position that may be used to meet the government’s ongoing obligations to citizens and creditors (unrestricted net position) is \$(6,506,248). The portion of net position that is restricted and may only be used for specific purposes is \$25,779,873. The remaining \$319,572,398 is invested in capital assets.
- ◆ As of June 30, 2021, the City’s governmental funds reported combined ending fund balances of \$35,429,319. Of the combined fund balances, 26.82% (\$9.502 million) is available to meet the City’s current and future needs (committed, assigned and unassigned balances).
- ◆ As of June 30, 2021, the committed amount in the General Fund of \$4,486,978 represents amounts committed for insurance, postemployment healthcare benefits and a Council commitment for economic uncertainties and anticipated future short-term structural deficits (i.e. revenue stabilization). See Note 8.
- ◆ Under the revenue neutrality agreement with the County of Sacramento, \$6,203,470 of property tax revenue was retained by the County as payment under the agreement. These payments are expected to continue through the fiscal year ending June 30, 2022.
- ◆ Capital assets, net of depreciation, decreased to \$319,843,497 from \$328,960,349, which includes \$282,581,167 of infrastructure per the requirements of GASB 34.

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

This Annual Comprehensive Financial Report is in three major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information;
- 2) **Financial section**, which includes the Management’s Discussion and Analysis, the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements and Combining and Individual Fund Financial Statements and Schedules; and,
- 3) **Statistical section**, which includes detailed information as a context for understanding what the information in the financial statements and footnotes says about the City's overall financial health.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT, Continued

The Basic Financial Statements

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements. These two sets of financial statements provide two different views of the City's financial activities and financial position.

The Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the City's activities as a whole and are comprised of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in net position for the year.

All of the City's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net Position and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the City as a whole.

- ◆ ***Governmental activities*** – All of the City's basic services are considered to be governmental activities, including general government, community development, economic development, public safety, animal control, engineering, community events, public improvements, planning and zoning, building inspections, and general administration. These services are supported by general City revenues such as taxes and by specific program revenues such as user fees.
- ◆ ***Business-type activities*** – All of the City's enterprise activities are reported here. The City's only Business-type activity fund is Solid Waste. Unlike governmental services, this service is supported by charges paid by users based on the amount of the service they use.

Fund Financial Statements

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT, Continued

Because the focus of the Governmental Fund Financial Statements 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 Statement. By doing so, readers may better understand the long-term impact of the government’s near-term financial 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 Governmental Fund Financial Statements provide detailed information about each of the City’s most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the detail of these nonmajor funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City’s activities.

For the fiscal year ended June 30, 2021, the City’s major funds include the General Fund, Community Development Block Grant (CDBG) Fund, and the General Capital Improvements Fund.

For the fiscal year ended June 30, 2021, the City adopted annual appropriated budgets for the General Fund and Special Revenue funds.

Proprietary funds. The City maintains one Enterprise-type proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses an enterprise fund to account for Solid Waste activities.

Proprietary funds provide the same type of information as the Government-wide Financial Statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste operation.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 33-66 of this report. Required Supplementary Information follows the notes on page 67.

Combining and Individual Fund Financial Statements and Schedules. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements and required supplementary information. Combining and individual fund statements can be found on pages 77-133 of this report.

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position.

In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$338,846,023 as of June 30, 2021. Under the revenue neutrality settlement, the County retains the annual property tax for the first twenty-five years after the City’s incorporation through the fiscal year ending June 30, 2022. For the fiscal year ended June 30, 2021, the County retained \$6,203,470 of property taxes.

The Summary of Net Position as of June 30, 2021, and 2020, follows:

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 52,521,022	\$ 35,572,508	\$ 1,034,701	\$ 765,605	\$ 53,555,723	\$ 36,338,113
Capital assets	319,485,541	328,594,520	357,956	365,829	319,843,497	328,960,349
Total Assets	372,006,563	364,167,028	1,392,657	1,131,434	373,399,220	365,298,462
Total Deferred Outflows	6,983,623	7,373,690	87,007	103,898	7,070,630	7,477,588
Long-term liabilities	23,930,072	21,012,791	281,364	261,666	24,211,436	21,274,457
Other liabilities	16,239,828	7,837,771	49,452	43,621	16,289,280	7,881,392
Total Liabilities	40,169,900	28,850,562	330,816	305,287	40,500,716	29,155,849
Total Deferred Inflows	1,107,527	1,126,422	15,584	30,252	1,123,111	1,156,674
Net position:						
Net investment in capital assets	319,214,442	328,594,520	357,956	365,829	319,572,398	328,960,349
Restricted	25,779,873	20,775,754	-	-	25,779,873	20,775,754
Unrestricted	(7,281,556)	(7,806,540)	775,308	533,964	(6,506,248)	(7,272,576)
Total Net Position	\$337,712,759	\$341,563,734	\$ 1,133,264	\$ 899,793	\$338,846,023	\$342,463,527

Restricted net position increased by \$5,004,119 due to an increase in the receipt of restricted funds in a number of special revenue funds for road maintenance, general capital improvement, transit services and various development activities. Unrestricted net position can be used to finance day to day operations without constraints established by debt covenants or other legal requirements. The City had \$(6,506,248) of unrestricted net position (deficit) as of June 30, 2021, which is an increase of \$766,328 from the prior fiscal year. While unrestricted net position is technically unrestricted, much of the amount is committed for a specific use as described in Note 8.

The City maintains a commitment of fund balance in the General Fund, commonly called the General Fund Reserve. It is set at a maximum of \$35 million at June 30, 2021, and the balance is currently \$4.5 million. The net position of business-type activities cannot be used to make up an unrestricted net position deficit in the governmental activities. The City generally can only use these assets to finance the continuing operations of the business-type activities.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2021, and 2020, follows:

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 11,469,898	\$ 10,912,471	\$ 904,130	\$ 829,397	\$ 12,374,028	\$ 11,741,868
Grants and contributions:						
Operating	11,072,674	6,053,305	-	-	11,072,674	6,053,305
Capital	3,589,794	3,790,741	-	-	3,589,794	3,790,741
General revenues:						
Property taxes and assessments						
	383,773	306,250	-	-	383,773	306,250
Sales and use taxes						
	13,373,483	12,083,836	-	-	13,373,483	12,083,836
Utility users tax						
	2,717,945	2,650,891	-	-	2,717,945	2,650,891
Other taxes						
	1,412,898	2,019,859	-	-	1,412,898	2,019,859
Other revenue						
	-	-	61,151	54,195	61,151	54,195
Shared intergovernmental - unrestricted						
	9,303,916	8,887,426	-	-	9,303,916	8,887,426
Investment earnings (Losses)						
	1,650	458,727	1,117	12,206	2,767	470,933
Total Revenues	53,326,031	47,163,506	966,398	895,798	54,292,429	48,059,304
Expenses:						
Governmental activities:						
General government	10,210,576	7,360,783	-	-	10,210,576	7,360,783
Public safety	23,338,398	24,443,611	-	-	23,338,398	24,443,611
Public ways and facilities	18,149,133	19,019,629	-	-	18,149,133	19,019,629
Culture and recreation	540,427	830,572	-	-	540,427	830,572
Economic development	916,027	950,409	-	-	916,027	950,409
Community enhancements	3,877,993	3,928,848	-	-	3,877,993	3,928,848
Interest on long-term debt	144,455	151,957	-	-	144,455	151,957
Business-type activities:						
Solid waste	-	-	732,927	675,849	732,927	675,849
Total Expenses	57,177,009	56,685,809	732,927	675,849	57,909,936	57,361,658
Excess of revenues over expenditures before transfers						
	(3,850,978)	(9,522,303)	233,471	219,949	(3,617,507)	(9,302,354)
Transfers						
	-	-	-	-	-	-
Change in Net Position	(3,850,978)	(9,522,303)	233,471	219,949	(3,617,507)	(9,302,354)
Restatement						
	-	(1,085,331)	-	-	-	(1,085,331)
Net position, beginning of year						
	341,563,737	352,171,367	899,793	679,844	342,463,530	352,851,211
NET POSITION, JUNE 30	\$ 337,712,759	\$ 341,563,733	\$ 1,133,264	\$ 899,793	\$ 338,846,023	\$ 342,463,526

Revenues

The City's total revenues for governmental and business-type activities were \$54,292,429 for the fiscal year ended June 30, 2021. Approximately 70% of the City's key revenues are generated from four major sources.

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The following discusses variances in key revenues from the prior fiscal year:

1. **Sales Tax** - Annual receipts for the fiscal year ended June 30, 2021 increased by \$1,289,647 from the prior year due to some new businesses in the city and the re-opening of some businesses that previously had to shut due to the pandemic.
2. **Shared Intergovernmental Revenues** - Annual receipts for the fiscal year ended June 30, 2021 increased by \$416,490 from the prior year. This amount represents the state motor vehicle in-lieu tax.
3. **Grants and Contributions - Governmental Activities Operating** - Governmental Activities operating grants and contributions were mainly from public safety street, road, and community enhancement grants that were for maintenance and operations as well as CARES Act allocations for CDBG Supplemental and DOJ for public safety. The amounts also included the CARES Act Relief funding for cities and the Great Plates program.
4. **Grants and Contributions - Governmental Activities Capital** - The decrease in capital revenues reflects closure of capital projects in the prior fiscal year. During the fiscal year ended June 30, 2021, only a handful of projects remained open/ under construction.

Expenses

Governmental and business-type activity expenses of the City for the year totaled \$57,909,936. Governmental activity expenses totaled \$57,177,009 or 98.7% of total expenses. Business-type activities expenses totaled \$732,927 during the fiscal year. Public safety costs represented 40.8% of total governmental activities expenses and represented the largest single expense for governmental activities.

Governmental Activities

The following table shows the cost of each of the City’s major programs and the net cost of the programs. The net cost reflects the financial burden that was placed on the City’s taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2021, and 2020, were as follows:

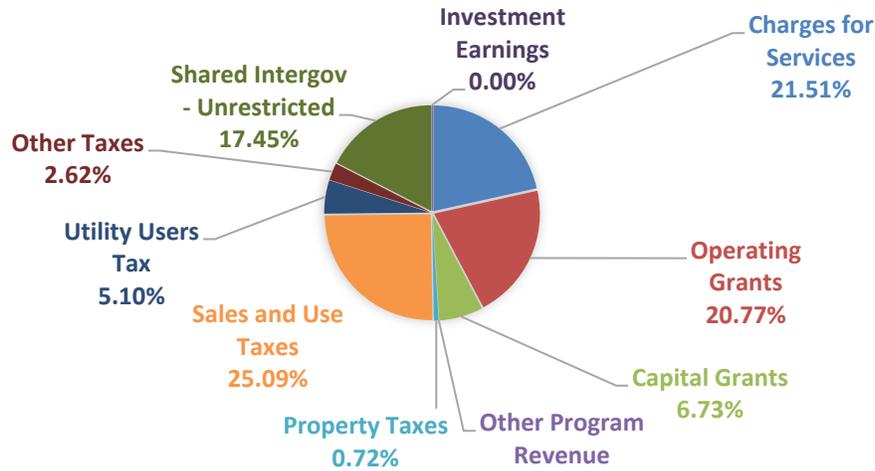
	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 10,210,576	\$ (6,065,502)	\$ 7,360,783	\$ (5,145,765)
Public safety	23,338,398	(19,674,208)	24,443,611	(21,570,161)
Public ways and facilities	18,149,133	(4,329,129)	950,409	(946,280)
Culture and recreation	540,427	(540,427)	830,572	(800,059)
Economic development	916,027	(916,027)	19,019,629	(5,970,015)
Community enhancements	3,877,993	625,105	3,928,848	(1,345,055)
Interest on long-term debt	144,455	(144,455)	151,957	(151,957)
TOTAL	\$ 57,177,009	\$ (31,044,643)	\$ 56,685,809	\$ (35,929,292)

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

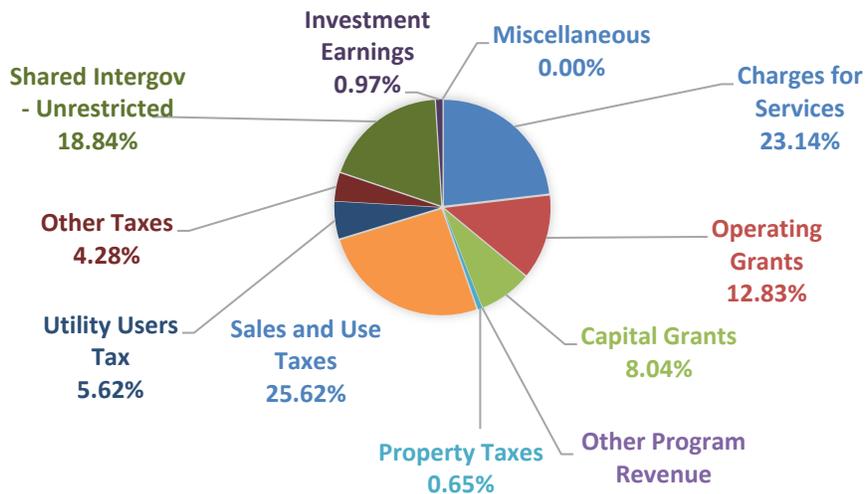
GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues by source for the fiscal years ended June 30, 2021, and 2020, are as follows:

**REVENUES BY SOURCE - GOVERNMENTAL
ACTIVITIES - 2021**



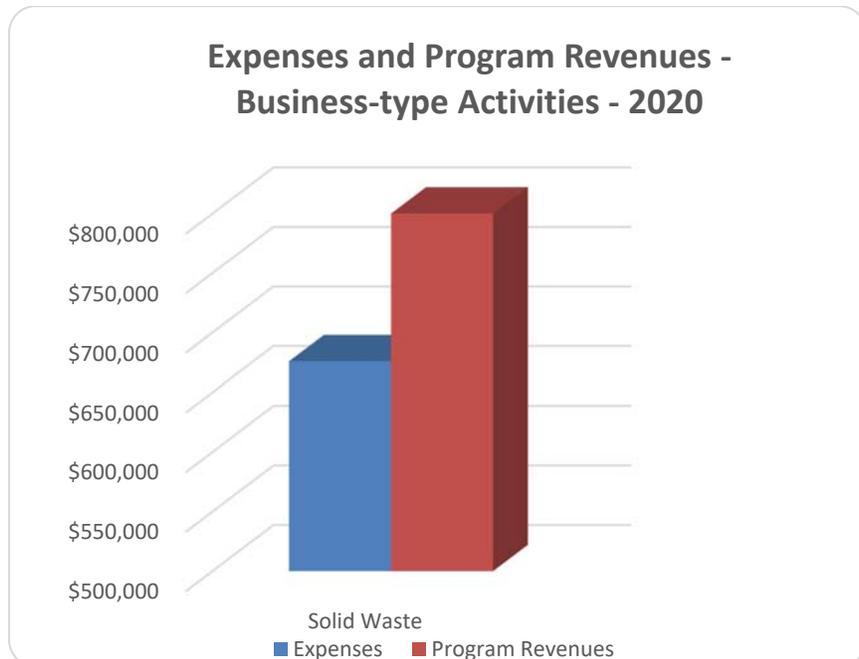
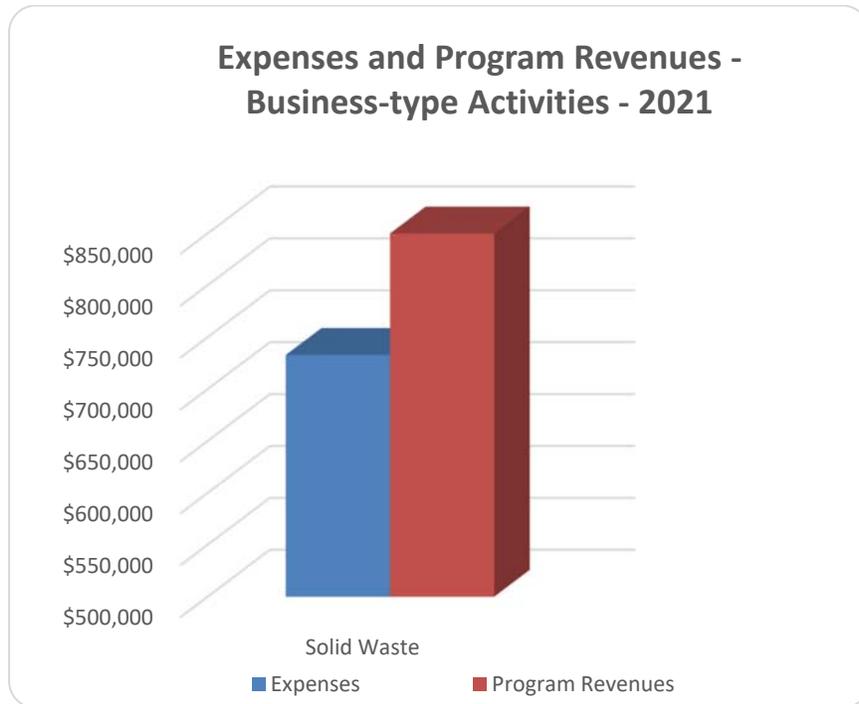
**REVENUES BY SOURCE - GOVERNMENTAL
ACTIVITIES - 2020**



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

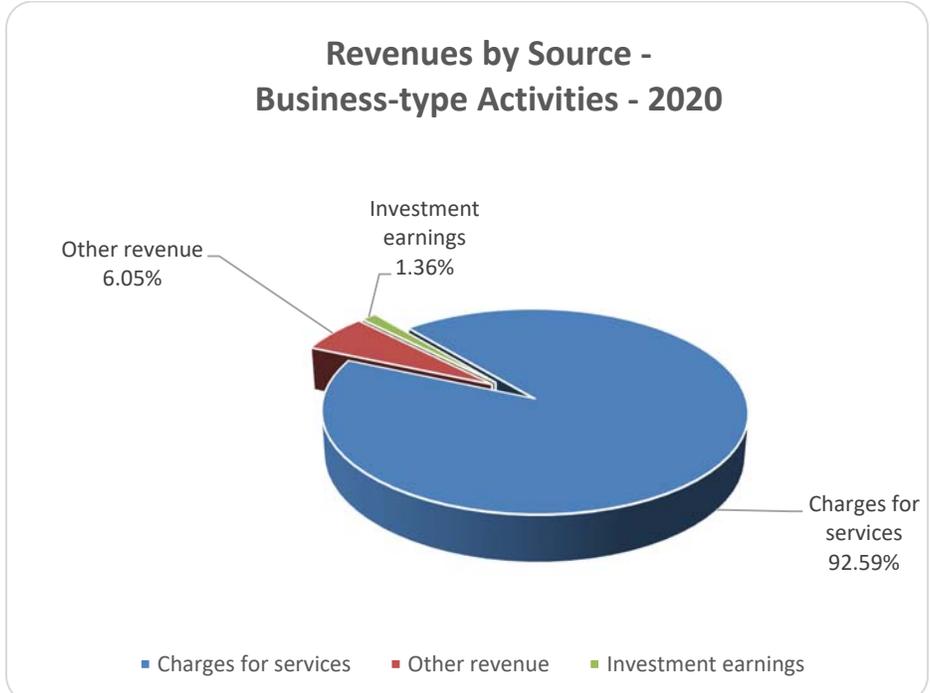
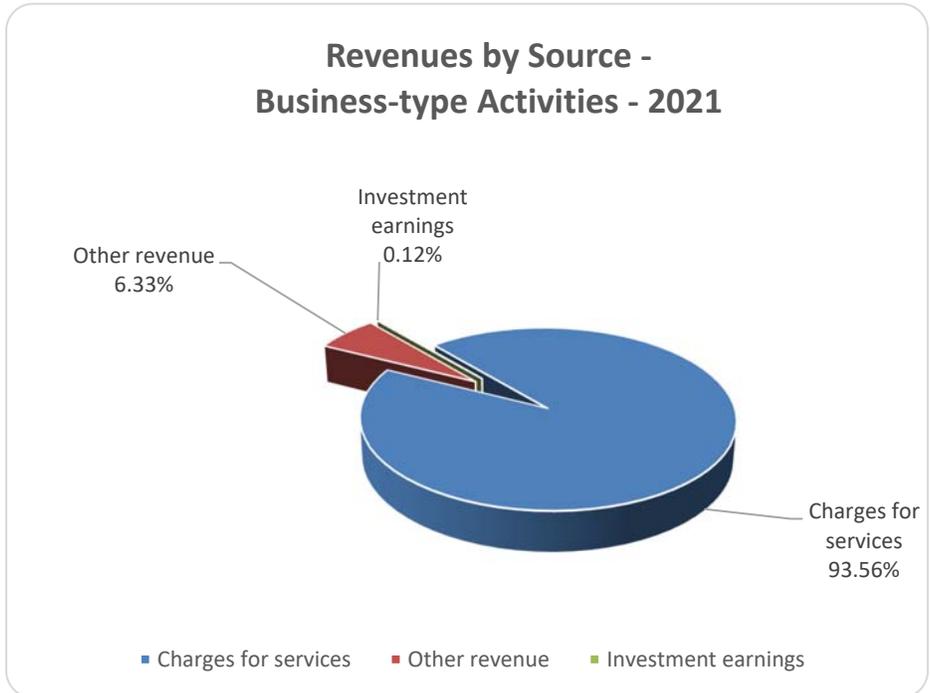
Business-type activities. The City's net position for business-type activities increased by \$233,471 for the fiscal year ended June 30, 2021. The City has one business-type activity, which is Solid Waste Operations. The expenses and program revenues for the Solid Waste Operation for the fiscal year ended June 30, 2021, and 2020, are as follows:



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The revenues by source for the solid waste business-type activity for the fiscal years ended June 30, 2021 and 2020 are as follows:



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Financial Analysis of the Government's Funds

The City of Citrus Heights uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements.

Governmental funds. The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2021, the City's governmental funds reported combined fund balances of \$35,429,319.

The General Fund is the chief operating fund of the City. At the fiscal year ended June 30, 2021, the General Fund's fund balance totaled \$8,890,826 of which \$4,486,978 was committed for reserves and revenue stabilization. Fund balance in the General Fund increased by \$3,610,700 largely due to one-time revenues from local development and CARES Act relief funding for public safety.

The CDBG Grants Special Revenue Fund accounts for CDBG grant funds used for low income housing loans for home repair projects, and non-profit public service activities. Fund balance in this fund increased by \$72,093, largely due to loan repayments.

The General Capital Improvements Capital Projects Fund accounts for funds collected and expended for the construction or purchase of public facilities and projects. Fund balance in this fund decreased by \$131,358, largely due to payment for professional services to aid the city in the preparation of the Sunrise Mall Specific Plan and Environmental Impact Report.

Proprietary funds. The City has one business-type activity, which is Solid Waste Operations. The Proprietary fund unrestricted net position increased \$233,471 in the fiscal year ended June 30, 2021, largely due to increase in franchise fee revenue and savings in operating expenses.

General Fund Budgetary Highlights

The actual total revenues were approximately \$6,196,053 more than the final budgeted amount. Investment earnings, contributions, and fines and forfeitures came in under budget; all other revenue categories exceeded the budget estimate. The largest favorable variance compared to the budget was in intergovernmental revenues, \$3,565,067. This includes one-time CARES Act Relief funds and funding for the Great Plates program. An increase in general sales tax revenue was due to the re-opening of local businesses that had shut down or been impacted by the COVID-19 pandemic. An increase in charges for services was due to the inflationary changes from the City Council approved Master Fee Schedule effective January 1, 2020.

The actual total expenditures were approximately \$1,168,425 less than the final budgeted amount due mainly to salary savings from vacant positions.

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Capital Assets

The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounted to \$319,843,497. This investment in capital assets includes land, art, construction in progress costs for road and other improvements, buildings and improvements, infrastructure, the City Hall and Utility Yard assets, and machinery and equipment.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 15,098,544	\$ 15,290,467	\$ -	\$ -	\$ 15,098,544	\$ 15,290,467
Art	103,650	103,650	-	-	103,650	103,650
Construction in progress	2,602,408	1,313,792	-	-	2,602,408	1,313,792
Buildings and improvements	17,698,011	18,126,358			17,698,011	18,126,358
Infrastructure	282,223,211	292,104,850	357,956	365,829	282,581,167	292,470,679
Machinery and equipment	1,759,717	1,655,403	-	-	1,759,717	1,655,403
Total	\$ 319,485,541	\$ 328,594,520	\$ 357,956	\$ 365,829	\$ 319,843,497	\$ 328,960,349

The increase in construction in progress was mainly due to the following projects:

- Auburn Blvd – Rusch/ Northern City Project,
- Electric Greenway Project,
- Signalized Intersection Improvements, and
- Energy Efficient Lighting Upgrades.

More detail of the capital assets and current activity can be found in the notes to the financial statements on pages 47 and 48.

Long-term Debt

The City’s long-term debt at June 30, 2021 totaled \$24,211,436 for amounts due in more than one year, and included a net pension liability of \$18,520,579. More detail on the City’s long-term debt can be found in Note 6 and 7 on page 49, Note 10 on page 53, Note 11 on pages 54-60, and Note 12 on pages 61-65.

Economic Outlook and COVID-19

The outbreak of the coronavirus disease, COVID-19, has been declared a pandemic by the World Health Organization. The Governor declared a state of emergency in the State of California on March 4, 2020 and the Mayor for the City of Citrus Heights declared a state of emergency in the City on March 19, 2020, each of which is still in effect.

The ultimate impact of the COVID-19 pandemic and its effect on future City revenues cannot be determined at this time. No assurance can be provided that the COVID-19 pandemic will not result in city revenues that are lower than projected.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The City will review the outlook for revenues and expenditures as part of the mid-year budget update.

Requests for Information

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. If you have any questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact the City of Citrus Heights Administrative Services Department, 6360 Fountain Square Drive, Citrus Heights, California 95621, or visit the City's web page at www.citrusheights.net.

CITY OF CITRUS HEIGHTS

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Current Assets:			
Pooled cash and investments	\$ 32,612,216	\$ 918,344	\$ 33,530,560
Receivables:			
Accounts	974,335	115,032	1,089,367
Interest	20,731	719	21,450
Prepaid items	129,210	-	129,210
Deposits	4,000	-	4,000
Due from other governments	7,322,607	606	7,323,213
Total Current Assets	41,063,099	1,034,701	42,097,800
Noncurrent Assets:			
Interest receivable - lease	354,143	-	354,143
Notes and loans	5,470,345	-	5,470,345
Allowance on uncollectible notes and loans	(4,255,867)	-	(4,255,867)
Direct financing lease receivable	3,664,605	-	3,664,605
Land held for resale	6,224,697	-	6,224,697
Capital assets not being depreciated	17,804,602	-	17,804,602
Capital assets, net of depreciation	301,680,939	357,956	302,038,895
Total Noncurrent Assets	330,943,464	357,956	331,301,420
Total Assets	372,006,563	1,392,657	373,399,220
Deferred Outflows of Resources:			
Pension related items	6,861,311	85,970	6,947,281
OPEB related items	122,312	1,037	123,349
Total Deferred Outflows of Resources	6,983,623	87,007	7,070,630
Liabilities:			
Current Liabilities:			
Accounts payable	2,483,439	12,506	2,495,945
Accrued liabilities	614,598	-	614,598
Accrued interest	65,200	-	65,200
Unearned revenue	10,526,218	-	10,526,218
Retentions payable	23,046	-	23,046
Deposits payable	77,651	-	77,651
Due to other governments	398,415	36,946	435,361
Loans payable	63,048	-	63,048
Compensated absences - due within one year	1,282,000	-	1,282,000
Claims payable - due within one year	706,213	-	706,213
Total Current Liabilities	16,239,828	49,452	16,289,280
Noncurrent liabilities:			
Compensated absences - due in more than one year	414,651	-	414,651
Claims payable - due in more than one year	1,229,787	-	1,229,787
Loans payable	208,051	-	208,051
Line of credit	3,520,001	-	3,520,001
Net pension liability	18,241,892	278,687	18,520,579
Net OPEB liability	315,690	2,677	318,367
Total Noncurrent Liabilities	23,930,072	281,364	24,211,436
Total Liabilities	40,169,900	330,816	40,500,716
Deferred Inflows of Resources:			
Pension related items	734,156	12,417	746,573
OPEB related items	373,371	3,167	376,538
Total Deferred Inflows of Resources	1,107,527	15,584	1,123,111
Net Position:			
Net investment in capital assets	319,214,442	357,956	319,572,398
Restricted for:			
Housing projects	19,744,245	-	19,744,245
Stormwater maintenance	2,688,205	-	2,688,205
Streets, roads and park projects	1,824,597	-	1,824,597
Assessment district maintenance	1,522,826	-	1,522,826
Unrestricted	(7,281,556)	775,308	(6,506,248)
Total Net Position	\$ 337,712,759	\$ 1,133,264	\$ 338,846,023

See Notes to Financial Statements.

CITY OF CITRUS HEIGHTS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 10,210,576	\$ 1,904,861	\$ 2,240,213	\$ -
Public safety	23,338,398	2,074,980	1,589,210	-
Economic development	916,027	-	-	-
Culture and recreation	540,427	-	-	-
Public ways and facilities	18,149,133	4,759,239	5,890,606	3,170,159
Community enhancements	3,877,993	2,730,818	1,352,645	419,635
Interest on long-term debt	144,455	-	-	-
Total Governmental Activities	57,177,009	11,469,898	11,072,674	3,589,794
Business-Type Activities:				
Solid Waste	732,927	904,130	-	-
Total Business-Type Activities	732,927	904,130	-	-
Total Primary Government	\$ 57,909,936	\$ 12,374,028	\$ 11,072,674	\$ 3,589,794

General Revenues:

Taxes:

- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Utility users tax
- Other taxes
- Motor vehicle in lieu - unrestricted
- Use of money and property
- Other

Total General Revenues

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

**Net (Expenses) Revenues and Changes in
Net Position
Primary Government**

Governmental Activities	Business-Type Activities	Total
\$ (6,065,502)	\$ -	\$ (6,065,502)
(19,674,208)	-	(19,674,208)
(916,027)	-	(916,027)
(540,427)	-	(540,427)
(4,329,129)	-	(4,329,129)
625,105	-	625,105
(144,455)	-	(144,455)
(31,044,643)	-	(31,044,643)
-	171,203	171,203
-	171,203	171,203
(31,044,643)	171,203	(30,873,440)
383,773	-	383,773
23,237	-	23,237
13,373,483	-	13,373,483
1,141,844	-	1,141,844
2,717,945	-	2,717,945
48,708	-	48,708
9,303,916	-	9,303,916
199,109	1,117	200,226
1,650	61,151	62,801
27,193,665	62,268	27,255,933
(3,850,978)	233,471	(3,617,507)
341,563,737	899,793	342,463,530
\$ 337,712,759	\$ 1,133,264	\$ 338,846,023

CITY OF CITRUS HEIGHTS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

		<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>
	<u>General</u>	<u>CDBG Grants Special Revenue Fund</u>	<u>General Capital Improvements Capital Projects Fund</u>
Assets:			
Pooled cash and investments	\$ 12,881,557	\$ -	\$ 538,698
Receivables:			
Accounts	597,291	-	-
Notes and loans	14,478	1,319,707	-
Allowance on uncollectible notes and loans	-	(1,319,707)	-
Interest	7,898	-	-
Interest - lease	354,143	-	-
Direct financing lease receivable	3,664,605	-	-
Prepaid items	126,865	-	-
Deposits	4,000	-	-
Due from other governments	4,871,944	491,977	-
Due from other funds	810,080	-	-
Land held for resale	-	-	3,440,097
Total Assets	\$ 23,332,861	\$ 491,977	\$ 3,978,795
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 648,444	\$ 92,653	\$ 32,221
Accrued liabilities	614,598	-	-
Unearned revenues	8,538,390	-	-
Retentions payable	-	-	-
Deposits payable	77,651	-	-
Due to other governments	300,643	1,038	-
Due to other funds	-	164,168	-
Total Liabilities	10,179,726	257,859	32,221
Deferred Inflows of Resources:			
Unavailable revenues	243,561	-	-
Unavailable revenues - direct financing lease	3,664,605	-	-
Unavailable revenues - direct financing lease interest	354,143	-	-
Total Deferred Inflows of Resources	4,262,309	-	-
Fund Balances:			
Nonspendable	145,343	-	-
Restricted	-	234,118	3,440,096
Committed	4,486,978	-	-
Assigned	-	-	506,478
Unassigned	4,258,505	-	-
Total Fund Balances	8,890,826	234,118	3,946,574
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 23,332,861	\$ 491,977	\$ 3,978,795

CITY OF CITRUS HEIGHTS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	Other Governmental Funds	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 19,191,961	\$ 32,612,216
Receivables:		
Accounts	377,044	974,335
Notes and loans	4,136,160	5,470,345
Allowance on uncollectible notes and loans	(2,936,160)	(4,255,867)
Interest	12,833	20,731
Interest - lease	-	354,143
Direct financing lease receivable	-	3,664,605
Prepaid items	2,345	129,210
Deposits	-	4,000
Due from other governments	1,958,686	7,322,607
Due from other funds	-	810,080
Land held for resale	2,784,600	6,224,697
Total Assets	\$ 25,527,469	\$ 53,331,102
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 1,710,121	\$ 2,483,439
Accrued liabilities	-	614,598
Unearned revenues	323,852	8,862,242
Retentions payable	23,046	23,046
Deposits payable	-	77,651
Due to other governments	96,734	398,415
Due to other funds	645,912	810,080
Total Liabilities	2,799,665	13,269,471
Deferred Inflows of Resources:		
Unavailable revenues	370,003	613,564
Unavailable revenues - direct financing lease	-	3,664,605
Unavailable revenues - direct financing lease interest	-	354,143
Total Deferred Inflows of Resources	370,003	4,632,312
Fund Balances:		
Nonspendable	2,345	147,688
Restricted	22,105,659	25,779,873
Committed	-	4,486,978
Assigned	665,731	1,172,209
Unassigned	(415,934)	3,842,571
Total Fund Balances	22,357,801	35,429,319
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,527,469	\$ 53,331,102

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CITY OF CITRUS HEIGHTS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Fund balances of governmental funds		\$ 35,429,319
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		319,485,541
Long-term liabilities are not due and payable in the current period and, therefore are not reported in governmental fund activity:		
Line of credit	\$ (3,520,001)	
Loan payable	(271,099)	
Claims payable	(1,936,000)	
Compensated absences	<u>(1,696,651)</u>	(7,423,751)
Net pension liability not included in the governmental fund activity		(18,241,892)
Net OPEB liability not included in the governmental fund activity		(315,690)
Deferred outflows related to pension items are not included in the governmental fund activity		6,861,311
Deferred inflows related to pension items are not included in the governmental fund activity		(734,156)
Deferred outflows related to OPEB items are not included in the governmental fund activity		122,312
Deferred inflows related to OPEB items are not included in the governmental fund activity		(373,371)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(65,200)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		613,564
The City's direct financing lease receivable is reported as unearned revenue under GASB Statement No. 62 for government-wide purposes.		
Unavailable revenue associated with direct financing lease	4,018,748	
Unearned revenue associated with direct financing lease	<u>(1,663,976)</u>	<u>2,354,772</u>
Net Position of Governmental Activities		<u>\$ 337,712,759</u>

CITY OF CITRUS HEIGHTS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General	Special Revenue Funds	Capital Projects Funds
		CDBG Grants Special Revenue Fund	General Capital Improvements Capital Projects Fund
Revenues:			
Taxes	\$ 17,671,002	\$ -	\$ -
Assessments	-	-	-
Licenses and permits	2,718,036	-	-
Intergovernmental	13,340,010	970,562	-
Charges for services	1,987,566	-	-
Use of money and property	178,867	-	-
Fines and forfeitures	881,919	-	-
Contributions	150	-	-
Miscellaneous	87,669	90,216	-
Total Revenues	36,865,219	1,060,778	-
Expenditures:			
Current:			
General government	8,983,370	-	-
Public safety	19,684,115	-	-
Economic development	513,761	-	131,358
Culture and recreation	374,905	-	-
Public ways and facilities	-	-	-
Community enhancements	2,962,987	508,789	-
Capital outlay	115,769	-	-
Debt service:			
Principal retirement	76,169	-	-
Interest and fiscal charges	154,731	-	-
Total Expenditures	32,865,807	508,789	131,358
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,999,412	551,989	(131,358)
Other Financing Sources (Uses):			
Transfers in	48,600	-	-
Transfers out	(437,312)	(479,896)	-
Loan issued	-	-	-
Proceeds from sale of capital asset	-	-	-
Total Other Financing Sources (Uses)	(388,712)	(479,896)	-
Net Change in Fund Balances	3,610,700	72,093	(131,358)
Fund Balances, Beginning of Year	5,280,126	162,025	4,077,932
Fund Balances, End of Year	\$ 8,890,826	\$ 234,118	\$ 3,946,574

CITY OF CITRUS HEIGHTS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ -	\$ 17,671,002
Assessments	17,988	17,988
Licenses and permits	282,386	3,000,422
Intergovernmental	9,179,628	23,490,200
Charges for services	5,330,377	7,317,943
Use of money and property	12,865	191,732
Fines and forfeitures	345,607	1,227,526
Contributions	103,240	103,390
Miscellaneous	132,203	310,088
Total Revenues	15,404,294	53,330,291
Expenditures:		
Current:		
General government	6,322	8,989,692
Public safety	1,335,454	21,019,569
Economic development	262,565	907,684
Culture and recreation	103,605	478,510
Public ways and facilities	6,347,685	6,347,685
Community enhancements	116,817	3,588,593
Capital outlay	3,664,901	3,780,670
Debt service:		
Principal retirement	-	76,169
Interest and fiscal charges	-	154,731
Total Expenditures	11,837,349	45,343,303
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,566,945	7,986,988
Other Financing Sources (Uses):		
Transfers in	2,099,607	2,148,207
Transfers out	(1,230,999)	(2,148,207)
Loan issued	347,268	347,268
Proceeds from sale of capital asset	36,246	36,246
Total Other Financing Sources (Uses)	1,252,122	383,514
Net Change in Fund Balances	4,819,067	8,370,502
Fund Balances, Beginning of Year	17,538,734	27,058,817
Fund Balances, End of Year	\$ 22,357,801	\$ 35,429,319

CITY OF CITRUS HEIGHTS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Net change in fund balances - total governmental funds \$ 8,370,502

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 3,737,928	
Depreciation	(12,639,484)	
Proceeds from sale of capital assets	(36,246)	
Loss on disposition of capital assets	<u>(171,177)</u>	(9,108,979)

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Loan issued	(347,268)	
Loan repayments	<u>76,169</u>	(271,099)

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

10,276

Certain long-term liabilities were reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, long-term liabilities were not reported as expenditures in governmental funds. These amounts represented the changes in those long-term liabilities:

Changes in compensated absences	140,491	
Changes in claims payable	<u>146,000</u>	286,491

Pension expenses recognized in accordance with GASB 68 not recognized in the governmental fund activity.

(2,707,953)

OPEB expenses recognized in accordance with GASB 75 not recognized in the governmental fund activity.

(425,956)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

(11,637)

Changes in differences between the direct financing lease receivable principal balance and outstanding unearned revenue amount, recognized in accordance with GASB Statement No. 62 for government-wide purposes

7,377

Change in Net Position of Governmental Activities

\$ (3,850,978)

CITY OF CITRUS HEIGHTS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2021

	<u>Solid Waste</u>
Assets:	
Current:	
Pooled cash and investments	\$ 918,344
Receivables:	
Accounts	115,032
Interest	719
Due from other governments	<u>606</u>
Total Current Assets	<u>1,034,701</u>
Noncurrent:	
Capital assets - net of accumulated depreciation	<u>357,956</u>
Total Noncurrent Assets	<u>357,956</u>
Total Assets	<u>1,392,657</u>
Deferred Outflows of Resources:	
Pension related items	85,970
OPEB related items	<u>1,037</u>
Total Deferred Outflows of Resources	<u>87,007</u>
Liabilities, Deferred Inflows of Resources, and Net Position:	
Liabilities:	
Current:	
Accounts payable	12,506
Due to other governments	<u>36,946</u>
Total Current Liabilities	<u>49,452</u>
Noncurrent:	
Net pension liability	278,687
Net OPEB liability	<u>2,677</u>
Total Noncurrent Liabilities	<u>281,364</u>
Total Liabilities	<u>330,816</u>
Deferred Inflows of Resources:	
Pension related items	12,417
OPEB related items	<u>3,167</u>
Total Deferred Inflows of Resources	<u>15,584</u>
Net Position:	
Investment in capital assets	357,956
Unrestricted	<u>775,308</u>
Total Net Position	<u>\$ 1,133,264</u>

CITY OF CITRUS HEIGHTS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Solid Waste</u>
Operating Revenues:	
Sales and service charges	\$ 904,130
Miscellaneous	61,151
	<hr/>
Total Operating Revenues	965,281
	<hr/>
Operating Expenses:	
Salaries and benefits	259,396
Professional services	144,291
Materials and supplies	103,170
General and administrative expenses	218,197
Depreciation expense	7,873
	<hr/>
Total Operating Expenses	732,927
	<hr/>
Operating Income	232,354
	<hr/>
Nonoperating Revenues:	
Interest revenue	1,117
	<hr/>
Total Nonoperating Revenues	1,117
	<hr/>
Changes in Net Position	233,471
	<hr/>
Net Position:	
Beginning of Year	899,793
	<hr/>
End of Fiscal Year	\$ 1,133,264
	<hr/> <hr/>

CITY OF CITRUS HEIGHTS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2021

	<u>Solid Waste</u>
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 966,964
Cash paid to suppliers for goods and services	(241,630)
Cash paid to employees for services	<u>(455,672)</u>
Net Cash Provided by Operating Activities	<u>269,662</u>
Cash Flows from Investing Activities:	
Interest received	<u>2,414</u>
Net Cash Provided by Investing Activities	<u>2,414</u>
Net Increase in Cash and Cash Equivalents	272,076
Cash and Cash Equivalents at Beginning of Year	<u>646,268</u>
Cash and Cash Equivalents at End of Year	<u>\$ 918,344</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 232,354
Adjustments to Reconcile Operating Income Net Cash Provided by Operating Activities:	
Depreciation	7,873
(Increase) decrease in accounts receivable	2,289
(Increase) decrease in due from other governments	(606)
Increase (decrease) in accounts payable	(18,819)
Increase (decrease) in due to other governments	24,650
Increase (decrease) in pension and related items	21,531
Increase (decrease) in OPEB and related items	<u>390</u>
Total Adjustments	<u>37,308</u>
Net Cash Provided by Operating Activities	<u>\$ 269,662</u>

CITY OF CITRUS HEIGHTS

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 538,862
Total Assets	<u>538,862</u>
Liabilities:	
Intergovernmental payables	193,555
Total Liabilities	<u>193,555</u>
Net Position:	
Held for individuals, organizations and other governments	345,307
Total Net Position	<u>\$ 345,307</u>

CITY OF CITRUS HEIGHTS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>
Additions:	
Intergovernmental	\$ 899,837
Total Additions	<u>899,837</u>
Deductions:	
Contractual services	<u>573,418</u>
Total Deductions	<u>573,418</u>
Changes in Net Position	326,419
Net Position - Beginning of the Year	-
Restatements (Note 1)	<u>18,888</u>
Net Position - Beginning of the Year, as Restated	<u>18,888</u>
Net Position - End of the Year	<u><u>\$ 345,307</u></u>

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CITY OF CITRUS HEIGHTS

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City applies all GASB pronouncements to its activities. The more significant of these accounting policies are described below.

Financial Reporting Entity

The City of Citrus Heights (City) was incorporated on January 1, 1997, under the laws and regulations of the State of California (State). The City operates under a City Council/Manager form of government and provides the following services: public safety (police), highways and streets, solid waste, stormwater utility, public improvements, planning and zoning, building, animal services, transit, and general administration.

The City operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The City's main funding sources include sales taxes, utility user tax, other intergovernmental revenue from state and federal sources, user fees, and federal and state financial assistance. All secured and unsecured ad valorem property taxes, with the exception of tax assessments associated with lighting and landscaping special assessments, are paid to Sacramento County (County) as part of the revenue neutrality payment obligation through June 30, 2022. The financial statements do not reflect the amounts received on behalf of the City and retained by the County.

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the City has the ability to impose its will on the organization, or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the City.

As required by GAAP, these financial statements would present the government and its component units, entities for which the government is considered to be financially accountable. The City does not have any component units.

Basis of Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities display information about the nonfiduciary activities of the government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues, while business-type activities rely to a significant extent on fees and charges to external parties.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions restricted to the operating or capital requirements of a specific function or segment. All taxes and internally dedicated resources classified as program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and,
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

Qualitative factors are also considered in determining major programs as applicable.

The City reports the following major funds:

- **General Fund** – The General Fund is the primary operating fund of the City. It accounts for all activities except those legally or administratively required to be accounted for in another fund. From this fund are paid the City's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.
- **Community Development Block Grants (CDBG) Special Revenue Fund** – Accounts for CDBG grant funds used for low income housing loans for home repair projects, and non-profit public service activities.
- **General Capital Improvements Capital Projects Fund** – Accounts for funds collected and expended for the construction or purchase of public facilities and projects.
- **Solid Waste Enterprise Fund** – Accounts for all administrative costs required for all solid waste activities.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Additionally, the City reports the following fund types:

Governmental Funds

Special Revenue Funds - The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted to expenditures for particular purposes.

Capital Project Funds - The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Fiduciary Funds

Custodial Funds - Custodial Funds account for assets held by the City in a fiduciary capacity. The Custodial Funds account for monies held for other governments and/or entities to which the City provides accounting and investing services, which none are held in trust. There are two custodial funds reported by the City, including a fund that collects fire development fees on behalf of the Sacramento Metropolitan Fire District and a fund that collects transportation fees on behalf of the State.

Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds. The accounting objectives of economic resources measurement focus are the determination of net income, financial position, and cash flows. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recorded in the year for which they are levied. Sales taxes are recognized when the underlying sales transaction takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. All assets and liabilities (whether current or noncurrent) as well as deferred outflows and inflows of resources, associated with their activities are reported. Fund equity is classified as net position, which serves as an indicator of financial position.

In the governmental fund financial statements, the "current financial resources" measurement focus is used and the modified accrual basis of accounting. Only current financial assets and liabilities along with deferred outflows and inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

In the government-wide statements, proprietary funds and private purpose trust funds are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the fund are those revenues that are generated from the primary operations of the fund, including charges for services. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount, and available means the amount is collectible within the current period or soon enough thereafter to pay current liabilities. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year end, with the exception of grant revenues, sales tax and Transportation Development Act (TDA) revenues. Grant revenues are considered to be available if collected within 180 days and sales tax and TDA revenues are considered to be available if collected within 90 days of the end of the current fiscal period.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Cash and Investments

The City's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including the City's investments in LAIF, and U.S. Agency Obligations.

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Market value is used as fair value for those securities for which market quotations are readily available.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes, utility user taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, utility user tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The City's experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the government-wide Statement of Net Position. See Note 9 for details of interfund transactions, including receivables and payables at year-end.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are reported as nonspendable fund balance to indicate they do not constitute current resources available for appropriation. The consumption method is used to recognize prepaid items.

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost, if actual cost is unavailable. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The City policy has set the capitalization threshold at \$5,000 for non-infrastructure capital assets and \$25,000 for infrastructure capital assets.

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems. Prior to July 1, 2003, governmental activity infrastructure assets were not capitalized; however, since then these assets have been valued at estimated historical cost.

The accounting treatment of capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Purchases of capital assets are reported as capital outlay expenditures in governmental funds and proceeds from sales of capital assets are reported as other financing sources. In the government-wide and proprietary fund statements, the cost of assets sold or retired, net of accumulated depreciation, is removed from the statement of net position in the year of sale or retirement and the resulting gain or loss on disposal is reported.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Building and improvements	5-50 years
Leasehold improvements	5 years
Machinery and equipment	5 years
Network equipment/ phone system	10 years
Computer equipment	5 years
Vehicles	5-15 years

Deferred Outflows and Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expenditure/expense) or an inflow of resources (revenue) until the earnings process is complete. The governmental funds report unavailable revenues for grants and other revenues when the amounts meet the asset recognition criteria under GASB Statement No. 33 and were accrued as receivables, but the amounts were not received in the availability period. Deferred outflows and inflows of resources include amounts deferred related to the City's pension plan under GASB 68 as described in Note 11 and the City's OPEB plan as described in Note 12.

Compensated Absences

Employees accrue annual leave, long-term medical, holiday and compensatory time off benefits. City employees have vested interests in the amount of accrued time off, with the exception of long-term medical leave, and are paid at termination. Also, annually an employee may elect to be compensated for up to 40 hours of unused annual leave. However, this is contingent upon the employee using at least 40 hours of annual leave during the previous year and, the employee having a minimum balance of 80 annual leave hours after the payment. Compensated absences are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements and is currently payable. The City had no employee resignations or retirements for which compensated absences should be accrued in governmental funds at year-end. The General Fund is typically used to liquidate compensated absences.

Note 1: Summary of Significant Accounting Policies (Continued)

Equity Classification

Government-Wide Statements

Equity in government-wide and proprietary fund statements is classified as net position and is displayed in three components:

- a. Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The net investment in capital assets for the City represents the balance of capital assets, net of depreciation since the City has no long-term liabilities outstanding.
- b. Restricted net position – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

Governmental fund equity is classified as fund balance and displayed in the following components:

Nonspendable Fund Balance –

- Assets that will never convert to cash (prepaid items and inventory) and assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).

Restricted Fund Balance –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors and other governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (e.g., Gas Tax).

Committed Fund Balance –

- Self-imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove. Council Resolution is required to be approved to establish, modify or rescind a fund balance commitment.

CITY OF CITRUS HEIGHTS

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Note 1: Summary of Significant Accounting Policies (Continued)

Assigned Fund Balance –

- Resources constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- Governmental fund amounts in excess of nonspendable, restricted and committed in other than the General Fund are automatically reported as assigned.
- Assigned amounts for specific purposes are determined and authorized by the City Manager. Use of assigned funds exceeding the City Manager's \$50,000 spending authority are approved as part of the budget or by Council Resolution.

Unassigned Fund Balance –

- Residual net resources.
- Total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted and committed fund balance over total fund balance (deficit).

See Note 8 for more information about the City's net position and fund balances.

Revenues, Expenditures, and Expenses

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Tax

The County of Sacramento (County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The City recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year-end.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Secured property taxes are levied on or before the first day of September of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1, and become delinquent if unpaid on August 31.

The City participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan." The State Revenue and Taxation Code allow counties to distribute secured real property, assessment, and supplemental property taxes on an accrual basis resulting in full payment to cities each fiscal year. Any subsequent delinquent payments and penalties and interest during a fiscal year will revert to Sacramento County. The Teeter Plan payment, which includes 95% of the outstanding accumulated delinquency, is included in property tax revenue retained by Sacramento County under the revenue neutrality agreement. Under the Teeter Plan Code, 5% of the delinquency must remain with the County as a reserve for Teeter Plan funding.

Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers within individual governmental funds have been eliminated. See Note 9 for more information about the City's interfund transfers.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund, Solid Waste Fund and any non-major special revenue funds that have contributions expense are used to liquidate the net pension liability.

Other Post-Employment Benefits Plan (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund, Solid Waste Fund and any non-major special revenue funds that have contributions expense are used to liquidate the net OPEB liability.

CITY OF CITRUS HEIGHTS

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Joint Power Authorities or Jointly Governed Organizations

The City of Citrus Heights is a member of several Joint Powers Agencies (JPA) and/or jointly managed agencies, including:

<u>Agency Name</u>	<u>Purpose</u>
Sacramento Metropolitan Air Quality Management District	Monitors and enforces air quality requirements
Sacramento Regional County Sanitation District	Waste water conveyance, treatment and disposal
Sacramento Area Sewer District	Sewer service
Sacramento Transportation Authority	Administration of transportation projects
Sacramento Area Council of Governments	Regional planning (primarily transportation)

Funding, if any, for each of these agencies from the City is based on annual appropriations. The City has no continuing financial liability and does not expect any financial burden from its participation in any of these agencies. Separate financial statements of the JPA's can be obtained by contacting the individual agencies.

New GASB Pronouncements

Current Year Standards – In fiscal year 2021, the City implemented GASB Statement No. 84 – Fiduciary Activities – The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided the information reported in the financial statements for assessing government accountability and stewardship. The change in accounting principle resulted in a prior period adjustment in the amount of \$18,888 being reported for the custodial funds in the Statement of Changes in Fiduciary Net Position.

Upcoming Standards – The following pronouncements have been postponed as a temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic and the new effective date are reflected in the following fiscal years:

GASB 87 – *Leases* – The requirements of this statement are now effective for the fiscal year ending June 30, 2022.

CITY OF CITRUS HEIGHTS

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Note 2: Cash and Investments

At June 30, 2021, the City’s pooled cash and investments are classified in the accompanying financial statements as follows:

Government-Wide Statements of Net Position	
Governmental Activities	\$ 32,612,216
Business-Type Activities	918,344
Statement of Fiduciary Net Position	538,862
Total Cash and Investments	<u>\$ 34,069,422</u>

Cash and investments are categorized as follows under GASB Statement No. 40:

Cash on hand	\$ 4,600
Deposits with financial institutions	716,173
Total Cash and Deposits	<u>720,773</u>
Local Agency Investment Funds (LAIF)	33,348,649
Total Investments	<u>33,348,649</u>
Total Cash and Deposits	<u>\$ 34,069,422</u>

Investments Authorized by the California Government Code and the City’s Investment Policy

Investments are reported at fair value. California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

During the year ended June 30, 2021, the City’s permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasury obligations	5 years	N/A	None	None
U.S. Agency securities	5 years	N/A	None	None
Local agency bonds	5 years	N/A	None	None
Bankers acceptances	180 days	N/A	40%	10%
High grade commercial paper	270 days	AAA	25%	10%
Negotiable certificates of deposit	5 years	A	15%	3%
Medium-term corporate notes	5 years	A	30%	10%
Mutual funds	90 days	AAA	20%	10%
Money market mutual funds	90 days	AAA	20%	10%
Repurchase agreements	1 year	A	20%	None
Reverse repurchase agreements	92 days	A	20% of base value	None
LAIF	N/A	N/A	\$50,000,000	None

CITY OF CITRUS HEIGHTS

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Note 2: Cash and Investments (Continued)

The City complied with the provisions of California Government Code pertaining to the types of investments held, institutions in which deposits were made and security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

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 maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. In accordance with its investment policy, the City manages its exposures to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 5 years. As of June 30, 2021, the weighted average maturity of investments was 12 months or less.

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

Type of Investment	Total	Maturities as of Year-end		
		12 months or Less	13-24 Months	25-60 Months
Local Agency Investment Fund	\$ 33,348,649	\$ 33,348,649	\$ -	\$ -
Total	\$ 33,348,649	\$ 33,348,649	\$ -	\$ -

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, and the actual rating as of year-end for each investment type.

Type of Investment	Total	Ratings as of Year-end		
		AAA	AA+	Unrated
Local Agency Investment Fund	\$ 33,348,649	\$ -	\$ -	\$ 33,348,649
Total	\$ 33,348,649	\$ -	\$ -	\$ 33,348,649

Concentration of Credit Risk

The investment policy of the City contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2021 the City did not hold investments in any one issuer, other than U.S. Treasury securities, mutual funds, and external investment pools that represent more than 5% of the City's investment portfolio.

Note 2: Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by 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 public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2021, the carrying amount of the City's deposits was \$716,173 and the balance in financial institutions was \$666,480. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$416,480 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and governmental agencies, but not in the name of the City.

Investment in LAIF

LAIF is stated at fair value. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The total fair value amount invested by all public agencies in LAIF is \$33,348,649 and is managed by the State Treasurer. Of that amount, 2.31 percent was invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. 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 withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The weighted average maturity of investments held by LAIF was 291 days at June 30, 2021.

Fair Value Measurement

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.

Uncategorized – Investments in the Local Agency Investment Funds/State Investment Pools (LAIF) are not measured using the input levels above because the City's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance of LAIF is available for withdrawal on demand.

CITY OF CITRUS HEIGHTS

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Note 2: Cash and Investments (Continued)

As of June 30, 2021, 100% of the City’s investments were invested in LAIF with a reported balance of \$33,348,649.

Note 3: Loans and Notes Receivable

Through the City’s various housing rehabilitation funds and first-time home buyer’s funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Accrued interest receivable on the loans totaled \$370,865 at year-end. The City also has loans receivable from employees for computer purchases in the General Fund.

Governmental activities loans and notes receivable consisted of the following for the year ended June 30, 2021:

	Beginning June 30, 2020	Additions	Deletions	Ending June 30, 2021
General Fund	\$ 13,073	\$ 1,405	\$ -	\$ 14,478
Home Program Grants Special Revenue Fund	2,782,707	30,484	111,696	2,701,495
CDBG Special Revenue Fund	1,445,974	11,036	137,303	1,319,707
Housing Agency Fund	1,434,665	-	-	1,434,665
Total Loans/Notes Receivable	<u>\$ 5,676,419</u>	<u>\$ 42,925</u>	<u>\$ 248,999</u>	<u>\$ 5,470,345</u>

The following is a summary of the loans and notes receivable outstanding as of June 30, 2021:

General Fund – These loans are for employees to purchase computers for personal use as a benefit provided by the City, loans are provided on a two-year amortization schedule and do not bear interest. The balance of these loans at June 30, 2021, was \$14,478.

HOME Program Grants Special Revenue Fund – The City made various loans to qualifying participants within the City that are reported in this fund under the following programs:

Federal First Time Home Buyers Program (HOME) - Interest rates vary depending on the terms of the loan and interest is deferred until the loan is refinanced or title to the property changes. The loan principal may be assumed by another qualifying borrower or must be returned to the City if a nonqualifying buyer purchases the related property. Interest rates ranged from 0% to 3% at year-end and the loans mature through 2044. The HOME notes receivable balance at June 30, 2021 was \$2,692,792.

HUD Economic Development Initiative Grants - Interest rates vary depending on the terms of the loan and interest is deferred until the loan is refinanced or title to the property changes. The interest rates were 3% at year-end. The down payment assistance notes receivable at June 30, 2021 were \$8,703.

Total HOME Program Grant Special Revenue Fund loans totaled \$2,701,495, of which, an allowance on uncollectible loans was set up for the full amount.

CITY OF CITRUS HEIGHTS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 3: Loans and Notes Receivable (Continued)

Community Development Block Grant (CDBG) Special Revenue Fund – The City participates in a CDBG Revolving loan program. The program is federally funded and provides housing rehabilitation loans to eligible applicants. The City makes loans to resident homeowners who qualify as low income, some of which are deferred and are not repaid until the title to the property changes. Interest rates range from 0% to 3% at year-end and mature through 2048. The balance of these loans outstanding at June 30, 2021 was \$1,319,707 of which, an allowance on uncollectible loans was set up for the full amount.

Housing Agency Fund – The City took over maintenance of loans receivable during the year ended June 30, 2016, for Low and Moderate-income Housing that were previously reported in the Successor Agency Housing Fund. The City provides home rehabilitation loans to eligible low and moderate-income borrowers. Interest on certain loans may be waived by the City if the loan remains outstanding for the full term; therefore, interest income is recorded when received. Interest rates ranged from 0% to 3% and loans mature through 2044. The balance of these loans outstanding at June 30, 2021 was \$1,434,665, of which, an allowance on uncollectible loans was set up for the \$234,665.

Note 4: Capital Assets

Capital asset activity was as follows for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 15,290,467	\$ 15,500	\$ (207,423)	\$ -	\$ 15,098,544
Art	103,650	-	-	-	103,650
Construction in Progress	1,313,792	3,044,853	-	(1,756,237)	2,602,408
Total capital assets not being depreciated	<u>16,707,909</u>	<u>3,060,353</u>	<u>(207,423)</u>	<u>(1,756,237)</u>	<u>17,804,602</u>
Capital assets being depreciated:					
Buildings and improvements	41,275,495	-	-	-	41,275,495
Infrastructure and land improvements	579,602,489	-	-	1,756,237	581,358,726
Machinery and equipment	9,623,615	677,575	(552,124)	-	9,749,066
Total capital assets, being depreciated	<u>630,501,599</u>	<u>677,575</u>	<u>(552,124)</u>	<u>1,756,237</u>	<u>632,383,287</u>
Less accumulated depreciation for:					
Buildings and improvements	(23,149,137)	(428,347)	-	-	(23,577,484)
Infrastructure and land improvements	(287,497,639)	(11,637,876)	-	-	(299,135,515)
Machinery and equipment	(7,968,212)	(573,261)	552,124	-	(7,989,349)
Total accumulated depreciation	<u>(318,614,988)</u>	<u>(12,639,484)</u>	<u>552,124</u>	<u>-</u>	<u>(330,702,348)</u>
Total capital assets being depreciated, net	<u>311,886,611</u>	<u>(11,961,909)</u>	<u>-</u>	<u>1,756,237</u>	<u>301,680,939</u>
Total capital assets, net	<u>\$ 328,594,520</u>	<u>\$ (8,901,556)</u>	<u>\$ (207,423)</u>	<u>\$ -</u>	<u>\$ 319,485,541</u>

CITY OF CITRUS HEIGHTS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 4: Capital Assets (Continued)

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2020
Business-type Activities:				
Capital assets, being depreciated:				
Infrastructure	\$ 393,675	\$ -	\$ -	\$ 393,675
Total capital assets being depreciated	<u>393,675</u>	<u>-</u>	<u>-</u>	<u>393,675</u>
Less accumulated depreciation for:				
Infrastructure	(27,846)	(7,873)	-	(35,719)
Total accumulated depreciation	<u>(27,846)</u>	<u>(7,873)</u>	<u>-</u>	<u>(35,719)</u>
Total capital assets, net	<u>\$ 365,829</u>	<u>\$ (7,873)</u>	<u>\$ -</u>	<u>\$ 357,956</u>

Depreciation expense for capital assets was charged to functions as follows:

General government	\$ 474,594
Public safety	521,559
Public ways and facilities	11,621,191
Culture and recreation	22,140
Total Governmental Activities	<u>\$ 12,639,484</u>
Solid waste	\$ 7,873
Total Business-Type Activities	<u>\$ 7,873</u>

Note 5: Direct Financing Lease Receivable

In February 2017, the City entered into a ground lease receivable agreement with Dignity Health Medical Foundation (Dignity Health) to lease the former City Hall site at Fountain Square Drive and Greenback Lane. The property will be used for medical office building for outpatient services and other medical uses. Under the terms of the agreement, Dignity Health will own all improvements made to the property and will be responsible for all taxes, insurance and other property related expenses. Dignity Health reimbursed the City \$749,249 incurred by the City to demolish the old City Hall building and prepare the site for use by Dignity Health. Dignity Health provided an initial payment of \$1,000,000 in February 2017 and will pay monthly lease payments ranging from \$10,828 to \$57,554 over a 15-year period beginning six months after the core and shell of the medical office building are completed. The core and shell of the building were completed on June 15, 2018, resulting in payments beginning on December 1, 2018. The agreement contains a provision for the City to sell the property to Dignity Health for \$1 at the end of the lease term. Interest was imputed at 4.5%, which was the estimated market rate for similar instruments at the date the lease was executed. Principal payments on the lease at inception were \$4,664,605. Cumulative unpaid interest as of June 30, 2021, was \$354,143.

The lease and related interest receivable are offset with deferred inflows in the General Fund since the amounts were not received in the availability period. The difference between the leased property and principal amount of the lease of \$1,663,976 is reported as unearned revenue in the government-wide statements under GASB Statement No. 62.

CITY OF CITRUS HEIGHTS

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Note 6: Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year
Governmental Activities:					
Line of credit	\$ 3,520,001	\$ -	\$ -	\$ 3,520,001	\$ -
Equipment loan	-	347,268	(76,169)	271,099	63,048
	<u>\$ 3,520,001</u>	<u>\$ 347,268</u>	<u>\$ (76,169)</u>	<u>\$ 3,791,100</u>	<u>\$ 63,048</u>

On November 29, 2018, the City executed the 2018 Lease Revenue Credit Facility financing in the amount of \$12,000,000 which included a revolving credit agreement, site lease, facilities sublease and assignment agreement. The revolving line of credit funds may be utilized to fund certain capital improvements and operating expenditures until the City receives its share of property tax revenue from Sacramento County in Fiscal Year 2022-23 under the terms of the 1997 Revenue Neutrality Agreement described in Note 13. The revolving line of credit bears interest ranging from 4.40% to 6.09%. Interest payments on any funds drawn from the line of credit will be due on March 1 and September 1 of each year beginning March 1, 2019. Payment of outstanding principal is due on September 1, 2024 at which time the line of credit will be repaid in full. The City has the option to repay all or a portion of the funds it has drawn beginning March 1, 2021 with no prepayment penalty. The City's drawdown of funds during fiscal year 2019-20 was used to purchase the Sylvan Middle School property, which is being marketed for redevelopment and currently reported as land held for resale. The outstanding balance at June 30, 2021, is \$3,520,001, while the unused amount is \$8,479,999.

On July 20, 2020, the City executed the equipment loan in the amount of \$347,268. The funds were used to purchase audio video equipment for use in the City's Community Center. The loan bears interest of 4.84%. Payments of principal and interest are due annually in July. The final annual payment is due July 20, 2024. The outstanding balance at June 30, 2021, is \$271,099.

The annual debt services requirements at June 30, 2021, on the equipment loan are as follows:

Year Ending June 30,	Audio Video Equipment Loan		
	Principal	Interest	Total
2022	\$ 63,048	\$ 13,121	\$ 76,169
2023	66,099	10,070	76,169
2024	69,299	6,870	76,169
2025	72,653	3,516	76,169
Totals	<u>\$ 271,099</u>	<u>\$ 33,577</u>	<u>\$ 304,676</u>

Note 7: Compensated Absences

The following is a summary of changes in the City's compensated absences for the fiscal year ended June 30, 2021:

	June 30, 2020	Additions	Reductions	June 30, 2021	Current Portion
Governmental Activities	\$ 1,837,142	\$ 1,502,152	\$ 1,642,643	\$ 1,696,651	\$ 1,282,000
Total	<u>\$ 1,837,142</u>	<u>\$ 1,502,152</u>	<u>\$ 1,642,643</u>	<u>\$ 1,696,651</u>	<u>\$ 1,282,000</u>

CITY OF CITRUS HEIGHTS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 8: Fund Balances

Nonspendable, restricted, committed and assigned fund balance consisted of the following at June 30, 2021:

Fund Balance Classifications	Major Funds			Total Nonmajor Governmental Funds	Total
	General Fund	CDBG Grants	General Capital Improvements		
Nonspendable:					
Loans and notes receivable	\$ 14,478	\$ -	\$ -	\$ -	\$ 14,478
Prepaid items	126,865	-	-	2,345	129,210
Deposits	4,000	-	-	-	4,000
Total Nonspendable Fund Balances	145,343	-	-	2,345	147,688
Restricted for:					
Donations for projects	-	-	-	1,839	1,839
Stormwater maintenance	-	-	-	4,653,324	4,653,324
Streets, roads and park projects	-	-	3,440,096	8,968,658	12,408,754
Assessment district maintenance	-	-	-	1,344,239	1,344,239
Police activities	-	-	-	862,270	862,270
Housing projects	-	234,118	-	5,749,415	5,983,533
Pedestrian and bicycle facilities	-	-	-	102,181	102,181
Community Events	-	-	-	81,713	81,713
Transit program	-	-	-	186,690	186,690
Tree mitigation	-	-	-	155,330	155,330
Total Restricted Fund Balances	-	234,118	3,440,096	22,105,659	25,779,873
Committed to:					
Insurance	300,000	-	-	-	300,000
Petty Cash	2,600	-	-	-	2,600
Revenue stabilization	4,184,378	-	-	-	4,184,378
Total Committed Fund Balances	4,486,978	-	-	-	4,486,978
Assigned to:					
Capital improvements and equipment replacement	-	-	506,478	665,731	1,172,209
	-	-	506,478	665,731	1,172,209
Unassigned in:					
General Fund	4,258,505	-	-	-	4,258,505
Special Revenue Funds	-	-	-	(35,416)	(35,416)
Capital Project Funds	-	-	-	(380,518)	(380,518)
Total Unassigned Fund Balances	4,258,505	-	-	(415,934)	3,842,571
Total fund balances (deficit)	\$ 8,890,826	\$ 234,118	\$ 3,946,574	\$ 22,357,801	\$ 35,429,319

Note 8: Fund Balances (Continued)

Nonspendable

- **Loans and notes receivable** – used to segregate that portion of fund balance to indicate that long-term loans or notes receivable do not represent available, spendable resources, even though they are components of assets. Only loans and notes not deferred are reported in this category.
- **Prepaid items** – used to indicate that prepaid amounts do not represent available, spendable resources, even though they are components of assets.
- **Deposits** – used to indicate that deposits receivable do not represent available, spendable resources, even though they are components of assets.

Restricted

- **HOME Program Grants** – represents amounts restricted for housing under the HOME program.
- **CDBG Grants** – represents amounts restricted for housing purposes by the Department of Housing and Urban Development.
- **Housing Agency** – represents assets of the former redevelopment agency that are restricted for low and moderate-income housing.
- **Code Enforcement** – represents amounts restricted for the rental housing inspection program.
- **Gas Tax** – represents amounts restricted for street maintenance and construction by the State excise Gas Tax.
- **Road Maintenance and Rehabilitation** – represents amounts restricted for use by the Road Repair Accountability Act SB1.
- **Stormwater Utility Tax** – represents parcel tax revenue restricted for stormwater drainage activities.
- **Road Maintenance** – represents amounts restricted for streets and road maintenance by the Department of Transportation.
- **Transit** – represents transit revenues restricted for transit activities.
- **Transportation Development Act** – represents amounts restricted for use by the Transportation Development Act for transportation, including pedestrian and bicycle.
- **Police** – represents police revenues restricted to fund programs to combat drug abuse and divert gang activity.
- **Police Grants** – represents police grants revenues restricted for police programs and activities.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 8: Fund Balances (Continued)

- **Property Based Improvement District** – represents special assessments on Sunrise Market Place businesses for marketing expenditures and special assessments on homeowners for lighting and landscaping and other expenses.
- **Roadway Development Fees** – represents impact fees restricted for roadway development.
- **Housing Mitigation Development Fees** – represents impact fees restricted for housing mitigation development.
- **Tree Mitigation Fees** – represents impact fees restricted for tree mitigation.
- **Park Facilities Development Fees** – represents impact fees restricted for park facilities development.
- **Transit Development Fees** – represents impact fees restricted for transit development.
- **Assessment District Funds** – represents special assessments restricted to assessment district activities.
- **Police Donations** – represents donations received restricted to police K-9 and other programs.
- **Measure A Construction** – represents funds received from the Sacramento Transportation Authority restricted for construction, upgrade and improvement of the City's roadways.

Committed

General Fund Reserve – used to represent that portion of fund balance committed for unexpected events that may impact the City's ability to provide essential day-to-day services. The attached table lists specific amounts committed by the City Council. The revenue stabilization commitment amount may only be used if there is a revenue shortfall of 10% of budgeted revenues. This amount can only be changed by Council Resolution.

Assigned

The fund balances of the General Capital Improvements Fund and Community Capital Replacement Fund are assigned to various equipment and public improvement projects.

The City's policy is to use restricted, committed, assigned and unassigned resources, in that order, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Deficit fund balances consisted of the following:

Nonmajor Special Revenue Funds:

Transit Fund – \$35,416 deficit was the result of revenues received being below the amount budgeted. Deficit will be eliminated by future expenditure reductions or transfers in.

Streets Fund – \$380,518 deficit was the result of expenditures and transfers out exceeding the budget. The deficits will be eliminated with future expenditure reductions.

CITY OF CITRUS HEIGHTS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 9: Interfund Transactions

a. Due to and due from other funds

<u>Due From Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 645,912
	CDBG Grants Special Revenue Fund	164,168
		<u>\$ 810,080</u>

This balance resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. All interfund receivables are expected to be paid back within the next fiscal year.

b. Interfund Transfers

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 437,312
CDBG Grants Special Revenue	Non-Major Governmental Funds	479,896
Non-Major Governmental Funds	General Fund	48,600
	Non-Major Governmental Funds	1,182,399
		<u>\$ 2,148,207</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the funds that statute or budget requires to expend them and (2) subsidize operating losses.

Note 10: Risk Management

The City is a member of the Public Agency Risk Sharing Authority of California (PARSAC), for liability and workers' compensation risk coverage. The liability program includes coverage for general liability, property, bond and employment practices. PARSAC is a statewide joint powers authority providing risk sharing services to California public entities that provide a municipal service. The City pays an annual premium to PARSAC for its risk coverage and purchases commercial insurance for claims exceeding PARSAC limits.

The City's insurance coverage for liability and workers' compensation provided through membership in PARSAC are as follows:

<u>Amount</u>	<u>Coverage Provider</u>	<u>Payment Source</u>
General Liability Claims		
\$0 - \$ 100,000	Self-insured retention	City funds
100,001 - 1,000,000	Public Agency Risk Sharing Authority of California	Shared risk pool
1,000,001 - 50,000,000	CSAC - Excess Insurance Authority	Shared risk pool
50,000,001 - statutory limits	Excess insurance (purchased with CSAC-EIA)	
Workers' Compensation Claims		
\$0 - \$ 100,000	Self-Insured retention	City funds
100,001 - 500,000	Public Agency Risk Sharing Authority of California	Shared risk pool
500,001 - 5,000,000	Local Agency Workers' Compensation Excess Pool	Shared risk pool
5,000,001 - 50,000,000	Commercial reinsurance (purchased with CSAC-EIA)	
50,000,001 - statutory limits	Excess insurance (purchased with CSAC-EIA)	

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 10: Risk Management (Continued)

PARSAC is governed by a Board of Directors and member agencies are entitled to representation on the board. Upon termination of the joint powers authority agreements, all property of PARSAC would be returned to the respective parties that transferred the property to PARSAC and any surplus of funds and assets would be returned to the parties in proportion to actual balances of each entity. Complete financial information for PARSAC is available at 1525 Response Road, Sacramento, California 95815.

The City accrues a claims liability for probable losses under the self-insured retention amounts in the table above for the general liability and workers' compensation programs. While the ultimate amount of losses incurred through June 30 is dependent on future developments, the estimated claims liability is based upon information from the actuarial valuation reports. The liability is based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors, and includes an estimate for incurred but not reported claims. There are no claims that exceed insurance coverage and no significant changes or reductions in insurance coverage over the last three fiscal years. Costs relating to the litigation of claims are charged to expenditures as incurred. Claims are generally liquidated by the General Fund. At June 30, 2021 and 2020, fund balance of \$300,000 has been committed for self-insured general liability claims.

Changes in the liability and workers' compensation claims payable amounts during the year ended June 30, 2021, were as follows:

	Beginning June 30, 2020	Claims and Changes in Estimates	Claims Paid	Ending June 30, 2021	Amount Due Within One Year
General Liability	\$ 612,000	\$ 48,720	\$ (94,720)	\$ 566,000	\$ 216,438
Workers' Compensation	1,470,000	500,842	(600,842)	1,370,000	489,775
Total Claims Payable	<u>\$ 2,082,000</u>	<u>\$ 549,562</u>	<u>\$ (695,562)</u>	<u>\$ 1,936,000</u>	<u>\$ 706,213</u>

Note 11: Pension Plans

a. General Information about the Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Cost-Sharing Multiple Employer Defined Benefit Pension Plan (the Plan or PERFC) administered by the California Public Employees' Retirement System (CalPERS). PERFC consists of a miscellaneous risk pool and a safety risk pool, which are comprised of the following rate plans:

- Miscellaneous Plan
- Miscellaneous Second Tier Plan
- PEPRA Miscellaneous Plan
- Safety Plan
- Safety Second Tier Plan
- PEPRA Safety Police Plan

Although one Plan exists, CalPERS provides the information separately for the Miscellaneous and Safety Risk Pools and the information is presented separately below where available. Benefit provisions under the Plan are established by

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 11: Pension Plans (Continued)

State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at 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 (52 for PEPRA Miscellaneous Plan) 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 1959 Survivor Benefit level 4, 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 rate plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	<u>Miscellaneous Rate Plan</u>	<u>Miscellaneous Second Tier Rate Plan</u>	<u>PEPRA Miscellaneous Rate Plan</u>
Hire date	Prior to August 13, 2011	August 13, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula (at full retirement)	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	13.182%	9.680%	6.985%
Required UAL payment	\$504,233	\$2,611	\$957
	<u>Safety Rate Plan</u>	<u>Safety Second Tier Rate Plan</u>	<u>PEPRA Safety Rate Plan</u>
	Prior to August 13, 2011	August 13, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula (at full retirement)	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.40% to 3.00%	2.00% to 2.70%
Required employee contribution rates	9.00%	9.00%	12.00%
Required employer contribution rates	21.927%	18.928%	13.034%
Required UAL payment	\$ 388,830	\$ 5,757	\$ 3,370

CITY OF CITRUS HEIGHTS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 11: Pension Plans (Continued)

All rate plans except the PEPPA plans are closed to new members that are not already CalPERS participants. All miscellaneous rate plans are combined and reported below as the Miscellaneous Risk Pool and all safety rate plans are combined and reported below as the Safety Risk Pool.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the risk pools are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021, the contributions recognized as a reduction of the net pension liability for each risk pool were as follows:

	Miscellaneous Risk Pool	Safety Risk Pool	Total
Contributions - Employer	\$ 1,419,774	\$ 1,782,277	\$ 3,202,051

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources

As of June 30, 2021, the City reported a net pension liability for its proportionate share of the net pension liability of each risk pool as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous Risk Pool	\$ 9,609,910
Safety Risk Pool	8,910,669
Total Net Pension Liability	<u>\$ 18,520,579</u>
<u>Financial Statement Classification:</u>	
Governmental Activities	\$ 18,241,892
Business-type Activities	278,687
Total Net Pension Liability	<u>\$ 18,520,579</u>

CITY OF CITRUS HEIGHTS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 11: Pension Plans (Continued)

The City's net pension liability for each risk pool is measured as the proportionate share of the net pension liability. The net pension liability of each risk pool is measured as of June 30, 2020, and the total pension liability for each risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the risk pool relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each risk pool as of June 30, 2020 and 2021 for the measurement date as of the previous year-end were as follows:

Measurement Date	Miscellaneous Risk Pool	Safety Risk Pool	Total
Proportion - June 30, 2019	0.072750%	0.083660%	0.156410%
Proportion - June 30, 2020	0.088323%	0.076199%	0.164522%
Change - Increase (Decrease)	0.015573%	-0.007461%	0.008112%

For the year ended June 30, 2021, the City recognized pension expense of \$6,212,150 for both risk pools combined. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to each risk pool and combined from the following sources:

	Miscellaneous Risk Pool		Safety Risk Pool		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,524,519	\$ -	\$ 1,958,149	\$ -	\$ 3,482,668	\$ -
Differences between actual and expected experience	495,227		690,977	-	1,186,204	-
Changes in assumptions	-	68,542	-	29,682	-	98,224
Differences between the employer's contributions and the employer's proportionate share of contributions	-	359,647	98,857	288,702	98,857	648,349
Change in employer's proportion	659,267	-	1,041,141	-	1,700,408	-
Net differences between projected and actual earnings on plan investments	285,478	-	193,666	-	479,144	-
Total	\$ 2,964,491	\$ 428,189	\$ 3,982,790	\$ 318,384	\$ 6,947,281	\$ 746,573

Financial Statement Classification:

Governmental Activities	\$ 6,861,311	\$ 734,156
Business-type Activities	85,970	12,417
Total	\$ 6,947,281	\$ 746,573

CITY OF CITRUS HEIGHTS

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Note 11: Pension Plans (Continued)

The \$3,482,668 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the risk pools will be recognized as pension expense as follows:

Year Ended June 30	Miscellaneous Risk Pool	Safety Risk Pool	Total
2022	\$ 274,080	\$ 756,088	\$ 1,030,168
2023	349,959	550,286	900,245
2024	250,821	302,846	553,667
2025	136,923	97,037	233,960
	<u>\$ 1,011,783</u>	<u>\$ 1,706,257</u>	<u>\$ 2,718,040</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2020, actuarial valuations for each risk pool was determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS Membership Data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

¹ The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MO 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 11: Pension Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. 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.

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF C fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 11: Pension Plans (Continued)

Subsequent Events

On November 15, 2021, the CalPERS Board of Administration selected a new asset allocation mix that will guide the fund's investment portfolio for the next four years, while at the same time retaining the reduction of discount rate from 7.0% to 6.8%. Notable changes for employers include a decrease in median total employer contribution rates, from less than 1% in miscellaneous plans to a decrease of more than 2% in some safety plans. Contribution changes will take effect in fiscal year 2023-24 for public agencies.

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

The following presents the City's proportionate share of the net pension liability for each risk pool, calculated using the discount rate for each risk pool, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous Risk Pool	Safety Risk Pool	Total
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 15,995,678	\$ 15,824,865	\$ 31,820,543
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 9,609,910	\$ 8,910,669	\$ 18,520,579
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 4,333,551	\$ 3,236,918	\$ 7,570,469

Pension Plan Fiduciary Net Position

Detailed information about each risk pool's fiduciary net position is available in the separately issued CalPERS financial reports.

Defined Contribution Plan

On June 22, 2017, the City Council approved an Internal Revenue Code (IRC) Section 401(a) retirement plan in the form of a Governmental Money Purchase Plan & Trust (the 401(a) Plan), which is a single employer defined contribution retirement plan. Eligible employees include the City's full-time executive management directors, who may participate at their employment date. The 401(a) Plan is administered by the ICMA Retirement Corporation and assets are invested in an IRC qualifying trust fund with VantageTrust, which holds assets for the benefit of participants.

Benefit terms, including contribution requirements, for the 401(a) Plan are established and may be amended by the City Council. For each employee in the 401(a) Plan, the City is required to contribute a match 5% of the employee's annual salary to an individual employee account. Employees are mandated to contribute a minimum of 5% and up to 20% of their salary to the 401(a) Plan, subject to IRC contribution limits. Employees vest immediately in their own contributions and City contributions, as well as earnings on those contributions. For the year ended June 30, 2021, the employer and employee contributions made totaled \$26,052 each.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 12: Other Post-Employment Benefits Plan

Plan Description

The City's defined benefit other post-employment healthcare benefit plan, the City of Citrus Heights Retiree Healthcare Plan (the Plan), is an agent multiple-employer defined benefit plan administered by CalPERS. The Plan provides access to lifetime healthcare benefits to eligible retirees and their dependents. Employees are eligible to participate in the Plan if they retire directly from the City under CalPERS at age 50 or above and with five years of CalPERS service (there is no minimum service requirement if retirement is due to a service-connected disability). The City does not provide dental, vision, life, or Medicare Part B reimbursement to retirees. The City Council has the authority under the California Government Code and City Municipal Code to establish and amend the benefit provisions of the Plan subject to collective bargaining arrangements. The City participates in the California Employers' Retiree Benefit Trust (CERBT) Fund, which is administered by CalPERS. The CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 to administer retiree healthcare benefits and collectively invest plan assets of all trust members. The CERBT issues publicly available financial statements that can be obtained from the CalPERS website at www.calpers.ca.gov. The City's Plan does not issue separate financial statements.

Benefits Provided

The City provides retiree medical benefits through the California Public Employees' Medical and Hospital Care Act (PEMHCA). The City pays the PEMHCA minimum contribution for active employees. For eligible retirees, the City contributes not less than 5% of the active employee contribution, multiplied by the number of years the City has participated in PEMHCA (the City joined PEMHCA in 1998). The City's active employee contributions were \$143 and \$139 per month and retiree contributions were \$143 and \$139 per month for the years ended June 30, 2021 and 2020, respectively. In May 2014, the Actuarial Standards Board released revisions to ASOP 6 requiring that the implied subsidy for claims in excess of premiums be valued for community rated plans such as PEMHCA.

Employees Covered by Benefit Terms

At the June 30, 2019, actuarial valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	19
Inactive employees entitled to but not yet receiving benefit payments	58
Active employees	179
Total	<u>256</u>

Contributions

The City Council has the authority to establish and amend the contribution requirements of the City and employees, subject to the City's Memorandum of Understanding with employee bargaining units. The City currently funds Plan benefits through the CERBT by contributing at least 100% of the actuarially determined contribution based on the active employee contributions described above. During the measurement period, the City contributed \$0 to the CERBT, which were recognized as reductions to the City's net OPEB liability.

CITY OF CITRUS HEIGHTS

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Note 12: Other Post-Employment Benefits Plan (Continued)

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry Age Normal, Level Percentage of Payroll
Actuarial assumptions:	
Discount rate	6.75%
Inflation	2.75%
Salary increases	3.00%, aggregate
Mortality, retirement, disability and termination	Derived using CalPERS 1997-2015 Experience Study
Mortality improvement	Society of Actuaries mortality improvement Scale MP-2018
Healthcare cost trend rates	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years

Pre-retirement mortality information was derived from data collected during 1997 to 2015 CalPERS Experience Study dated December 2017 and post-retirement mortality information was derived from the 2007 to 2015 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF CITRUS HEIGHTS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 12: Other Post-Employment Benefits Plan (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation CERBT- Strategy 1	Long-term Expected Rate of Return
Global Equity	59.0%	4.82%
Fixed Income	25.0%	1.47%
Treasury Inflation Protected Securities (TIPS)	5.0%	1.29%
Commodities	3.0%	0.84%
Real Estate Investment Trusts (REITs)	8.0%	3.76%
Total	100.0%	
Assumed Long-Term Rate of Inflation		2.75%
Expected Long-Term Net Rate of Return, Rounded		6.75%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75% which was the same discount rate used in the previous valuation. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020 (6/30/2019 Measurement Date)	\$ 2,652,536	\$ 2,623,365	\$ 29,171
Changes in the year:			
Service cost	217,915	-	217,915
Interest	192,196	-	192,196
Assumption changes	(29,367)	-	(29,367)
Investment income	-	92,830	(92,830)
Administrative expenses	-	(1,282)	1,282
Benefit payments	(46,180)	(46,180)	-
Net changes	334,564	45,368	289,196
Balance at June 30, 2021 (6/30/2020 Measurement Date)	\$ 2,987,100	\$ 2,668,733	\$ 318,367
<u>Financial Statement Classification:</u>			
Governmental Activities			\$ 315,690
Business-type Activities			2,677
			\$ 318,367

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 12: Other Post-Employment Benefits Plan (Continued)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net OPEB liability	\$ 756,351	\$ 318,367	\$ (42,153)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease (6.5%/5.5% decreasing to 3%)	Current Healthcare Cost Trend Rates (7.5%/6.5% decreasing to 4%)	1% Increase (8.5%/7.5% decreasing to 5%)
Net OPEB liability	\$ (142,159)	\$ 318,367	\$ 901,552

OPEB Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CERBT financial report at www.calpers.ca.gov.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2021, the City recognized OPEB expense of \$198,710. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 68,364	\$ -
Changes in assumptions	-	62,519
Differences between expected and actual experience	-	314,019
Net differences between projected and actual earnings on plan investments	54,985	-
Total	\$ 123,349	\$ 376,538

CITY OF CITRUS HEIGHTS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 12: Other Post-Employment Benefits Plan (Continued)

The \$68,364 reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30	Deferred Inflows of Resources
2022	\$ (35,649)
2023	(24,771)
2024	(20,784)
2025	(22,943)
2026	(39,783)
Thereafter	(177,623)
	<u>\$ (321,553)</u>

Note 13: Commitments and Contingencies

The City is a party to claims and lawsuits arising in the ordinary course of business. The City's management and legal counsel are of the opinion that the ultimate liability, if any, arising from these claims will not have material adverse impact on the financial position of the City.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City of Citrus Heights and the County of Sacramento entered into a revenue neutrality agreement pursuant to Government Code §56845, as a means of mitigating the financial impacts of the incorporation of the City in 1997 on the County's general fund. Currently all secured and unsecured ad valorem property taxes levied and collected pursuant to state law within the City's corporate limits, except landscaping and lighting special assessments, are retained by the County. The County will collect and retain the property taxes beginning January 1, 1997 through June 30, 2022. For the fiscal year ended June 30, 2021, property taxes retained by the County in accordance with the revenue neutrality agreement totaled \$6,203,470.

In 2011, the City purchased fifteen parcels in foreclosure along Sayonara Drive and demolished the buildings. Because affordable housing was demolished, a statutory requirement exists under the State of California Health & Safety Code, Redevelopment Law, Chapter 4, Article 9, Section 33413 to replace the affordable housing. The City must replace either 35 units or 70 bedrooms of affordable housing. The replacement requirement may be satisfied within or outside of the former redevelopment project area. The City is currently pursuing alternatives for replacement of the affordable housing. Options being considered include selling the property for fair market value and selling the property with an affordable housing requirement attached to the property. The parcels are reported as land held for resale in the Housing Agency Special Revenue Fund.

COVID-19 Pandemic – In March 2020, the World Health Organization declared COVID-19 a global pandemic. The economic shock from the pandemic has been sudden and unprecedented. Many businesses and public gathering spaces were shutdown statewide, consumer spending on non-emergency items plummeted, and initial unemployment filings

CITY OF CITRUS HEIGHTS

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Note 13: Commitments and Contingencies (Continued)

shattered historical records. During fiscal year 2021, businesses, retail stores, and other organizations began to slowly open due to the distribution of the COVID-19 vaccine during December 2020. The City is continuing to monitor and assess the effects of the COVID-19 pandemic on the government agency, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

American Rescue Plan Act (ARPA) – On March 11, 2021, the President signed into law the ARPA, which includes \$350 billion in additional funding for state and local governments to provide economic relief in the wake of the COVID-19 pandemic and financial slowdown that resulted from it. The money would be disbursed into two installments of \$7.8 Million, with the City of Citrus Heights having already received the first installment in May 2021. The remaining balance is expected to be delivered by May 2022. The funds are subject to guidance specified in U.S. Department of Treasury's ARPA Interim Final Rule.

Contractual Commitments – The City had the following significant unexpended contractual commitments as of June 30, 2021:

Auburn Complete Streets	\$ 901,367
Mariposa Phase 4	1,530,189
Various Signalized Intersections	801,843
Total significant commitments	<u>\$ 3,233,399</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 17,442,225	\$ 16,059,278	\$ 17,671,002	\$ 1,611,724
Licenses and permits	1,271,370	1,271,370	2,718,036	1,446,666
Intergovernmental	9,593,074	9,774,943	13,340,010	3,565,067
Charges for services	1,923,078	1,923,078	1,987,566	64,488
Use of money and property	661,107	661,107	178,867	(482,240)
Fines and forfeitures	952,800	952,800	881,919	(70,881)
Contributions	1,000	1,000	150	(850)
Miscellaneous	25,590	25,590	87,669	62,079
Total Revenues	31,870,244	30,669,166	36,865,219	6,196,053
Expenditures:				
General government	6,160,676	6,890,251	8,983,370	(2,093,119)
Public safety	22,470,906	22,363,906	19,684,115	2,679,791
Economic development	465,733	559,933	513,761	46,172
Culture and recreation	578,803	578,803	374,905	203,898
Community enhancements	3,311,314	3,311,314	2,962,987	348,327
Capital outlay	6,875	6,875	115,769	(108,894)
Debt service:				
Principal retirement	-	-	76,169	(76,169)
Interest and fiscal charges	323,150	323,150	154,731	168,419
Total Expenditures	33,317,457	34,034,232	32,865,807	1,168,425
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,447,213)	(3,365,066)	3,999,412	7,364,478
Other Financing Sources (Uses):				
Transfers in	25,000	25,000	48,600	23,600
Other debts issued	1,200,000	1,200,000	-	(1,200,000)
Transfers out	(269,843)	(409,843)	(437,312)	(27,469)
Total Other Financing Sources (Uses)	955,157	815,157	(388,712)	(1,203,869)
Net Change in Fund Balance	(492,056)	(2,549,909)	3,610,700	6,160,609
Fund Balances, Beginning of Year	5,280,126	5,280,126	5,280,126	-
Fund Balances, End of Year	\$ 4,788,070	\$ 2,730,217	\$ 8,890,826	\$ 6,160,609

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CDBG GRANTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 970,562	\$ 950,562
Use of money and property	500	500	-	(500)
Miscellaneous	50,000	50,000	90,216	40,216
Total Revenues	70,500	70,500	1,060,778	990,278
Expenditures:				
Current:				
Community enhancements	278,084	278,084	508,789	(230,705)
Capital outlay	368,000	368,000	-	368,000
Total Expenditures	646,084	646,084	508,789	137,295
Excess (Deficiency) of Revenues Over (Under) Expenditures	(575,584)	(575,584)	551,989	1,127,573
Other Financing Sources(Uses):				
Transfers out	-	-	(479,896)	(479,896)
Total Other Financing Sources (Uses)	-	-	(479,896)	(479,896)
Net Change in Fund Balance	(575,584)	(575,584)	72,093	647,677
Fund Balances, Beginning of Year	162,025	162,025	162,025	-
Fund Balances, End of Year	\$ (413,559)	\$ (413,559)	\$ 234,118	\$ 647,677

CITY OF CITRUS HEIGHTS

**COST SHARING MULTIPLE-EMPLOYER PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2021**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Miscellaneous Rate Plan</u>				
Rate Plan's Proportion of the Net Pension Liability	0.06364%	0.07230%	0.07496%	0.07939%
Rate Plan's Proportionate Share of the Net Pension Liability	\$ 3,959,792	\$ 4,962,609	\$ 6,486,625	\$ 7,873,259
Rate Plan's Covered Payroll	\$ 7,143,034	\$ 7,437,222	\$ 8,102,528	\$ 8,017,935
Rate Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	55.44%	66.73%	80.06%	98.20%
<u>Safety Rate Plan</u>				
Rate Plan's Proportion of the Net Pension Liability	0.05785%	0.05364%	0.05852%	0.06404%
Rate Plan's Proportionate Share of the Net Pension Liability	\$ 3,599,860	\$ 3,681,807	\$ 5,064,060	\$ 6,351,188
Rate Plan's Covered Payroll	\$ 7,239,564	\$ 7,350,834	\$ 7,921,496	\$ 8,247,151
Rate Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	49.72%	50.09%	63.93%	77.01%
<u>Total Plan</u>				
Plan Proportion of the Net Pension Liability	0.12149%	0.12594%	0.13349%	0.14343%
Plan Proportionate Share of the Net Pension Liability	\$ 7,559,652	\$ 8,644,416	\$ 11,550,685	\$ 14,224,447
Plan Covered Payroll	\$ 14,382,598	\$ 14,788,056	\$ 16,024,024	\$ 16,265,086
Plan Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	52.56%	58.46%	72.08%	87.45%
The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the measurement dates. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2020, there were no changes. In 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. 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, amount reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

	2019	2020	2021
	0.07897%	0.08366%	0.08832%
\$	7,610,202	\$ 8,572,628	\$ 9,609,910
\$	7,889,233	\$ 8,319,602	\$ 8,169,066
	96.46%	103.04%	117.64%
	0.06658%	0.07275%	0.08190%
\$	6,415,392	\$ 7,454,716	\$ 8,910,669
\$	8,354,763	\$ 7,715,475	\$ 7,542,123
	76.79%	96.62%	118.15%
	0.14555%	0.15641%	0.17022%
\$	14,025,594	\$ 16,027,344	\$ 18,520,579
\$	16,243,996	\$ 16,035,077	\$ 15,711,189
	86.34%	99.95%	117.88%
	75.26%	75.26%	75.10%

CITY OF CITRUS HEIGHTS

**COST SHARING MULTIPLE-EMPLOYER PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, 2021**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Miscellaneous Rate Plan				
Actuarially Determined Contribution	\$ 1,237,660	\$ 1,052,606	\$ 1,109,977	\$ 1,127,777
Contribution in Relation to the Actuarially Determined Contribution	(1,237,660)	(1,052,606)	(1,109,977)	(1,127,777)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,437,222	\$ 8,102,528	\$ 8,017,935	\$ 7,889,233
Contributions as a Percentage of Covered Payroll	16.64%	12.99%	13.84%	14.30%
Safety Rate Plan				
Actuarially Determined Contribution	\$ 1,937,578	\$ 1,460,317	\$ 1,605,543	\$ 1,675,225
Contribution in Relation to the Actuarially Determined Contribution	(1,937,578)	(1,460,317)	(1,605,543)	(1,675,225)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,350,834	\$ 7,921,496	\$ 8,247,151	\$ 8,354,763
Contributions as a Percentage of Covered Payroll	26.36%	18.43%	19.47%	20.05%
Total Plan				
Actuarially Determined Contribution	\$ 3,175,238	\$ 2,512,923	\$ 2,715,520	\$ 2,803,002
Contribution in Relation to the Actuarially Determined Contribution	(3,175,238)	(2,512,923)	(2,715,520)	(2,803,002)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 14,788,056	\$ 16,024,024	\$ 16,265,086	\$ 16,243,996
Contributions as a Percentage of Covered Payroll	21.47%	15.68%	16.70%	17.26%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

Note to Schedule:

Valuation Date: June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method

Entry Age Normal Cost Method

Amortization method

Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Asset valuation method

Direct rate smoothing

Inflation

2.50%

Payroll Growth

2.75%

Projected Salary Increases

Varies by Entry Age and Service

Investment Rate of Return

7.00% (net of pension plan investment and administrative expenses, includes inflation)

Retirement Age

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Mortality

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 1,259,805	\$ 1,419,774	\$ 1,524,519
<u>(1,259,805)</u>	<u>(1,419,774)</u>	<u>(1,524,519)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,319,602	\$ 8,715,322	\$ 8,169,066
15.14%	16.29%	18.66%
\$ 1,743,186	\$ 1,782,277	\$ 1,958,149
<u>(1,743,186)</u>	<u>(1,782,277)</u>	<u>(1,958,149)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,715,475	\$ 8,420,924	\$ 7,542,123
22.59%	21.16%	25.96%
\$ 3,002,991	\$ 3,202,051	\$ 3,482,668
<u>(3,002,991)</u>	<u>(3,202,051)</u>	<u>(3,482,668)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,035,077	\$ 17,136,246	\$ 15,711,189
18.73%	18.69%	22.17%

CITY OF CITRUS HEIGHTS

**SCHEDULE OF CHANGE IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability				
Service cost	\$ 205,006	\$ 211,156	\$ 217,491	\$ 217,915
Interest on the total OPEB liability	149,338	171,850	195,735	192,196
Actual and expected experience difference	-	-	(380,831)	-
Changes in assumptions	-	-	(43,330)	(29,367)
Benefit payments	<u>(20,597)</u>	<u>(33,358)</u>	<u>(37,626)</u>	<u>(46,180)</u>
Net change in total OPEB liability	333,747	349,648	(48,561)	334,564
Total OPEB liability - beginning	2,017,702	2,351,449	2,701,097	2,652,536
Total OPEB liability - ending	<u>\$ 2,351,449</u>	<u>\$ 2,701,097</u>	<u>\$ 2,652,536</u>	<u>\$ 2,987,100</u>
Plan Fiduciary Net Position				
Contribution - employer	\$ 373,000	\$ 378,000	\$ 288,000	\$ -
Net investment income	159,817	143,701	140,138	92,830
Benefit payments	(20,597)	(33,358)	(37,626)	(46,180)
Administrative expense	<u>(837)</u>	<u>(3,288)</u>	<u>(479)</u>	<u>(1,282)</u>
Net change in plan fiduciary net position	511,383	485,055	390,033	45,368
Plan fiduciary net position - beginning	1,236,894	1,748,277	2,233,332	2,623,365
Plan fiduciary net position - ending (b)	<u>\$ 1,748,277</u>	<u>\$ 2,233,332</u>	<u>\$ 2,623,365</u>	<u>\$ 2,668,733</u>
Net OPEB Liability	<u>\$ 603,172</u>	<u>\$ 467,765</u>	<u>\$ 29,171</u>	<u>\$ 318,367</u>
Plan fiduciary net position as a percentage of the total OPEB liability	74.35%	82.68%	98.90%	89.34%
Covered-employee payroll	\$ 18,696,235	\$ 18,764,996	\$ 19,084,505	\$ 19,487,524
Net OPEB liability as a percentage of covered-employee payroll	3.23%	2.49%	0.15%	1.63%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

Changes in Assumptions: In 2020, no changes. In 2019, Demographic assumptions were updated to CalPERS 1997-2015 Experience Study, and mortality improvement scale was updated to Scale MP-2018.

CITY OF CITRUS HEIGHTS

**SCHEDULE OF OPEB CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 378,000	\$ 288,000	\$ 296,000	\$ 248,000
Contribution in Relation to the Actuarially Determined Contributions	(378,000)	(288,000)	(296,000)	(68,364)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,636</u>
Covered-employee payroll	\$ 18,764,996	\$ 19,084,505	\$ 19,487,524	\$ 19,538,878
Contributions as a percentage of covered-employee payroll	2.01%	1.51%	1.52%	1.27%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

Methods and assumptions used to determine contributions:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level percent of pay
Amortization Period	15-year average remaining fixed period for 2019/20
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.75%
Inflation	2.75%
Medical Trend	Non-Medicare – 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare – 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years
Mortality Rate	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Society of Actuaries Scale MP-2018

CITY OF CITRUS HEIGHTS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
YEAR ENDED JUNE 30, 2021**

Budgetary Accounting

The City Council establishes budgets for the General Fund and all Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

The City Council may amend the budget by motion during the fiscal year. Only the Council can authorize transfers between funds and approve inter-fund loans. The City Manager is authorized to transfer budgeted amounts within a fund without formal council action or approval.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. There were no material supplemental appropriations made for the fiscal year ended June 30, 2021. Budget information is presented for the General and budgeted Special Revenue Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations and unexpended grant appropriations, lapse at the end of each fiscal year.

For the fiscal year ending June 30, 2021, the following funds had no adopted annual budgets:

Housing Agency Fee Special Revenue Fund
AD 98-02 Zone 3 Special Revenue Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other Governmental Funds.

SPECIAL REVENUE FUNDS

HOME Program Grants – Accounts for HOME Program Grant funds used for low income housing activities.

Community Events – Accounts for funds received and expended for the City's community events.

Code Enforcement – Accounts for funds to be used on Code Enforcement for neighborhood enhancement activities.

Gas Tax – Accounts for State gas tax revenues used for street maintenance and construction.

Road Maintenance and Rehabilitation – Accounts for revenue and expenditures on deferred maintenance on local streets and road systems with State funds provided by the Road Repair and Accountability Act SB1.

Stormwater Utility Tax – Accounts for revenues and expenditures associated with the administration and coordination of stormwater drainage activities as supported by a parcel tax.

Road Maintenance – Accounts for sales tax revenue collected in accordance with a voter approved special tax to be used for repairs and maintenance of streets.

Transit – Accounts for Transportation Development Act revenues restricted for the City's transportation needs.

Transportation Development Act – Accounts for Transportation Development Act monies received for road and sidewalk improvement purposes and transit related activities.

Police – Accounts for police revenues received that are restricted to fund programs designed to combat drug abuse and divert gang activity.

Police Grants – Accounts for police grants received that are restricted to fund specific police programs, including sobriety checkpoints, methamphetamine enforcement, stolen vehicles, children exposed to domestic violence and other programs.

Supplemental Law Enforcement Services (SLES) – Accounts for revenues and expenditures associated with State funds provided as a match for the COPS Universal Hiring Grant.

Housing Agency – Accounts for the housing assets of the former redevelopment agency that are used for low and moderate income housing activities.

Roadway Development Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

Housing Mitigation Development Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

Tree Mitigation Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

Park Facilities Development Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

SPECIAL REVENUE FUNDS (CONTINUED)

Transit Development Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

Other Grants – Accounts for revenues and expenditures for miscellaneous state grants and programs.

Assessment Districts: Accounts for special assessments collected for the assessment districts below within the City limits for which the City is obligated to maintain. The Lighting Assessment District accounts for special assessments used for street lighting purposes. The remaining assessment districts were organized under the Landscaping and Lighting Act of 1972 to account for special assessment used for street corridor landscape, open space maintenance and sound wall maintenance expenses.

- Assessment District 98-02 Zone 3
- Assessment District Zone 1
- Assessment District Zone 2
- Assessment District Zone 3
- Assessment District Zone 4
- Assessment District 98-01
- Assessment District 98-02
- Assessment District 03-01
- Assessment District 98-02, Zone 2
- Assessment District 03-01, Zone 2
- Lighting Assessment District

Police Donations – Accounts for donations received for K-9 and other police activities and programs.

CAPITAL PROJECT FUNDS

Measure A Construction – Accounts for Measure A revenues received from the Sacramento Transportation Authority that are restricted for expenditures associated with specific purposes, including construction, upgrade and improvements of the City's roadways.

Community Capital Replacement – Accounts for funds expended on various capital improvement and replacement projects, including vehicle replacement.

Streets Capital Projects Fund – Accounts for funds expended on various street capital improvement and paving projects, including an intersection improvements project and Old Auburn Bike Trail development.

CITY OF CITRUS HEIGHTS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

Special Revenue Funds

	HOME Program Grants	Community Events	Code Enforcement	Gas Tax
Assets:				
Pooled cash and investments	\$ 710,245	\$ 81,713	\$ 632,891	\$ 1,119,119
Receivables:				
Accounts	-	-	334,033	296
Notes and loans	2,701,495	-	-	-
Allowance on uncollectible notes and loans	(2,701,495)	-	-	-
Interest	487	-	487	741
Prepaid costs	-	-	2,070	-
Due from other governments	-	-	5,388	-
Land held for resale	-	-	-	-
Total Assets	\$ 710,732	\$ 81,713	\$ 974,869	\$ 1,120,156
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 18	\$ -	\$ 524	\$ 176,064
Unearned revenues	-	-	-	-
Retentions payable	-	-	-	-
Due to other governments	-	-	-	7,952
Due to other funds	-	-	-	-
Total Liabilities	18	-	524	184,016
Deferred Inflows of Resources:				
Unavailable revenues	-	-	324,402	2,886
Total Deferred Inflows of Resources	-	-	324,402	2,886
Fund Balances:				
Nonspendable	-	-	2,070	-
Restricted	710,714	81,713	647,873	933,254
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	710,714	81,713	649,943	933,254
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 710,732	\$ 81,713	\$ 974,869	\$ 1,120,156

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

(CONTINUED)

Special Revenue Funds

	Road Maintenance and Rehabilitation	Stormwater Utility Tax	Road Maintenance	Transit
Assets:				
Pooled cash and investments	\$ 3,003,562	\$ 4,666,480	\$ 2,203,741	\$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Allowance on uncollectible notes and loans	-	-	-	-
Interest	2,059	3,308	1,578	-
Prepaid costs	-	-	-	-
Due from other governments	296,648	237,081	-	-
Land held for resale	-	-	-	-
Total Assets	\$ 3,302,269	\$ 4,906,869	\$ 2,205,319	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 77,880	\$ 216,198	\$ 26,300	\$ -
Unearned revenues	-	6,000	-	-
Retentions payable	-	-	-	-
Due to other governments	-	31,347	10	-
Due to other funds	-	-	-	35,416
Total Liabilities	77,880	253,545	26,310	35,416
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	3,224,389	4,653,324	2,179,009	-
Assigned	-	-	-	-
Unassigned	-	-	-	(35,416)
Total Fund Balances	3,224,389	4,653,324	2,179,009	(35,416)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,302,269	\$ 4,906,869	\$ 2,205,319	\$ -

CITY OF CITRUS HEIGHTS

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

Special Revenue Funds

	Transportation Development Act	Police	Police Grants	Supplemental Law Enforcement Services (SLES)
Assets:				
Pooled cash and investments	\$ 217,550	\$ 849,329	\$ -	\$ 269,890
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Allowance on uncollectible notes and loans	-	-	-	-
Interest	159	484	-	209
Prepaid costs	-	275	-	-
Due from other governments	-	4,050	141,188	-
Land held for resale	-	-	-	-
Total Assets	\$ 217,709	\$ 854,138	\$ 141,188	\$ 270,099
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 5,304	\$ 300	\$ -
Unearned revenues	-	-	-	270,099
Retentions payable	-	-	-	-
Due to other governments	-	540	-	-
Due to other funds	-	-	139,049	-
Total Liabilities	-	5,844	139,349	270,099
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	275	-	-
Restricted	217,709	848,019	1,839	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	217,709	848,294	1,839	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 217,709	\$ 854,138	\$ 141,188	\$ 270,099

CITY OF CITRUS HEIGHTS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

Special Revenue Funds

	Housing Agency	Roadway Development Fees	Housing Mitigation Development Fees	Tree Mitigation Fees
Assets:				
Pooled cash and investments	\$ 31,510	\$ 827,229	\$ 378,257	\$ 158,018
Receivables:				
Accounts	-	32,209	-	-
Notes and loans	1,434,665	-	-	-
Allowance on uncollectible notes and loans	(234,665)	-	-	-
Interest	-	583	263	110
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Land held for resale	2,784,600	-	-	-
Total Assets	\$ 4,016,110	\$ 860,021	\$ 378,520	\$ 158,128
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 9,560	\$ 3,802	\$ 2,798
Unearned revenues	-	-	-	-
Retentions payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	9,560	3,802	2,798
Deferred Inflows of Resources:				
Unavailable revenues	-	32,209	-	-
Total Deferred Inflows of Resources	-	32,209	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	4,016,110	818,252	374,718	155,330
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	4,016,110	818,252	374,718	155,330
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,016,110	\$ 860,021	\$ 378,520	\$ 158,128

CITY OF CITRUS HEIGHTS

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

Special Revenue Funds

	Park Facilities Development Fees	Transit Development Fees	Other Grants	AD 98-02 Zone 3
Assets:				
Pooled cash and investments	\$ 102,112	\$ 189,311	\$ -	\$ 17,121
Receivables:				
Accounts	-	6,908	-	-
Notes and loans	-	-	-	-
Allowance on uncollectible notes and loans	-	-	-	-
Interest	69	131	-	11
Prepaid costs	-	-	-	-
Due from other governments	-	-	262,103	6
Land held for resale	-	-	-	-
Total Assets	\$ 102,181	\$ 196,350	\$ 262,103	\$ 17,138
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 2,752	\$ 74,627	\$ 690
Unearned revenues	-	-	47,753	-
Retentions payable	-	-	-	-
Due to other governments	-	-	-	27
Due to other funds	-	-	139,723	-
Total Liabilities	-	2,752	262,103	717
Deferred Inflows of Resources:				
Unavailable revenues	-	6,908	-	-
Total Deferred Inflows of Resources	-	6,908	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	102,181	186,690	-	16,421
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	102,181	186,690	-	16,421
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 102,181	\$ 196,350	\$ 262,103	\$ 17,138

Special Revenue Funds

	Assessment District Zone 1	Assessment District Zone 2	Assessment District Zone 3	Assessment District Zone 4
Assets:				
Pooled cash and investments	\$ 36,499	\$ 81,009	\$ 1,137	\$ 2,305
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Allowance on uncollectible notes and loans	-	-	-	-
Interest	8	58	-	-
Prepaid costs	-	-	-	-
Due from other governments	138	234	4	66
Land held for resale	-	-	-	-
Total Assets	\$ 36,645	\$ 81,301	\$ 1,141	\$ 2,371
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 3,719	\$ 1,141	\$ 1,627
Unearned revenues	-	-	-	-
Retentions payable	-	-	-	-
Due to other governments	-	-	-	744
Due to other funds	-	-	-	-
Total Liabilities	-	3,719	1,141	2,371
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	36,645	77,582	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	36,645	77,582	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 36,645	\$ 81,301	\$ 1,141	\$ 2,371

CITY OF CITRUS HEIGHTS

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

Special Revenue Funds

	Assessment District 98-01	Assessment District 98-02	Assessment District 03-01	Assessment District 98-02 Zone 2
Assets:				
Pooled cash and investments	\$ 143,925	\$ 77,488	\$ 966,737	\$ 38,743
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Allowance on uncollectible notes and loans	-	-	-	-
Interest	103	57	695	27
Prepaid costs	-	-	-	-
Due from other governments	86	313	51	363
Land held for resale	-	-	-	-
Total Assets	\$ 144,114	\$ 77,858	\$ 967,483	\$ 39,133
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 836	\$ 4,339	\$ 3,337	\$ 8,411
Unearned revenues	-	-	-	-
Retentions payable	-	-	-	-
Due to other governments	308	-	32,472	-
Due to other funds	-	-	-	-
Total Liabilities	1,144	4,339	35,809	8,411
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	142,970	73,519	931,674	30,722
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	142,970	73,519	931,674	30,722
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 144,114	\$ 77,858	\$ 967,483	\$ 39,133

CITY OF CITRUS HEIGHTS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			Capital Projects Funds
	Assessment District 03-01 Zone 2	Lighting Assessment District	Police Donations	Measure A Construction
Assets:				
Pooled cash and investments	\$ 36,342	\$ 43,040	\$ 14,251	\$ 1,612,076
Receivables:				
Accounts	-	3,598	-	-
Notes and loans	-	-	-	-
Allowance on uncollectible notes and loans	-	-	-	-
Interest	25	-	-	1,181
Prepaid costs	-	-	-	-
Due from other governments	93	3,591	-	-
Land held for resale	-	-	-	-
Total Assets	\$ 36,460	\$ 50,229	\$ 14,251	\$ 1,613,257
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,800	\$ 23,292	\$ -	\$ 17,171
Unearned revenues	-	-	-	-
Retentions payable	-	-	-	-
Due to other governments	205	23,089	-	40
Due to other funds	-	-	-	-
Total Liabilities	2,005	46,381	-	17,211
Deferred Inflows of Resources:				
Unavailable revenues	-	3,598	-	-
Total Deferred Inflows of Resources	-	3,598	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	34,455	250	14,251	1,596,046
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	34,455	250	14,251	1,596,046
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 36,460	\$ 50,229	\$ 14,251	\$ 1,613,257

CITY OF CITRUS HEIGHTS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

Capital Projects Funds

	<u>Community Capital Replacement</u>	<u>Streets</u>	<u>Total Other Governmental Funds</u>
Assets:			
Pooled cash and investments	\$ 680,331	\$ -	\$ 19,191,961
Receivables:			
Accounts	-	-	377,044
Notes and loans	-	-	4,136,160
Allowance on uncollectible notes and loans	-	-	(2,936,160)
Interest	-	-	12,833
Prepaid costs	-	-	2,345
Due from other governments	-	1,007,283	1,958,686
Land held for resale	-	-	2,784,600
Total Assets	\$ 680,331	\$ 1,007,283	\$ 25,527,469
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 14,600	\$ 1,033,031	\$ 1,710,121
Unearned revenues	-	-	323,852
Retentions payable	-	23,046	23,046
Due to other governments	-	-	96,734
Due to other funds	-	331,724	645,912
Total Liabilities	14,600	1,387,801	2,799,665
Deferred Inflows of Resources:			
Unavailable revenues	-	-	370,003
Total Deferred Inflows of Resources	-	-	370,003
Fund Balances:			
Nonspendable	-	-	2,345
Restricted	-	-	22,105,659
Assigned	665,731	-	665,731
Unassigned	-	(380,518)	(415,934)
Total Fund Balances	665,731	(380,518)	22,357,801
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 680,331	\$ 1,007,283	\$ 25,527,469

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CITY OF CITRUS HEIGHTS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

Special Revenue Funds

	HOME Program Grants	Community Events	Code Enforcement	Gas Tax
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	64	-	-	1,947,651
Charges for services	-	-	743,680	-
Use of money and property	244	-	(486)	730
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	111,696	-	-	2,590
Total Revenues	112,004	-	743,194	1,950,971
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	646,743	-
Economic development	-	-	-	-
Culture and recreation	-	103,605	-	-
Public ways and facilities	-	-	-	1,479,320
Community enhancements	26,391	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	26,391	103,605	646,743	1,479,320
Excess (Deficiency) of Revenues Over (Under) Expenditures	85,613	(103,605)	96,451	471,651
Other Financing Sources (Uses):				
Transfers in	-	185,318	57,854	-
Transfers out	-	-	(25,000)	(139,114)
Other debts issued	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total Other Financing Sources (Uses)	-	185,318	32,854	(139,114)
Net Change in Fund Balances	85,613	81,713	129,305	332,537
Fund Balances, Beginning of Year	625,101	-	520,638	600,717
Fund Balances, End of Year	\$ 710,714	\$ 81,713	\$ 649,943	\$ 933,254

CITY OF CITRUS HEIGHTS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

Special Revenue Funds

	Road Maintenance and Rehabilitation	Stormwater Utility Tax	Road Maintenance	Transit
Revenues:				
Assessments	\$ -	\$ 17,988	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,627,888	-	2,340,615	245,364
Charges for services	-	3,869,992	-	-
Use of money and property	3,316	5,189	1,817	(403)
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	1,943	-	-
Total Revenues	1,631,204	3,895,112	2,342,432	244,961
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	80,327	2,176,529	1,300,032	294,559
Community enhancements	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	80,327	2,176,529	1,300,032	294,559
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,550,877	1,718,583	1,042,400	(49,598)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(117,157)	(343,628)	(198,972)	-
Other debts issued	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total Other Financing Sources (Uses)	(117,157)	(343,628)	(198,972)	-
Net Change in Fund Balances	1,433,720	1,374,955	843,428	(49,598)
Fund Balances, Beginning of Year	1,790,669	3,278,369	1,335,581	14,182
Fund Balances, End of Year	\$ 3,224,389	\$ 4,653,324	\$ 2,179,009	\$ (35,416)

CITY OF CITRUS HEIGHTS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

Special Revenue Funds

	Transportation Development Act	Police	Police Grants	Supplemental Law Enforcement Services (SLES)
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	65,649	-	526,990	144,101
Charges for services	-	-	-	-
Use of money and property	215	429	-	252
Fines and forfeitures	-	345,607	-	-
Contributions	-	-	-	-
Miscellaneous	-	14,074	-	-
Total Revenues	65,864	360,110	526,990	144,353
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	112,314	477,896	77,587
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	-	-	-	-
Community enhancements	-	-	-	-
Capital outlay	-	34,480	49,094	65,939
Total Expenditures	-	146,794	526,990	143,526
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,864	213,316	-	827
Other Financing Sources (Uses):				
Transfers in	-	26,671	-	-
Transfers out	(6,059)	(23,600)	-	-
Other debts issued	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total Other Financing Sources (Uses)	(6,059)	3,071	-	-
Net Change in Fund Balances	59,805	216,387	-	827
Fund Balances, Beginning of Year	157,904	631,907	1,839	(827)
Fund Balances, End of Year	\$ 217,709	\$ 848,294	\$ 1,839	\$ -

CITY OF CITRUS HEIGHTS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Housing Agency	Roadway Development Fees	Housing Mitigation Development Fees	Tree Mitigation Fees
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	228,381	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	38,354	54,236
Use of money and property	-	309	425	24
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	1,000	-
Total Revenues	-	228,690	39,779	54,260
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	6,092	-
Culture and recreation	-	-	-	-
Public ways and facilities	-	14,152	-	-
Community enhancements	-	-	-	16,580
Capital outlay	-	-	-	-
Total Expenditures	-	14,152	6,092	16,580
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	214,538	33,687	37,680
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(113,358)	-	(4,996)
Other debts issued	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total Other Financing Sources (Uses)	-	(113,358)	-	(4,996)
Net Change in Fund Balances	-	101,180	33,687	32,684
Fund Balances, Beginning of Year	4,016,110	717,072	341,031	122,646
Fund Balances, End of Year	\$ 4,016,110	\$ 818,252	\$ 374,718	\$ 155,330

CITY OF CITRUS HEIGHTS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

Special Revenue Funds

	Park Facilities Development Fees	Transit Development Fees	Other Grants	AD 98-02 Zone 3
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	54,005	-	-
Intergovernmental	-	-	432,308	-
Charges for services	71,490	-	-	11,306
Use of money and property	(317)	298	-	12
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	71,173	54,303	432,308	11,318
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	256,473	-
Culture and recreation	-	-	-	-
Public ways and facilities	-	4,409	100,000	4,891
Community enhancements	-	-	73,846	-
Capital outlay	-	-	-	-
Total Expenditures	-	4,409	430,319	4,891
Excess (Deficiency) of Revenues Over (Under) Expenditures	71,173	49,894	1,989	6,427
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(4,652)	-	-	-
Other debts issued	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total Other Financing Sources (Uses)	(4,652)	-	-	-
Net Change in Fund Balances	66,521	49,894	1,989	6,427
Fund Balances, Beginning of Year	35,660	136,796	(1,989)	9,994
Fund Balances, End of Year	\$ 102,181	\$ 186,690	\$ -	\$ 16,421

CITY OF CITRUS HEIGHTS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

Special Revenue Funds

	Assessment District Zone 1	Assessment District Zone 2	Assessment District Zone 3	Assessment District Zone 4
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	10,595	12,572	6,595	4,699
Use of money and property	(105)	16	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	10,490	12,588	6,595	4,699
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	5,093	14,757	15,025	17,627
Community enhancements	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	5,093	14,757	15,025	17,627
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,397	(2,169)	(8,430)	(12,928)
Other Financing Sources (Uses):				
Transfers in	-	-	25,072	24,322
Transfers out	-	-	-	-
Other debts issued	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total Other Financing Sources (Uses)	-	-	25,072	24,322
Net Change in Fund Balances	5,397	(2,169)	16,642	11,394
Fund Balances, Beginning of Year	31,248	79,751	(16,642)	(11,394)
Fund Balances, End of Year	\$ 36,645	\$ 77,582	\$ -	\$ -

CITY OF CITRUS HEIGHTS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

Special Revenue Funds

	Assessment District 98-01	Assessment District 98-02	Assessment District 03-01	Assessment District 98-02 Zone 2
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	10,646	22,163	88,751	16,297
Use of money and property	(31)	(76)	33	10
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	10,615	22,087	88,784	16,307
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	22,877	46,201	196,118	19,233
Community enhancements	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	22,877	46,201	196,118	19,233
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,262)	(24,114)	(107,334)	(2,926)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other debts issued	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(12,262)	(24,114)	(107,334)	(2,926)
Fund Balances, Beginning of Year	155,232	97,633	1,039,008	33,648
Fund Balances, End of Year	\$ 142,970	\$ 73,519	\$ 931,674	\$ 30,722

CITY OF CITRUS HEIGHTS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			Capital Projects Funds
	Assessment District 03-01 Zone 2	Lighting Assessment District	Police Donations	Measure A Construction
Revenues:				
Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	570,070
Charges for services	19,354	349,647	-	-
Use of money and property	(145)	-	-	1,109
Fines and forfeitures	-	-	-	-
Contributions	-	-	3,240	-
Miscellaneous	-	250	-	-
Total Revenues	19,209	349,897	3,240	571,179
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	20,914	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	52,536	446,168	-	51,307
Community enhancements	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	52,536	446,168	20,914	51,307
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,327)	(96,271)	(17,674)	519,872
Other Financing Sources (Uses):				
Transfers in	-	166,967	27,469	-
Transfers out	-	-	-	(254,463)
Other debts issued	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total Other Financing Sources (Uses)	-	166,967	27,469	(254,463)
Net Change in Fund Balances	(33,327)	70,696	9,795	265,409
Fund Balances, Beginning of Year	67,782	(70,446)	4,456	1,330,637
Fund Balances, End of Year	\$ 34,455	\$ 250	\$ 14,251	\$ 1,596,046

CITY OF CITRUS HEIGHTS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Capital Projects Funds</u>		
	<u>Community Capital Replacement</u>	<u>Streets</u>	<u>Total Other Governmental Funds</u>
Revenues:			
Assessments	\$ -	\$ -	\$ 17,988
Licenses and permits	-	-	282,386
Intergovernmental	-	1,278,928	9,179,628
Charges for services	-	-	5,330,377
Use of money and property	-	-	12,865
Fines and forfeitures	-	-	345,607
Contributions	100,000	-	103,240
Miscellaneous	-	650	132,203
Total Revenues	100,000	1,279,578	15,404,294
Expenditures:			
Current:			
General government	6,322	-	6,322
Public safety	-	-	1,335,454
Economic development	-	-	262,565
Culture and recreation	-	-	103,605
Public ways and facilities	-	6,524	6,347,685
Community enhancements	-	-	116,817
Capital outlay	455,034	3,060,354	3,664,901
Total Expenditures	461,356	3,066,878	11,837,349
Excess (Deficiency) of Revenues Over (Under) Expenditures	(361,356)	(1,787,300)	3,566,945
Other Financing Sources (Uses):			
Transfers in	140,000	1,445,934	2,099,607
Transfers out	-	-	(1,230,999)
Other debts issued	347,268	-	347,268
Proceeds from sale of capital asset	36,246	-	36,246
Total Other Financing Sources (Uses)	523,514	1,445,934	1,252,122
Net Change in Fund Balances	162,158	(341,366)	4,819,067
Fund Balances, Beginning of Year	503,573	(39,152)	17,538,734
Fund Balances, End of Year	\$ 665,731	\$ (380,518)	\$ 22,357,801

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HOME PROGRAM GRANTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 64	\$ 64
Use of money and property	100	100	244	144
Miscellaneous	-	-	111,696	111,696
Total Revenues	100	100	112,004	111,904
Expenditures:				
Community enhancements	171,078	171,078	26,391	144,687
Total Expenditures	171,078	171,078	26,391	144,687
Excess (Deficiency) of Revenues Over (Under) Expenditures	(170,978)	(170,978)	85,613	256,591
Fund Balances, Beginning of Year	625,101	625,101	625,101	-
Fund Balances, End of Year	\$ 454,123	\$ 454,123	\$ 710,714	\$ 256,591

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 COMMUNITY EVENTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Total Revenues	15,000	15,000	-	(15,000)
Expenditures:				
Current:				
Culture and recreation	183,563	183,563	103,605	79,958
Total Expenditures	183,563	183,563	103,605	79,958
Excess (Deficiency) of Revenues Over (Under) Expenditures	(168,563)	(168,563)	(103,605)	64,958
Other Financing Sources:				
Transfers in	185,318	185,318	185,318	-
Total Other Financing Sources	185,318	185,318	185,318	-
Net Change in Fund Balance	16,755	16,755	81,713	64,958
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ 16,755	\$ 16,755	\$ 81,713	\$ 64,958

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CODE ENFORCEMENT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 894,000	\$ 894,000	\$ 743,680	\$ (150,320)
Use of money and property	-	-	(486)	(486)
Total Revenues	894,000	894,000	743,194	(150,806)
Expenditures:				
Current:				
Public safety	935,644	935,644	646,743	288,901
Total Expenditures	935,644	935,644	646,743	288,901
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,644)	(41,644)	96,451	138,095
Other Financing Sources(Uses):				
Transfers out	(25,000)	(25,000)	(25,000)	-
Transfers in	57,854	57,854	57,854	-
Total Other Financing Sources (Uses)	32,854	32,854	32,854	-
Net Change in Fund Balance	(8,790)	(8,790)	129,305	138,095
Fund Balances, Beginning of Year	520,638	520,638	520,638	-
Fund Balances, End of Year	\$ 511,848	\$ 511,848	\$ 649,943	\$ 138,095

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GAS TAX
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,198,365	\$ 2,198,365	\$ 1,947,651	\$ (250,714)
Use of money and property	-	-	730	730
Miscellaneous	98,935	98,935	2,590	(96,345)
Total Revenues	2,297,300	2,297,300	1,950,971	(346,329)
Expenditures:				
Current:				
Public ways and facilities	1,701,203	1,701,203	1,479,320	221,883
Capital outlay	300,000	300,000	-	300,000
Total Expenditures	2,001,203	2,001,203	1,479,320	521,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	296,097	296,097	471,651	175,554
Other Financing Uses:				
Transfers out	(8,000)	(8,000)	(139,114)	(131,114)
Total Other Financing Uses	(8,000)	(8,000)	(139,114)	(131,114)
Net Change in Fund Balance	288,097	288,097	332,537	44,440
Fund Balances, Beginning of Year	600,717	600,717	600,717	-
Fund Balances, End of Year	\$ 888,814	\$ 888,814	\$ 933,254	\$ 44,440

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ROAD MAINTENANCE AND REHABILITATION
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,517,000	\$ 1,517,000	\$ 1,627,888	\$ 110,888
Use of money and property	-	-	3,316	3,316
Total Revenues	1,517,000	1,517,000	1,631,204	114,204
Expenditures:				
Current:				
Public ways and facilities	150,000	150,000	80,327	69,673
Capital outlay	1,600,000	1,600,000	-	1,600,000
Total Expenditures	1,750,000	1,750,000	80,327	1,669,673
Excess (Deficiency) of Revenues Over (Under) Expenditures	(233,000)	(233,000)	1,550,877	1,783,877
Other Financing Uses:				
Transfers out	-	-	(117,157)	(117,157)
Total Other Financing Uses	-	-	(117,157)	(117,157)
Net Change in Fund Balance	(233,000)	(233,000)	1,433,720	1,666,720
Fund Balances, Beginning of Year	1,790,669	1,790,669	1,790,669	-
Fund Balances, End of Year	\$ 1,557,669	\$ 1,557,669	\$ 3,224,389	\$ 1,666,720

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STORMWATER UTILITY TAX
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	-	-	17,988	17,988
Charges for services	\$ 3,700,000	\$ 3,700,000	\$ 3,869,992	\$ 169,992
Use of money and property	-	-	5,189	5,189
Miscellaneous	-	-	1,943	1,943
Total Revenues	3,700,000	3,700,000	3,895,112	195,112
Expenditures:				
Current:				
Public ways and facilities	2,307,174	2,307,174	2,176,529	130,645
Capital outlay	2,750,000	2,750,000	-	2,750,000
Total Expenditures	5,057,174	5,057,174	2,176,529	2,880,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,357,174)	(1,357,174)	1,718,583	3,075,757
Other Financing Uses:				
Transfers out	-	-	(343,628)	(343,628)
Total Other Financing Uses	-	-	(343,628)	(343,628)
Net Change in Fund Balance	(1,357,174)	(1,357,174)	1,374,955	2,732,129
Fund Balances, Beginning of Year	3,278,369	3,278,369	3,278,369	-
Fund Balances, End of Year	\$ 1,921,195	\$ 1,921,195	\$ 4,653,324	\$ 2,732,129

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ROAD MAINTENANCE
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,189,666	\$ 2,189,666	\$ 2,340,615	\$ 150,949
Use of money and property	-	-	1,817	1,817
Total Revenues	2,189,666	2,189,666	2,342,432	152,766
Expenditures:				
Current:				
Public ways and facilities	1,455,300	1,455,300	1,300,032	155,268
Capital outlay	600,000	600,000	-	600,000
Total Expenditures	2,055,300	2,055,300	1,300,032	755,268
Excess (Deficiency) of Revenues Over (Under) Expenditures	134,366	134,366	1,042,400	908,034
Other Financing Uses:				
Transfers out	(93,674)	(93,674)	(198,972)	(105,298)
Total Other Financing Uses	(93,674)	(93,674)	(198,972)	(105,298)
Net Change in Fund Balance	40,692	40,692	843,428	802,736
Fund Balances, Beginning of Year	1,335,581	1,335,581	1,335,581	-
Fund Balances, End of Year	\$ 1,376,273	\$ 1,376,273	\$ 2,179,009	\$ 802,736

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRANSIT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 275,000	\$ 275,000	\$ 245,364	\$ (29,636)
Use of money and property	-	-	(403)	(403)
Total Revenues	275,000	275,000	244,961	(30,039)
Expenditures:				
Current:				
Public ways and facilities	345,066	345,066	294,559	50,507
Total Expenditures	345,066	345,066	294,559	50,507
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,066)	(70,066)	(49,598)	20,468
Fund Balances, Beginning of Year	14,182	14,182	14,182	-
Fund Balances, End of Year	\$ (55,884)	\$ (55,884)	\$ (35,416)	\$ 20,468

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRANSPORTATION DEVELOPMENT ACT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 72,000	\$ 72,000	\$ 65,649	\$ (6,351)
Use of money and property	-	-	215	215
Total Revenues	72,000	72,000	65,864	(6,136)
Expenditures:				
Capital outlay	72,000	72,000	-	72,000
Total Expenditures	72,000	72,000	-	72,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	65,864	65,864
Other Financing Uses:				
Transfers out	-	-	(6,059)	(6,059)
Total Other Financing Uses	-	-	(6,059)	(6,059)
Net Change in Fund Balance	-	-	59,805	59,805
Fund Balances, Beginning of Year	157,904	157,904	157,904	-
Fund Balances, End of Year	\$ 157,904	\$ 157,904	\$ 217,709	\$ 59,805

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 POLICE
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 429	\$ 429
Fines and forfeitures	56,000	56,000	345,607	289,607
Miscellaneous	-	-	14,074	14,074
Total Revenues	56,000	56,000	360,110	304,110
Expenditures:				
Current:				
Public safety	98,254	98,254	112,314	(14,060)
Capital outlay	-	-	34,480	(34,480)
Total Expenditures	98,254	98,254	146,794	(48,540)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,254)	(42,254)	213,316	255,570
Other Financing Sources (Uses):				
Transfers out	-	-	(23,600)	(23,600)
Transfers in	26,671	26,671	26,671	-
Total Other Financing Sources (Uses)	26,671	26,671	3,071	(23,600)
Net Change in Fund Balance	(15,583)	(15,583)	216,387	231,970
Fund Balances, Beginning of Year	631,907	631,907	631,907	-
Fund Balances, End of Year	\$ 616,324	\$ 616,324	\$ 848,294	\$ 231,970

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 POLICE GRANTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 85,142	\$ 85,142	\$ 526,990	\$ 441,848
Total Revenues	85,142	85,142	526,990	441,848
Expenditures:				
Current:				
Public safety	87,492	87,492	477,896	(390,404)
Capital outlay	-	-	49,094	(49,094)
Total Expenditures	87,492	87,492	526,990	(439,498)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,350)	(2,350)	-	2,350
Fund Balances, Beginning of Year	1,839	1,839	1,839	-
Fund Balances, End of Year	\$ (511)	\$ (511)	\$ 1,839	\$ 2,350

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SUPPLEMENTAL LAW ENFORCEMENT SERVICES (SLES)
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 144,101	\$ 144,101
Use of money and property	-	-	252	252
Total Revenues	-	-	144,353	144,353
Expenditures:				
Current:				
Public safety	30,000	30,000	77,587	(47,587)
Capital outlay	35,000	35,000	65,939	(30,939)
Total Expenditures	65,000	65,000	143,526	(78,526)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,000)	(65,000)	827	65,827
Fund Balances, Beginning of Year	(827)	(827)	(827)	-
Fund Balances, End of Year	\$ (65,827)	\$ (65,827)	\$ -	\$ 65,827

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ROADWAY DEVELOPMENT FEES
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ -	\$ -	\$ 228,381	\$ 228,381
Use of money and property	-	-	309	309
Total Revenues	-	-	228,690	228,690
Expenditures:				
Current:				
Public ways and facilities	50,000	50,000	14,152	35,848
Total Expenditures	50,000	50,000	14,152	35,848
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(50,000)	214,538	264,538
Other Financing Uses:				
Transfers out	-	-	(113,358)	(113,358)
Total Other Financing Uses	-	-	(113,358)	(113,358)
Net Change in Fund Balance	(50,000)	(50,000)	101,180	151,180
Fund Balances, Beginning of Year	717,072	717,072	717,072	-
Fund Balances, End of Year	\$ 667,072	\$ 667,072	\$ 818,252	\$ 151,180

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HOUSING MITIGATION DEVELOPMENT FEES
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 16,000	\$ 16,000	\$ 38,354	\$ 22,354
Use of money and property	-	-	425	425
Miscellaneous	-	-	1,000	1,000
Total Revenues	16,000	16,000	39,779	23,779
Expenditures:				
Current:				
Community development	50,000	50,000	6,092	43,908
Total Expenditures	50,000	50,000	6,092	43,908
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,000)	(34,000)	33,687	67,687
Fund Balances, Beginning of Year	341,031	341,031	341,031	-
Fund Balances, End of Year	\$ 307,031	\$ 307,031	\$ 374,718	\$ 67,687

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TREE MITIGATION FEES
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 35,000	\$ 35,000	\$ 54,236	\$ 19,236
Use of money and property	-	-	24	24
Total Revenues	35,000	35,000	54,260	19,260
Expenditures:				
Current:				
Community enhancements	35,000	35,000	16,580	18,420
Total Expenditures	35,000	35,000	16,580	18,420
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	37,680	37,680
Other Financing Uses:				
Transfers out	-	-	(4,996)	(4,996)
Total Other Financing Uses	-	-	(4,996)	(4,996)
Net Change in Fund Balance	-	-	32,684	32,684
Fund Balances, Beginning of Year	122,646	122,646	122,646	-
Fund Balances, End of Year	\$ 122,646	\$ 122,646	\$ 155,330	\$ 32,684

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PARK FACILITIES DEVELOPMENT FEES
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 96,700	\$ 96,700	\$ 71,490	\$ (25,210)
Use of money and property	-	-	(317)	(317)
Total Revenues	96,700	96,700	71,173	(25,527)
Expenditures:				
Current:				
Community enhancements	50,000	50,000	-	50,000
Total Expenditures	50,000	50,000	-	50,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	46,700	46,700	71,173	24,473
Other Financing Uses:				
Transfers out	-	-	(4,652)	4,652
Total Other Financing Uses	-	-	(4,652)	(4,652)
Net Change in Fund Balance	46,700	46,700	66,521	19,821
Fund Balances, Beginning of Year	35,660	35,660	35,660	-
Fund Balances, End of Year	\$ 82,360	\$ 82,360	\$ 102,181	\$ 19,821

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRANSIT DEVELOPMENT FEES
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 66,950	\$ 66,950	\$ 54,005	\$ (12,945)
Use of money and property	515	515	298	(217)
Total Revenues	67,465	67,465	54,303	(13,162)
Expenditures:				
Current:				
Public ways and facilities	-	-	4,409	(4,409)
Total Expenditures	-	-	4,409	(4,409)
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,465	67,465	49,894	(17,571)
Fund Balances, Beginning of Year	136,796	136,796	136,796	-
Fund Balances, End of Year	\$ 204,261	\$ 204,261	\$ 186,690	\$ (17,571)

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 OTHER GRANTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 35,000	\$ 35,000	\$ 432,308	\$ 397,308
Total Revenues	35,000	35,000	432,308	397,308
Expenditures:				
Current:				
Economic development	-	-	256,473	(256,473)
Public ways and facilities	-	-	100,000	(100,000)
Community enhancements	35,000	35,000	73,846	(38,846)
Total Expenditures	35,000	35,000	430,319	(395,319)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	1,989	1,989
Fund Balances, Beginning of Year	(1,989)	(1,989)	(1,989)	-
Fund Balances, End of Year	\$ (1,989)	\$ (1,989)	\$ -	\$ 1,989

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ASSESSMENT DISTRICT ZONE 1
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 10,523	\$ 10,523	\$ 10,595	\$ 72
Use of money and property	-	-	(105)	(105)
Total Revenues	10,523	10,523	10,490	(33)
Expenditures:				
Current:				
Public ways and facilities	16,336	16,336	5,093	11,243
Total Expenditures	16,336	16,336	5,093	11,243
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,813)	(5,813)	5,397	11,210
Fund Balances, Beginning of Year	31,248	31,248	31,248	-
Fund Balances, End of Year	\$ 25,435	\$ 25,435	\$ 36,645	\$ 11,210

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ASSESSMENT DISTRICT ZONE 2
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 12,413	\$ 12,413	\$ 12,572	\$ 159
Use of money and property	-	-	16	16
Total Revenues	12,413	12,413	12,588	175
Expenditures:				
Current:				
Public ways and facilities	18,160	18,160	14,757	3,403
Total Expenditures	18,160	18,160	14,757	3,403
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,747)	(5,747)	(2,169)	3,578
Fund Balances, Beginning of Year	79,751	79,751	79,751	-
Fund Balances, End of Year	\$ 74,004	\$ 74,004	\$ 77,582	\$ 3,578

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ASSESSMENT DISTRICT ZONE 3
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 6,550	\$ 6,550	\$ 6,595	\$ 45
Total Revenues	6,550	6,550	6,595	45
Expenditures:				
Current:				
Public ways and facilities	15,364	15,364	15,025	339
Total Expenditures	15,364	15,364	15,025	339
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,814)	(8,814)	(8,430)	384
Other Financing Sources(Uses):				
Transfers in	-	-	25,072	25,072
Total Other Financing Sources (Uses)	-	-	25,072	25,072
Net Change in Fund Balance	(8,814)	(8,814)	16,642	25,456
Fund Balances, Beginning of Year	(16,642)	(16,642)	(16,642)	-
Fund Balances, End of Year	\$ (25,456)	\$ (25,456)	\$ -	\$ 25,456

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ASSESSMENT DISTRICT ZONE 4
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 4,718	\$ 4,718	\$ 4,699	\$ (19)
Total Revenues	4,718	4,718	4,699	(19)
Expenditures:				
Current:				
Public ways and facilities	15,181	15,181	17,627	(2,446)
Total Expenditures	15,181	15,181	17,627	(2,446)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,463)	(10,463)	(12,928)	(2,465)
Other Financing Sources:				
Transfers in	5,785	8,000	24,322	16,322
Total Other Financing Sources	5,785	8,000	24,322	16,322
Net Change in Fund Balance	(4,678)	(2,463)	11,394	13,857
Fund Balances, Beginning of Year	(11,394)	(11,394)	(11,394)	-
Fund Balances, End of Year	\$ (16,072)	\$ (13,857)	\$ -	\$ 13,857

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ASSESSMENT DISTRICT 98-01
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 10,640	\$ 10,640	\$ 10,646	\$ 6
Use of money and property	-	-	(31)	(31)
Total Revenues	10,640	10,640	10,615	(25)
Expenditures:				
Current:				
Public ways and facilities	12,934	12,934	22,877	(9,943)
Total Expenditures	12,934	12,934	22,877	(9,943)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,294)	(2,294)	(12,262)	(9,968)
Fund Balances, Beginning of Year	155,232	155,232	155,232	-
Fund Balances, End of Year	\$ 152,938	\$ 152,938	\$ 142,970	\$ (9,968)

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ASSESSMENT DISTRICT 98-02
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 22,200	\$ 22,200	\$ 22,163	\$ (37)
Use of money and property	-	-	(76)	(76)
Total Revenues	22,200	22,200	22,087	(113)
Expenditures:				
Current:				
Public ways and facilities	26,284	26,284	46,201	(19,917)
Total Expenditures	26,284	26,284	46,201	(19,917)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,084)	(4,084)	(24,114)	(20,030)
Fund Balances, Beginning of Year	97,633	97,633	97,633	-
Fund Balances, End of Year	\$ 93,549	\$ 93,549	\$ 73,519	\$ (20,030)

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ASSESSMENT DISTRICT 03-01
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 88,700	\$ 88,700	\$ 88,751	\$ 51
Use of money and property	-	-	33	33
Total Revenues	88,700	88,700	88,784	84
Expenditures:				
Current:				
Public ways and facilities	48,736	48,736	196,118	(147,382)
Total Expenditures	48,736	48,736	196,118	(147,382)
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,964	39,964	(107,334)	(147,298)
Fund Balances, Beginning of Year	1,039,008	1,039,008	1,039,008	-
Fund Balances, End of Year	\$ 1,078,972	\$ 1,078,972	\$ 931,674	\$ (147,298)

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ASSESSMENT DISTRICT 98-02 ZONE 2
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 16,288	\$ 16,288	\$ 16,297	\$ 9
Use of money and property	-	-	10	10
Total Revenues	16,288	16,288	16,307	19
Expenditures:				
Current:				
Public ways and facilities	19,876	19,876	19,233	643
Total Expenditures	19,876	19,876	19,233	643
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,588)	(3,588)	(2,926)	662
Fund Balances, Beginning of Year	33,648	33,648	33,648	-
Fund Balances, End of Year	\$ 30,060	\$ 30,060	\$ 30,722	\$ 662

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ASSESSMENT DISTRICT 03-01 ZONE 2
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 19,343	\$ 19,343	\$ 19,354	\$ 11
Use of money and property	-	-	(145)	(145)
Total Revenues	19,343	19,343	19,209	(134)
Expenditures:				
Current:				
Public ways and facilities	33,484	33,484	52,536	(19,052)
Total Expenditures	33,484	33,484	52,536	(19,052)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,141)	(14,141)	(33,327)	(19,186)
Fund Balances, Beginning of Year	67,782	67,782	67,782	-
Fund Balances, End of Year	\$ 53,641	\$ 53,641	\$ 34,455	\$ (19,186)

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LIGHTING ASSESSMENT DISTRICT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 350,591	\$ 350,591	\$ 349,647	\$ (944)
Miscellaneous	-	-	250	250
Total Revenues	350,591	350,591	349,897	(694)
Expenditures:				
Current:				
Public ways and facilities	456,152	456,152	446,168	9,984
Total Expenditures	456,152	456,152	446,168	9,984
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105,561)	(105,561)	(96,271)	9,290
Other Financing Sources:				
Transfers in	93,674	93,674	166,967	73,293
Total Other Financing Sources	93,674	93,674	166,967	73,293
Net Change in Fund Balance	(11,887)	(11,887)	70,696	82,583
Fund Balances, Beginning of Year	(70,446)	(70,446)	(70,446)	-
Fund Balances, End of Year	\$ (82,333)	\$ (82,333)	\$ 250	\$ 82,583

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 POLICE DONATIONS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions	\$ -	\$ -	\$ 3,240	\$ 3,240
Total Revenues	-	-	3,240	3,240
Expenditures:				
Current:				
Public safety	33,000	-	20,914	(20,914)
Total Expenditures	33,000	-	20,914	(20,914)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,000)	-	(17,674)	(17,674)
Other Financing Sources:				
Transfers in	-	-	27,469	27,469
Total Other Financing Sources	-	-	27,469	27,469
Net Change in Fund Balance	(33,000)	-	9,795	9,795
Fund Balances, Beginning of Year	4,456	4,456	4,456	-
Fund Balances, End of Year	\$ (28,544)	\$ 4,456	\$ 14,251	\$ 9,795

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL CAPITAL IMPROVEMENT CAPITAL PROJECT FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Economic development	\$ -	\$ -	\$ 131,358	\$ (131,358)
Total Expenditures	-	-	131,358	(131,358)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(131,358)	(131,358)
Fund Balances, Beginning of Year	4,077,932	4,077,932	4,077,932	-
Fund Balances, End of Year	\$ 4,077,932	\$ 4,077,932	\$ 3,946,574	\$ (131,358)

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE A CONSTRUCTION
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 570,070	\$ 570,070
Use of money and property	-	-	1,109	1,109
Total Revenues	-	-	571,179	571,179
Expenditures:				
Current:				
Public ways and facilities	93,098	93,098	51,307	41,791
Capital outlay	220,288	220,288	-	220,288
Total Expenditures	313,386	313,386	51,307	262,079
Excess (Deficiency) of Revenues Over (Under) Expenditures	(313,386)	(313,386)	519,872	833,258
Other Financing Uses:				
Transfers out	-	-	(254,463)	(254,463)
Total Other Financing Uses	-	-	(254,463)	(254,463)
Net Change in Fund Balance	(313,386)	(313,386)	265,409	578,795
Fund Balances, Beginning of Year	1,330,637	1,330,637	1,330,637	-
Fund Balances, End of Year	\$ 1,017,251	\$ 1,017,251	\$ 1,596,046	\$ 833,258

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 COMMUNITY CAPITAL REPLACEMENT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 18,000	\$ 18,000	\$ -	\$ (18,000)
Contributions	-	-	100,000	100,000
Total Revenues	18,000	18,000	100,000	82,000
Expenditures:				
Current:				
General government	-	-	6,322	(6,322)
Capital outlay	-	-	455,034	(455,034)
Total Expenditures	-	-	461,356	(461,356)
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,000	18,000	(361,356)	(379,356)
Other Financing Sources:				
Transfers in	-	140,000	140,000	-
Other debts issued	-	-	347,268	347,268
Proceeds from sale of capital asset	-	-	36,246	36,246
Total Other Financing Sources	-	140,000	523,514	383,514
Net Change in Fund Balance	18,000	158,000	162,158	4,158
Fund Balances, Beginning of Year	503,573	503,573	503,573	-
Fund Balances, End of Year	\$ 521,573	\$ 661,573	\$ 665,731	\$ 4,158

CITY OF CITRUS HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STREETS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,184,684	\$ 1,184,684	\$ 1,278,928	\$ 94,244
Miscellaneous	-	-	650	650
Total Revenues	1,184,684	1,184,684	1,279,578	94,894
Expenditures:				
Current:				
Public ways and facilities	289,539	289,539	6,524	283,015
Capital outlay	4,415,000	4,415,000	3,060,354	1,354,646
Total Expenditures	4,704,539	4,704,539	3,066,878	1,637,661
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,519,855)	(3,519,855)	(1,787,300)	1,732,555
Other Financing Sources:				
Transfers in	-	-	1,445,934	1,445,934
Total Other Financing Sources	-	-	1,445,934	1,445,934
Net Change in Fund Balance	(3,519,855)	(3,519,855)	(341,366)	3,178,489
Fund Balances, Beginning of Year	(39,152)	(39,152)	(39,152)	-
Fund Balances, End of Year	\$ (3,559,007)	\$ (3,559,007)	\$ (380,518)	\$ 3,178,489

CITY OF CITRUS HEIGHTS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2021

	<u>Fire Capital Facilities Fee</u>	<u>STA Fees</u>	<u>WISN ESAC</u>	<u>Totals</u>
Assets:				
Cash and cash equivalents	\$ 189,022	\$ 193,557	\$ 156,283	\$ 538,862
Total Assets	189,022	193,557	156,283	538,862
Liabilities:				
Intergovernmental payables	-	193,555	-	193,555
Total Liabilities	-	193,555	-	193,555
Net Position:				
Held for individuals, organizations and other governments	189,022	2	156,283	345,307
Total Net Position	\$ 189,022	\$ 2	\$ 156,283	\$ 345,307

CITY OF CITRUS HEIGHTS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2021

	<u>Fire Capital Facilities Fee</u>	<u>STA Fees</u>	<u>WISN ESAC</u>	<u>Totals</u>
Additions:				
Intergovernmental	\$ 482,241	\$ 261,313	\$ 156,283	\$ 899,837
Total Additions	482,241	261,313	156,283	899,837
Deductions:				
Contractual services	302,950	270,468	-	573,418
Total Deductions	302,950	270,468	-	573,418
Changes in Net Position	179,291	(9,155)	156,283	326,419
Net Position - Beginning of the Year	-	-	-	-
Restatements (Note 1)	9,731	9,157	-	18,888
Net Position - Beginning of the Year, as Restated	9,731	9,157	-	18,888
Net Position - End of the Year	\$ 189,022	\$ 2	\$ 156,283	\$ 345,307

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STATISTICAL SECTION

This part of the City of Citrus Heights' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

Contents	Page(s)
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	137-141
Revenue Capacity generate revenues. Property taxes, sales and use taxes, charges for services, licenses, permits and fees and intergovernmental revenue are the City's most significant revenue sources.	142-147
Debt Capacity These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt	148-150
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	151-152
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	153-155

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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City of Citrus Heights, California
Net Position by Component
Last Ten Fiscal Years
(Fiscal year ended June 30)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Invested in capital assets	\$ 370,403,423	\$ 369,630,853	\$ 366,354,751	\$ 362,247,604	\$ 351,834,754	\$ 355,292,096	\$ 344,507,138	\$ 336,912,872	\$ 328,594,520	\$ 319,214,442
Restricted	3,696,281	22,751,540	15,749,227	15,682,624	15,279,052	15,935,790	16,266,052	13,375,587	19,575,754	25,779,873
Unrestricted	51,220,587	25,246,205	28,626,101	12,581,607	14,663,297	4,264,024	1,755,048	1,882,908	(6,606,540)	(7,281,556)
Total governmental activities net position	\$ 425,320,291	\$ 417,628,598	\$ 410,730,079	\$ 390,511,835	\$ 381,777,103	\$ 375,491,910	\$ 362,528,238	\$ 352,171,367	\$ 341,563,734	\$ 337,712,759
Business-type activities										
Invested in capital assets	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ 321,123	\$ 389,449	\$ 381,575	\$ 373,702	\$ 365,829	\$ 357,956
Unrestricted	759,833	655,163	614,441	406,354	265,517	160,563	219,434	306,142	533,964	775,308
Total business-type activities net position	\$ 759,833	\$ 655,163	\$ 814,441	\$ 606,354	\$ 586,640	\$ 550,012	\$ 601,009	\$ 679,844	\$ 899,793	\$ 1,133,264
Primary government										
Invested in capital assets	\$ 370,403,423	\$ 369,630,853	\$ 366,554,751	\$ 362,447,604	\$ 352,155,877	\$ 355,681,545	\$ 344,888,713	\$ 337,286,574	\$ 328,960,349	\$ 319,572,398
Restricted	3,696,281	22,751,540	15,749,227	15,682,624	15,279,052	15,935,790	16,266,052	13,375,587	19,575,754	25,779,873
Unrestricted	51,980,420	25,901,368	29,240,542	12,987,961	14,928,814	4,424,587	1,974,482	2,189,050	(6,072,576)	(6,506,248)
Total primary government net position	\$ 426,080,124	\$ 418,283,761	\$ 411,544,520	\$ 391,118,189	\$ 382,363,743	\$ 376,041,922	\$ 363,129,247	\$ 352,851,211	\$ 342,463,527	\$ 338,846,023

City of Citrus Heights, California
Changes in Net Position
Last Ten Fiscal Years
(Fiscal year ended June 30)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 5,190,638	\$ 4,905,500	\$ 4,825,401	\$ 5,401,023	\$ 4,704,899	\$ 5,463,122	\$ 6,106,557	\$ 6,909,949	\$ 7,360,783	\$ 10,210,576
Public safety	19,522,974	18,371,871	19,595,533	18,092,747	17,355,288	18,378,242	21,698,128	24,025,017	24,443,611	23,338,398
Public works and facilities	25,489,982	25,152,231	27,499,125	30,037,037	34,185,103	24,188,701	24,395,899	21,730,069	19,019,629	18,149,133
Culture and recreation	883,463	692,989	613,235	555,342	654,183	669,948	722,254	720,442	830,572	540,427
Economic development	64,906	114,616	172,083	159,243	214,978	402,904	353,608	296,233	950,409	916,027
Community enhancements	4,532,930	4,429,170	4,407,068	4,319,791	4,313,943	4,710,977	4,664,278	3,953,127	3,928,848	3,877,993
Interest on long-term debt	-	-	-	-	-	-	-	70,962	151,957	144,455
Total governmental activities expenses	55,684,893	53,666,377	57,112,445	58,565,183	61,428,394	53,813,894	57,940,724	57,705,799	56,685,809	57,177,009
Business-type activities:										
Solid waste	579,195	752,084	529,464	903,522	757,028	798,694	751,291	809,466	675,849	732,927
Total business-type activities expenses	579,195	752,084	529,464	903,522	757,028	798,694	751,291	809,466	675,849	732,927
Total primary government expenses	56,264,088	54,418,461	57,641,909	59,468,705	62,185,422	54,612,588	58,692,015	58,515,265	57,361,658	57,909,936
Program revenues										
Governmental activities:										
Charges for services:										
General government	343,013	305,057	331,675	381,923	1,120,688	1,151,570	1,185,547	1,888,219	1,902,206	1,904,861
Public safety	443,227	366,726	459,073	337,199	1,547,840	1,759,927	1,488,252	1,978,407	2,133,898	2,074,980
Public works and facilities	3,642,658	4,789,239	4,730,893	4,666,240	4,359,774	4,500,372	4,324,674	4,474,641	5,344,895	4,759,239
Culture and recreation	394,188	343,817	374,244	311,350	352,401	354,517	449,711	32,526	22,473	-
Economic development	-	-	-	100	50	-	-	-	-	-
Community enhancements	858,413	842,151	1,036,139	1,298,079	1,912,936	1,597,005	498,673	1,242,148	1,508,999	2,730,818
Operating grants and contributions	12,857,360	10,909,700	13,558,056	13,179,453	10,236,552	6,087,515	6,265,040	7,165,367	6,053,305	11,072,674
Capital grants and contributions	187,957	7,590,789	7,173,645	2,418,225	4,489,329	2,006,396	1,483,643	7,101,580	3,790,741	3,589,794
Total governmental activities program revenues	18,726,816	25,147,479	27,663,725	22,592,569	24,019,570	17,457,302	15,695,540	23,882,888	20,756,517	26,132,366
Business-type activities:										
Charges for services:										
Solid waste	616,288	651,300	657,027	710,618	732,401	761,614	798,838	839,030	829,397	904,130
Total business-type activities program revenues	616,288	651,300	657,027	710,618	732,401	761,614	798,838	839,030	829,397	904,130
Total primary government program revenues	19,343,104	25,798,779	28,320,752	23,303,187	24,751,971	18,218,916	16,494,378	24,721,918	21,585,914	27,036,496
Net (Expense)/Revenue										
Governmental activities	(36,958,077)	(28,518,898)	(29,448,720)	(35,972,614)	(37,408,824)	(36,356,592)	(42,245,184)	(33,822,911)	(35,929,292)	(31,044,643)
Business-type activities	37,093	(100,784)	127,563	(192,904)	(24,627)	(37,080)	47,547	29,564	153,548	171,203
Total primary government net expense	(36,920,984)	(28,619,682)	(29,321,157)	(36,165,518)	(37,433,451)	(36,393,672)	(42,197,637)	(33,793,347)	(35,775,744)	(30,873,440)

City of Citrus Heights, California
Changes in Net Position
Last Ten Fiscal Years
(Fiscal year ended June 30)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Continued from previous page:										
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Taxes:										
Property taxes	2,117,970	270,913	139,634	138,659	946,113	991,552	758,653	339,571	306,250	383,773
Sales and use tax	10,617,617	11,261,741	11,195,869	11,230,382	15,977,575	15,412,345	15,653,986	12,542,158	12,083,836	13,373,483
Utility users tax	2,771,161	2,770,644	2,739,486	2,768,562	2,810,771	2,881,617	2,932,236	2,739,888	2,650,891	2,717,945
Other taxes	1,353,716	1,362,446	1,332,334	1,416,552	1,601,229	1,616,163	1,600,300	2,225,772	2,019,859	1,412,898
Shared intergovernmental revenues	6,418,174	6,659,357	6,652,222	7,015,174	7,260,670	7,611,171	8,037,540	8,436,657	8,887,426	9,303,916
Investment earnings	561,376	(299,378)	455,531	246,710	527,734	1,108,551	254,162	32,181	458,727	1,650
Transfers	2,334	2,918	35,125	-	-	-	-	-	-	-
Extraordinary loss on dissolution of redevelopment	(3,389,059)	-	-	-	-	-	-	-	-	-
Total governmental activities	20,453,289	22,028,641	22,550,201	22,816,039	29,124,092	29,621,399	29,236,877	26,316,227	26,406,989	27,193,665
Business-type activities:										
Investment earnings	8,754	(968)	31,715	4,158	4,913	452	3,450	49,255	66,401	1,117
Other revenue	-	-	-	-	-	-	-	-	-	61,151
Transfers	(2,334)	(2,918)	-	-	-	-	-	-	-	-
Total business-type activities	6,420	(3,886)	31,715	4,158	4,913	452	3,450	49,255	66,401	62,268
Total primary government	20,459,709	22,024,755	22,581,916	22,820,197	29,129,005	29,621,851	29,240,327	26,365,482	26,473,390	27,255,933
Changes in Net Position										
Governmental activities	(16,504,788)	(6,490,257)	(6,898,519)	(13,156,575)	(8,284,732)	(6,735,193)	(13,008,307)	(10,356,855)	(10,607,634)	(3,850,978)
Business-type activities	43,513	(104,670)	159,278	(188,746)	(19,714)	(36,628)	50,997	78,819	219,949	233,471
Total primary government	\$ (16,461,275)	\$ (6,594,927)	\$ (6,739,241)	\$ (13,345,321)	\$ (8,304,446)	\$ (6,771,821)	\$ (12,957,310)	\$ (10,278,036)	\$ (10,387,685)	\$ (3,617,507)

Source: City Administrative Services Department

City of Citrus Heights, California
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Fiscal year ended June 30)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable	\$ 1,366,759	\$ 1,233,199	\$ 1,144,639	\$ 962,457	\$ 298,407	\$ 32,159	\$ 279,210	\$ 135,485	\$ 302,545	\$ 145,343
Restricted	-	-	6,443	14,148	14,613	25,394	21,143	-	-	-
Committed	32,677,537	29,080,819	27,279,124	19,395,418	18,616,257	4,559,378	4,559,378	4,561,978	4,486,978	4,486,978
Unassigned	172,951	855,369	925,202	64,943	146,734	1,101,504	314,061	1,833,065	490,603	4,258,505
Total general fund	<u>34,217,247</u>	<u>31,169,387</u>	<u>29,355,408</u>	<u>20,436,966</u>	<u>19,076,011</u>	<u>5,718,435</u>	<u>5,173,792</u>	<u>6,530,528</u>	<u>5,280,126</u>	<u>8,890,826</u>
All Other Governmental Funds:										
Nonspendable	-	512,312	643,352	-	-	-	2,784,600	2,285,330	1,980	2,345
Restricted	3,696,281	3,454,581	9,994,202	9,479,154	9,723,591	10,067,839	8,702,340	13,375,587	20,775,754	25,779,873
Assigned	13,451,353	9,705,971	-	1,652,198	928,925	894,318	1,374,838	945,767	1,141,407	1,172,209
Unassigned (deficit)	(14)	(578,904)	950,267	(570,131)	(122,707)	(132,660)	(262,719)	(181,979)	(140,450)	(415,934)
Total all other governmental funds	<u>17,147,620</u>	<u>13,093,960</u>	<u>11,587,821</u>	<u>10,561,221</u>	<u>10,529,809</u>	<u>10,829,497</u>	<u>12,599,059</u>	<u>16,424,705</u>	<u>21,778,691</u>	<u>26,538,493</u>
Total all governmental funds	<u>\$ 51,364,867</u>	<u>\$ 44,263,347</u>	<u>\$ 40,943,229</u>	<u>\$ 30,998,187</u>	<u>\$ 29,605,820</u>	<u>\$ 16,547,932</u>	<u>\$ 17,772,851</u>	<u>\$ 22,955,233</u>	<u>\$ 27,058,817</u>	<u>\$ 35,429,319</u>

NOTE: Information was not available from the City's pension plan to report both the pension liability and changes in pension liability under GASB Statement No. 68 prior to 2015. Consequently, the amounts reported above in 2014 and prior years are prior to restatement.

City of Citrus Heights, California
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Fiscal year ended June 30)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes and assessments	\$ 21,031,929	\$ 20,405,852	\$ 15,419,083	\$ 15,582,175	\$ 16,984,351	\$ 16,631,964	\$ 16,522,415	\$ 16,837,829	\$ 16,252,772	\$ 17,671,002
Licenses, permits and fees	1,056,671	1,069,757	1,162,034	1,467,405	1,524,848	1,631,147	1,462,504	1,567,925	1,949,980	3,000,422
Fines and forfeitures	1,013,877	898,734	947,834	1,454,939	1,084,980	1,247,094	1,147,719	1,127,317	1,154,133	1,227,526
Intergovernmental	16,424,374	22,909,194	24,645,011	19,573,316	22,748,760	19,003,009	18,839,531	21,159,815	17,640,156	23,490,200
Use of money and property	1,786,652	803,392	890,087	577,893	874,978	1,398,709	515,517	944,989	761,884	191,732
Charges for services	652,637	1,080,785	6,281,132	6,197,842	6,470,344	6,598,162	6,594,424	7,049,858	7,694,919	7,317,943
Contributions	24,046	26,522	25,520	27,126	1,807,470	155,409	19,726	26,872	42,369	103,390
Other revenues	553,348	83,037	52,826	6,031	216,226	1,082,642	491,114	1,580,426	1,430,106	328,076
Total revenues	42,543,534	47,277,273	49,423,527	44,886,727	51,711,957	47,748,136	45,592,950	50,295,031	46,926,319	53,330,291
Expenditures:										
General government	4,792,560	4,472,530	4,472,814	4,732,760	4,940,481	5,547,678	5,582,583	6,364,953	6,481,755	8,989,692
Public safety	18,477,602	17,944,997	18,945,346	18,954,246	19,537,621	19,631,973	20,018,189	21,352,292	21,743,031	21,019,569
Public ways and facilities	12,658,660	18,506,469	12,507,432	14,809,940	16,288,336	12,303,244	11,251,339	10,177,443	7,469,779	6,347,685
Culture and recreation	690,509	682,528	608,931	560,376	667,099	724,750	704,866	673,253	787,545	478,510
Economic development	64,906	114,395	171,271	159,924	223,753	405,901	298,781	289,440	927,770	907,684
Community enhancements	4,531,696	4,406,960	4,348,398	4,388,846	4,425,724	4,714,654	4,306,626	3,920,072	3,708,522	3,588,593
Capital outlay	4,080,252	8,278,153	12,620,848	25,084,392	7,036,250	4,144,138	2,318,319	5,103,347	4,060,450	3,780,670
Debt service:										
Lease principal ¹	-	-	-	7,638,960	-	13,749,031	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	76,169
Interest and fiscal charges	49,200	-	-	-	-	-	-	70,962	76,664	154,731
Total expenditures	45,345,385	54,406,032	53,675,040	76,329,444	53,119,264	61,221,369	44,480,703	47,951,762	45,255,516	45,343,303
Reconciliation of Governmental Revenues										
Less Expenditures to Fund Equity:										
Revenues over (under) expenditures	\$ (2,801,851)	\$ (7,128,759)	\$ (4,251,513)	\$ (31,442,717)	\$ (1,407,307)	\$ (13,473,233)	\$ 1,112,247	\$ 2,343,269	\$ 1,670,803	\$ 7,986,988
Other financing sources (uses):										
Extraordinary loss on dissolution of redevelopment	(3,005,604)	-	-	-	-	-	-	-	-	-
Tax sharing payments	(573,320)	-	-	21,387,991	-	-	-	-	-	-
Loan issued	-	-	-	-	-	-	-	-	-	347,268
Draw on line of credit	-	-	-	-	-	-	-	50,001	3,470,000	-
Proceeds from sale of capital assets	76,147	24,321	105,911	109,684	14,940	415,345	112,672	32,181	48,112	36,246
Transfers in	3,379,196	4,938,773	3,106,136	2,642,014	2,514,601	15,236,333	1,514,764	320,356	4,176,222	2,148,207
Transfers out	(3,376,862)	(4,935,855)	(3,106,136)	(2,642,014)	(2,514,601)	(15,236,333)	(1,514,764)	(320,356)	(4,176,222)	(2,148,207)
Total other financing sources (uses)	(3,500,443)	27,239	105,911	21,497,675	14,940	415,345	112,672	82,182	3,518,112	383,514
Net change in fund balances	\$ (6,302,294)	\$ (7,101,520)	\$ (4,145,602)	\$ (9,945,042)	\$ (1,392,367)	\$ (13,057,888)	\$ 1,224,919	\$ 2,425,451	\$ 5,188,915	\$ 8,370,502
Debt service as a percentage of noncapital expenditures	0.12%	0.00%	0.00%	14.91%	0.00%	24.09%	0.00%	0.17%	0.19%	0.37%

¹ In 2015, the City entered into a capital lease payable agreement for a new City Hall building and utility yard. In 2017, the City exercised its option to purchase the City Hall building and utility yard by making payments totaling \$13,749,031. Due to the purchase, the capital lease liability was extinguished.

City of Citrus Heights, California
Assessed Value and Actual Value of Taxable Property
For the Last Ten Fiscal Years
(In thousands of dollars)

Fiscal Year	City *										Redevelopment Agency			Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other Property	Secured Property	Unsecured Property	Total Assessed	Estimated Full Market	Total Direct Tax Rate	Secured	Unsecured	Less: Exceptions	Table Assessed Value	
FY 11-12	\$ 4,229,677,730	\$ 1,021,508,691	\$ 23,950,691	\$ 42,526,006	\$ 5,317,663,118	\$ 136,830,364	\$ 5,454,493,682	\$ 5,454,493,682	0.13	\$ 561,092,961	\$ 56,908,605	\$ 460,600	\$ 617,540,366	0.084%
FY 12-13	4,125,843,469	987,468,004	24,340,107	40,991,950	5,178,643,530	136,454,777	5,315,098,307	5,315,098,307	0.12	535,868,652	53,083,982	434,000	588,518,634	0.084%
FY 13-14	4,392,797,873	948,260,199	23,975,394	41,160,931	5,406,194,397	130,148,077	5,536,342,474	5,536,342,474	0.08	521,362,337	51,620,891	434,000	572,549,228	0.084%
FY 14-15	4,722,373,921	946,555,612	24,549,642	36,971,515	5,730,450,690	129,655,189	5,860,105,879	5,860,105,879	0.08	519,033,049	48,319,149	420,000	566,932,198	0.084%
FY 15-16	4,904,511,049	959,298,396	25,096,287	51,406,049	5,940,311,781	108,308,288	6,048,620,069	6,048,620,069	0.08	505,368,074	38,951,421	378,000	543,941,495	0.084%
FY 16-17	5,123,458,670	995,114,927	26,777,317	48,869,238	6,194,220,242	127,456,727	6,321,676,969	6,321,676,969	0.08	515,200,283	39,266,230	371,000	554,095,513	0.084%
FY 17-18	5,436,063,995	1,071,328,921	27,361,771	44,407,597	6,579,162,284	125,883,733	6,705,046,017	6,705,046,017	0.08	532,993,401	36,254,710	322,000	568,926,111	0.084%
FY 18-19	5,759,511,551	1,094,930,040	31,158,659	47,155,289	6,932,755,539	131,198,394	7,063,953,933	7,195,152,327	0.08	-	-	-	-	0.000%
FY 19-20	6,063,826,197	1,109,893,409	28,709,180	54,462,552	7,256,891,338	129,920,746	7,386,812,084	7,516,732,830	0.08	-	-	-	-	0.000%
FY 20-21	6,368,025,400	1,142,931,179	29,220,643	63,644,340	7,603,821,562	133,241,641	7,737,063,203	7,870,304,844	0.08	-	-	-	-	0.000%

Source: Sacramento County Assessor 2011/12-2020/21 Combined Tax Rolls
 Source: HDL Coren & Core

* Due to a Revenue Neutrality law, the City has entered into a contract with the County, whereby the County will keep all of the City's property tax revenue through June 2022. Numbers above represent estimates provided by the County.

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 may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is assessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

City of Citrus Heights, California
Direct and Overlapping Tax Rates
For the last ten fiscal years
(Rate per \$100 of taxable value)

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Grant Joint High	0.05890	0.08230	0.07280	0.04850	0.03060	0.06480	0.01460	0.03320	0.02940	0.02000
Los Rios College Bond	0.01920	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Los Rios College Gob	0.00000	0.01930	0.01810	0.01130	0.00910	0.01410	0.01300	0.01310	0.02320	0.02230
North Sacramento Elementary Gob 2017	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
North Sacto Elementary Gob	0.01450	0.01670	0.02060	0.01850	0.01260	0.01680	0.00000	0.00000	0.00000	0.00000
Rio Linda Elementary Bond	0.06030	0.05760	0.05570	0.05290	0.04890	0.05210	0.00000	0.00000	0.00000	0.00000
Rio Linda Elementary Gob	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
San Juan Unified	0.09480	0.10030	0.16300	0.15090	0.15470	0.15220	0.21150	0.19930	0.17930	0.18090
Twin Rivers Unified	0.00000	0.01170	0.00990	0.05520	0.03890	0.04810	0.14430	0.07340	0.10330	0.10610
Total Direct & Overlapping² Tax Rates	1.24770	1.28790	1.34010	1.33730	1.29480	1.34810	1.38340	1.31900	1.33520	1.32930
City's Share of 1% Levy Per Prop 13 ³	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431
Voter Approved City Debt Rate										
Redevelopment Rate ⁴	1.00000	-	-	-	-	-	-	-	-	-
Total Direct Rate ⁵	0.12715	0.12388	0.07634	0.07664	0.07735	0.07759	0.08140	0.07837	0.07908	0.07908

¹ In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

² Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³ City's Share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF general fund tax shifts are unknown and may not be subtracted from the City's share.

⁴ Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

⁵ Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Source: Sacramento County Assessor 2011/12 - 2020/21 Tax Rate Table
Source: HDL Coren & Cone

City of Citrus Heights, California
Principal Property Tax Payers
Current Year and 9 Years Ago

Property Owner	2020-2021			2011-2012		
	Assessed Valuation	Rank	% of Total	Assessed Valuation	Rank	% of Total
Montage Apartments Property	\$ 80,099,978	1	1.04%			
Birdcage Marketplace LLC	72,486,465	2	0.94%	57,788,574	2	1.06%
Mitchell Sippola LP	51,730,775	3	0.67%			
Lakeview Gold 101305 LP	48,788,781	4	0.63%			
MG Atwood Apartments Ria LLC	47,940,000	5	0.62%			
Oakmont Properties Autumn Ridge LP	31,009,584	6	0.40%	23,912,716	6	0.44%
Sunrise Mall Realty LLC	29,967,568	7	0.39%			
Wal-Mart Real Estate/Sam's Club	27,683,218	8	0.36%	23,635,804	7	0.43%
MGP XII Sunrise Village LLC	26,842,330	9	0.35%			
Wedgewood Commons Apartments LLC	26,291,052	10	0.34%			
California Tropics Investors 1992				41,853,792	4	0.77%
Comcast Cable				22,411,205	9	0.41%
Costco Wholesale Corporation				21,363,137	10	0.39%
Grove At Sunrise LLC				28,526,113	5	0.52%
Marshall Field Stores Inc				23,300,272	8	0.43%
Steadfast Sunrise LLC				103,096,581	1	1.89%
VIF Lyon Oak Creek LLC				50,261,544	3	0.92%
	<u>\$ 442,839,751</u>		<u>5.74%</u>	<u>\$ 396,149,738</u>		<u>7.26%</u>

Information collected by: HDL Coren & Cone

Data Source: Sacramento County Assessor 2020/21 & 2011/12 Combined Tax Rolls and the SBE Non Unitary Tax Roll

City of Citrus Heights, California
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	City	Sacramento	STA Measure A	State of	Total
	Direct Rate	County	STA Measure A	California	Sales Tax Rate
2012	1.00	0.25	0.50	6.00	7.75%
2013	1.00	0.25	0.50	6.25	8.00%
2014	1.00	0.25	0.50	6.25	8.00%
2015	1.00	0.25	0.50	6.25	8.00%
2016	1.00	0.25	0.50	6.25	8.00%
2017	1.00	0.25	0.50	6.00	7.75%
2018	1.00	0.25	0.50	6.00	7.75%
2019	1.00	0.25	0.50	6.00	7.75%
2020	1.00	0.25	0.50	6.00	7.75%
2021	1.00	0.25	0.50	6.00	7.75%

Source: California State Board of Equalization

City of Citrus Heights, California
Schedule of Top 25 Principal Sales Tax Remitters (listed in alphabetical order)
Current year and Nine Years Ago
Fiscal Year Ended June 30, 2021

2021 (represents 53.58% of total sales tax)	2012 (represents 52.66% of total sales tax)
A&A Stepping Stone Manufacturing	Arco AMPM
Arco AM PM	Arco AM PM
Arco AM PM	AT&T Mobility
Best Buy	Barnes & Noble
BevMo	Best Buy
Burlington	Burlington
Citrus Heights Shell	Carmichael Honda
Costco	Chevron
Harbor Freight Tools	Costco
Hobby Lobby	Granite Data Solutions
Kohls	JC Penney
Lowes	Kimart
Macy's	Kohls
Maita Honda	Lowe's
Marshalls	Macy's
McDonalds	Pastor Auto Care
Palms Auto Sales	Rite Aid
Pastor Auto Care	Ross
Petsmart	Sams Club w/ Fuel
Quik Stop	Sears
Ross	Shell
Sams Club w/ Fuel	Target
Target	Toys R Us
Walgreens	Walgreens
Walmart Supercenter	Walmart Supercenter

* Firms Listed Alphabetically
 Period: July 2020 thru March 2021
 Period: July 2011 thru March 2012

Note: The lists above includes both public and private entities and therefore the dollar values have been omitted because the information is not public information and is not provided by HDL. Rankings are determined by the sales dollar volume.

Source: HDL & Associates, State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office

City of Citrus Heights, California
Property Tax Levies and Collections
For the last ten fiscal years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year* Fiscal Year*	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 3,802,298	\$ 3,802,298	100%	\$ -	\$ 3,802,298	100%
2013	3,952,063	3,952,063	100%	-	3,952,063	100%
2014	4,180,600	4,180,600	100%	-	4,180,600	100%
2015	4,481,889	4,481,889	100%	-	4,481,889	100%
2016	4,801,882	4,662,052	100%	-	4,662,052	100%
2017	4,960,511	4,774,258	100%	-	4,774,258	100%
2018	5,286,616	4,885,101	100%	-	4,885,101	100%
2019	5,593,319	5,593,319	100%	-	5,593,319	100%
2020	5,888,260	5,888,260	100%	-	5,888,260	100%
2021	6,203,470	6,203,470	100%	-	6,203,470	100%

Source: Sacramento County Auditor-Controller's Office

* Due to a Revenue Neutrality law, the City has entered into a contract with the County of Sacramento (County), whereby the County will keep all of the City's property tax revenue through June 2022. Numbers above were provided by the County.

Note: Amounts reported and collected under the Teeter Plan in which all taxes are distributed to the City in the year of the levy with the County retaining any interest or penalties on uncollected balances.

City of Citrus Heights, California
Direct and Overlapping Debt
Current Year
June 30, 2021

2020-21 Assessed Valuation \$7,736,264,003

	Total Debt 6/30/2021	% Applicable ¹	City's Share of Debt 6/30/2021
DIRECT & OVERLAPPING TAX & ASSESSMENT DEBT:			
Los Rios Community College District	\$ 415,205,000	3.523%	\$ 14,627,672
San Juan Unified School District	666,805,642	19.331%	128,900,199
Twin Rivers Unified School District	56,250,000	0.225%	126,563
Twin Rivers Unified School District (former Grant Joint UHSD)	264,842,691	0.177%	468,772
CA Statewide Communities Development Authority Assessment District No. 19-14Ca	4,641,000	100.000%	4,641,000
City of Citrus Heights	-	100	-
TOTAL DIRECT & OVERLAPPING TAX & ASSESSMENT DEBT			148,764,206

OVERLAPPING GENERAL FUND DEBT:			
Sacramento County General Fund Obligations	139,167,413	4.254%	5,920,182
Sacramento County Pension Obligation Bonds	712,785,052	4.254%	30,321,876
Sacramento Board of Education Certificates of Participation	3,100,000	4.254%	131,874
Twin Rivers Unified School District Certificates of Participation	8,090,000	0.177%	14,319
City of Citrus Heights General Fund Obligations	3,520,001	100.000%	3,520,001
Sacramento Metropolitan Fire District General Fund Obligations	8,375,000	10.441%	874,434
Sacramento Metropolitan Fire District Pension Obligations Bonds	30,410,000	10.441%	3,175,108
Orangevale Recreation and Park District Certificates of Participation	940,000	0.034%	320
Sunrise Recreation and Park District Certificates of Participation	5,275,000	54.950%	2,898,613
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT			46,856,727
Less: Sacramento County supported obligations			635,012
TOTAL NET OVERLAPPING GENERAL FUND DEBT			46,221,715

TOTAL DIRECT DEBT	\$ 3,520,001
TOTAL GROSS OVERLAPPING DEBT	192,100,932
TOTAL NET OVERLAPPING DEBT	191,465,920
GROSS COMBINED TOTAL DEBT	195,620,933 ²
NET COMBINED TOTAL DEBT	194,985,921

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

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations.

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.92%
Direct Debt	0.05%
Gross Combined Total Debt	2.53%
Net Combined Total Debt	2.52%

Source: California Municipal Statistics, Inc.

City of Citrus Heights, California
Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value	\$ 5,454,493,682	\$ 5,315,098,307	\$ 5,536,342,474	\$ 5,860,105,879	\$ 6,048,620,069	\$ 6,321,676,969	\$ 6,705,046,017	\$ 7,063,953,933	\$ 7,386,812,084	\$ 7,737,063,203
Conversion Percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted Assessed Value	1,363,623,421	1,328,774,577	1,384,085,619	1,465,026,470	1,512,155,017	1,580,419,242	1,676,261,504	1,765,988,483	1,846,703,021	1,934,265,801
Debt Limit Percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	204,543,513	199,316,187	207,612,843	219,753,970	226,823,253	237,062,886	251,439,226	264,898,272	277,005,453	290,139,870
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 204,543,513	\$ 199,316,187	\$ 207,612,843	\$ 219,753,970	\$ 226,823,253	\$ 237,062,886	\$ 251,439,226	\$ 264,898,272	\$ 277,005,453	\$ 290,139,870
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: City Administrative Services Department

Notes: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed secured tax valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of the assessed value for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

The City does not have any outstanding general obligation debt subject to the limit.

City of Citrus Heights, California
Ratios of Outstanding Debt by Type - Government Activities
Last Ten Calendar Years

Fiscal Year Ended June 30	Debt	Percentage of	
		Personal Income	Per Capita
2012	\$ -	-	\$ -
2013	-	-	-
2014	-	-	-
2015	13,749,031	6.52	162.61
2016	13,749,031	6.52	159.33
2017	-	-	-
2018	-	-	-
2019	50,001	0.02	0.57
2020	3,520,001	1.38	40.09
2021	3,791,100	1.40	43.17

Source: City Administrative Services Department

City of Citrus Heights, California
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ w/ High School Degree	% of Pop 25+ w/ Bachelor's Degree
2011	83,881	\$2,150,709	\$25,640.00	8.5%	36.7	89.0%	18.9%
2012	84,345	\$2,168,257	\$25,707.00	5.8%	37.1	89.2%	18.5%
2013	84,544	\$2,163,481	\$25,590.00	4.9%	37.0	89.9%	19.2%
2014	84,550	\$2,107,324	\$24,924.00	7.7%	37.0	89.2%	18.9%
2015	86,291	\$2,109,711	\$24,448.00	6.3%	37.8	89.2%	18.9%
2016	87,013	\$2,097,135	\$24,101.00	5.6%	37.3	89.9%	18.8%
2017	87,731	\$2,193,100	\$24,997.00	4.5%	37.7	89.6%	19.0%
2018	88,095	\$2,377,290	\$26,985.00	3.7%	37.6	90.2%	20.0%
2019	87,811	\$2,548,891	\$29,027.00	3.5%	37.7	90.2%	20.7%
2020	87,811	\$2,698,425	\$30,729.00	9.0%	38.0	90.3%	20.4%

Notes and Data Sources:

Information collected by: HDL Coren & Cone

Population: California State Department of Finance. Unemployment Data: California Employment Development Department

2000-2009 Income, Age and Education Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled form Census Block Groups that overlap the City's boundaries.

2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

**City of Citrus Heights, California
Principal Employers
Current Year and Ten Years Ago**

Employer	2021*			2012*		
	Employees	Rank	Percentage of Top 10 Employment	Employees	Rank	Percentage of Top 10 Employment
State of California	82,076	1	48.00%	69,763	1	53.88%
UC Davis/US Davis Health System	14,618	2	8.55%	7,725	3	5.97%
Sacramento County	12,585	3	7.36%	11,450	2	8.84%
Kaiser Permanente	12,078	4	7.06%	6,360	6	4.91%
U.S. Government	11,752	5	6.87%			
Dignity Health	10,888	6	6.37%	7,069	4	5.46%
Sutter Health Sacramento Sierra Region	10,764	7	6.29%	5,765	7	4.45%
Intel Corp	5,992	8	3.50%	6,633	5	5.12%
CA State University Sacramento	5,283	9	3.09%			
San Juan Unified School District	4,962	10	2.90%	4,700	10	3.63%
Elk Grove Unified School District				5,021	8	3.88%
Sacramento Unified School District				5,000	9	3.86%
Total	170,998		100.00%	129,486		100.00%

Notes:

* Information presented is for the Sacramento Region Largest Sacramento County Employers and Largest Private-Sector Employers, since separate data is not available for the City of Citrus Heights. Companies surveyed for this list have offices in Sacramento County. Not all responded to inquires.

Source: Sacramento Business Journal

City of Citrus Heights, California
Full-time and Part-time City Employees by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	22	22	22	22	25	28	28	23	31	31
Public safety	150	141	150	145	144	144	151	149	149	133
Public works	23	27	25	25	20	18	16	28	16	19
Community development	17	19	16	17	18	18	18	15	14	13
Community center	10	11	15	14	14	11	9	8	6	4
Total	<u>222</u>	<u>220</u>	<u>228</u>	<u>223</u>	<u>221</u>	<u>219</u>	<u>222</u>	<u>223</u>	<u>216</u>	<u>200</u>

Source: City Administrative Services Department

City of Citrus Heights, California
Operating Indicators by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Arrests	3,176	3,276	3,348	3,185	2,990	2,730	2,452	2,249	1,966	2,054
Parking citations issued	803	724	539	685	520	650	908	906	581	393
Total police actions	3,979	4,000	3,887	3,870	3,510	3,380	3,360	3,155	2,547	2,447
Fire **	n/a									
Public works										
Street resurfacing (miles)	1	1	4	2	4	1	-	-	2	-
Parks and recreation **	n/a									
Water **	n/a									
Sewer **	n/a									
Building:										
Commercial/Industrial Construction	3	2	1	3	12	2	1	2	1	5
Residential Construction	6	7	10	43	28	9	17	26	24	140
Total building actions	9	9	11	46	40	11	18	28	25	145

** Services are provided by Special Districts, which are separate from the City. Information not available.

Source: City Administrative Services Department

City of Citrus Heights, California
Capital Asset Statistics by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

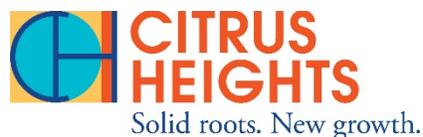
Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police: Stations	1	1	1	1	1	1	1	1	1	1
Fire * Fire stations	5	5	5	5	4	4	4	4	4	4
Public works Streets (miles)	237	237	237	237	237	237	237	214	237	237
Streetlights	4289	4337	4365	4407	4497	4480	4702	4714	4736	4741
Parks and recreation Parks *	12	14	14	14	15	15	15	15	17	17
Community centers	1	3	3	3	3	3	3	3	3	3
Water * Water mains (miles)	225	225	225	225	225	225	225	225	340	340
Daily average consumption in MGD **	17.8	17.8	17.8	17.8	12	12	12	12	14,052	13,415
Sewer * Sanitary sewers (miles)	235	235	235	235	235	235	235	235	238	240.73
Number of pump stations	1	1	1	1	1	1	1	1	2	2
Building Commercial/Industrial Construction Value	\$ 2,093,500	\$ 1,202,480	\$ 1,600,000	\$ 4,387,549	\$ 22,135,000	\$ 7,105,826	\$ 680,000	\$ 9,950,000	\$ 875,001	\$ 591,141
Residential Construction Value	468,007	1,275,716	1,675,004	10,993,691	6,898,647	6,306,226	2,753,290	4,495,473	2,720,549	1,047,021

* Services are provided by Special Districts, which are separate from the City. The data provided are for those portions of the system located within the City of Citrus Heights.

** MGD = Million Gallons per Day.

Source: City Administrative Services Department

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CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 27, 2022

TO: Mayor and City Council Members
Christopher W. Boyd, Interim City Manager

FROM: Meghan Huber, Economic Development & Communications Manager

SUBJECT: **Approval of Economic Development Support Fund grant request by the Citrus Heights Chamber of Commerce**

Summary and Recommendation

The City's Economic Development Support Fund – Part I provides grants and sponsorships to business associations, businesses, and other economic development-related organizations for events, marketing and promotions, studies to further economic development, and other economic development-related activities that promote the program goals. The Citrus Heights Chamber of Commerce has submitted an application request in the amount of \$14,848, broken down as follows:

- \$10,000 – annual Chairman's Circle sponsorship
- \$4,848 – annual cost to rent Citrus Heights Community Center facilities to host monthly Chamber luncheons

The sponsorship meets the goals of the Economic Development Support Fund including improving the perception of the City as business friendly and increasing job base. The sponsorship also aligns with City Council's strategic goal of diversifying the local economy. By supporting the Chamber of Commerce with an annual membership and the hosting of monthly luncheons, we are ensuring local businesses have a place to connect and be active in the community.

Economic Development staff reviewed the application per the program funding criteria and the application was reviewed by the Finance Committee. The Finance Committee recommended the application for \$14,848 be forwarded to the City Council for consideration.

Staff recommends the City Council approve Resolution No. 2022____, A Resolution of the City Council of the City of Citrus Heights, approving a \$14,848 economic development grant for the Citrus Heights Chamber of Commerce from the Economic Development Support Fund – Part I.

Fiscal Impact

The City Council allocated \$154,500 for FY 2021-2022 to the Economic Development Support Fund (100-51-140-53450). Should City Council approve this application, there will be \$104,414 of \$154,500 remaining in the Fund for FY 2021-2022.

Background and Analysis

The City created the Economic Development Support Fund Part I and II to improve economic development in the City by providing funding for special events, marketing activities, sign and design assistance, and other related activities that provide a public benefit to the City. Part I of the program is available to business associations, individual businesses, and economic development-related organizations or efforts that meet the program goals for event sponsorships, grants for marketing and promotions, studies to further economic development, and other economic development-related activities that promote program goals.

The City requires applicants to submit an application along with any supporting documentation as appropriate. Upon receipt, staff reviews the application per the following funding criteria:

- 1. Program Goals:** Meet one or more of the program goals.
- 2. Targeted Areas:** Applications are not limited to specific geographical areas in the City, but applications benefiting Antelope Crossing, Auburn Boulevard Specific Plan Area, former Redevelopment Area, or the Sunrise MarketPlace are emphasized.
- 3. Projected Outcome:** Each application must describe the expected outcome of the project, program or event (e.g., expect 1,000 attendees; increased awareness of area/city; expand trade zone).
- 4. Leveraging Investment:** Funding from the City cannot be the sole funding source. Favorable applications will demonstrate how funds are affectively leveraging public or private investment (i.e., grant match).
- 5. Sustainability:** Ability of the association, business, or group to carry out the described program, project or event over time without continuous financial support from the City.
- 6. Public Benefit:** Description of how the proposed program, project, or event is a benefit to the city/community.

The Citrus Heights Chamber of Commerce applied for a \$14,848 Economic Development Support Grant Part I on December 13, 2021. Staff has determined the application adequately meets the program funding criteria. Please refer to Attachment 2 for a copy of the funding application.

The City of Citrus Heights and the Citrus Heights Chamber of Commerce have benefited from a productive partnership over the past several years. The Chamber has supported and promoted City programs in addition to working on projects through its overall mission, and through the Economic Development Committee, Government Issues Committee and collaborative work with Auburn Blvd Business Association.

The Finance Committee reviewed the funding request on January 11, 2022 and recommended it for approval.

Attachments: (1) Resolution No. 2022-__ : A Resolution of the City Council of the City of Citrus Heights, Approving a \$14,848 Grant to the Citrus Heights Chamber of Commerce from the Economic Development Support Fund – Part I
(2) Citrus Heights Chamber of Commerce Part 1 Funding Application

RESOLUTION NO. 2022- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, APPROVING A \$14,848 GRANT TO THE CITRUS HEIGHTS CHAMBER OF COMMERCE FROM THE ECONOMIC DEVELOPMENT SUPPORT FUND – PART I

WHEREAS, in March 2021, the City Council created a new three-year Strategic Goal entitled “Diversify for a resilient economy”;

WHEREAS, the City of Citrus Heights offers the Economic Development Support Program to provide funding for special events, marketing activities, or other economic development related activities that provide a public benefit to the City;

WHEREAS, the City Council approved \$154,500 for the Economic Development Support Fund for Fiscal Year 2021-2022;

WHEREAS, the Citrus Heights Chamber of Commerce has submitted an application for \$14,848 to the Economic Development Support Fund – Part I; and

WHEREAS, the Finance Committee reviewed the application and recommended to the City Council that the application be approved in the amount of \$14,848.

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City of Citrus Heights does hereby approve a grant in the amount of \$14,848 for the Citrus Heights Chamber of Commerce from the Economic Development Support Fund (100-51-140-53450).

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of January 2022 by the following vote, to wit:

AYES: Council Members:
NOES: Council Members:
ABSTAIN: Council Members:
ABSENT: Council Members:

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

APPLICATION FOR ECONOMIC DEVELOPMENT SUPPORT FUND – PART I FUNDING

Part One – General Information

Organization Name: Citrus Heights Chamber		Project Name: Chairman’s Circle Sponsorship
Address:	7625 Sunrise Blvd., Suite 207 Citrus Heights CA 95610	Phone: 916-722-4545
Mailing Address	PO Box 191 Citrus Heights CA 95611	Website: chchamber.com
Contact Person (Name/Title):	Diane Ebbitt, Executive Director	Phone: 916-722-4545 Email: diane@chchamber.com
Amount of Funding Requested:		\$14,848

Part Two – Project Specifics

The Citrus Heights Chamber is requesting the City participate in the Chairman’s Circle Sponsorship program. The City has participated as a sponsor for many years in the past. Support for the previous eight fiscal years is outlined below:

- 2020/21 \$10,000 Chairman’s Circle Diamond Sponsorship awarded through the City’s Economic Development Support Fund.
- 2018/19 \$10,000 Chairman’s Circle Diamond Sponsorship awarded through the City’s Economic Development Support Fund.
- 2017/18 \$10,000 Chairman’s Circle Diamond Sponsorship awarded through the City’s Economic Development Support Fund.
- 2016/17 \$10,000 Chairman’s Circle Diamond Sponsorship awarded through the City’s Economic Development Support Fund.
- 2015/16 \$10,000 Chairman’s Circle Diamond Sponsorship awarded through the City’s Economic Development Support Fund.
- 2014/15 \$10,000 Chairman’s Circle Diamond Sponsorship awarded through the City’s Economic Development Support Fund.
- 2013/14 \$10,000 Chairman’s Circle Diamond Sponsorship awarded through the City’s Economic Development Support Fund.
- 2012/13 \$7,500 Community Support Funding.

The City of Citrus Heights and the Citrus Heights Chamber of Commerce have benefited from a productive partnership over the past several years. The Chamber has supported and promoted City programs in addition to working on projects through its overall mission, and through the Economic Development Committee, and the Government Issues Committee. Those programs include:

- Continued efforts to support ABBA (Auburn Boulevard Business Association), Antelope Crossing Business Association and Sunrise MarketPlace.
- Attend Community Connections, participated in “PAL’s Annual Truck or Treat”, and “PAL’s Cornhole Tournament” 2022
- Board member of Citrus Heights HART
- Volunteer with the Citrus Heights Police Department
- Member of Mayor’s Connect Citrus Heights
- Continue participation in the Holiday Referral Program
- Host an Annual Elected Officials Reception in August
- Semi-monthly meetings with Economic Development and Communications Manager
- Assist with the City’s “Love Local” Campaign
- City Manager and Chief of Police luncheon speakers

The Chamber is requesting the City participate as a Diamond Level Sponsor, valued at more than \$15,000. In exchange for the Sponsorship, the City will receive the following assets:

Monthly Luncheons - 4 seats per month

Luncheon Sponsorship (Mayor Presentation) - June

5 minutes at the microphone

Placement of brochures at each table setting

Lunch for 2 additional seats (speaker’s meal complimentary)

A display table to display brochures and flyers

Name and logo on the luncheon flyer and eblasts as a sponsor

Luncheon Sponsorship (Chief Presentation) – September

5 minutes at the microphone

Placement of brochures at each table setting

Lunch for 2 additional seats (speaker’s meal complimentary)

A display table to display brochures and flyers

Name and logo on the luncheon flyer and eblasts as a sponsor

Event Sponsorship

Installation Dinner – 1 Table of 8

Rotating Logo link on Website

16x20 Diamond Sponsor Plaque on the Chamber Wall

Listing as Diamond Sponsor on all PPTs
Diamond Level Tile on all e-blasts with logo link

Newsletter – Logo with Link on all newsletters

Four Feature articles in the Newsletter

12+ Social Media postings.

Total possible impressions = 148,200

2). **PROGRAM PURPOSE:** Describe which of the following program objective your project meets. More than one project objective may be identified.

- **Increase Job Base:** Through the Chamber’s programs, committees and activities, the Chamber supports business growth and expansion. The Chamber provides networking, education and business-to-business opportunities through its luncheons, breakfasts, and mixers. The Chamber hosted its first Job Fair and plans for another in the Spring of 2022. Hosted a Drive-In Concert and raised almost \$20,000 to give back to the businesses in Citrus Heights.
- **Increase tax base:** Through our Government Issues Committee, the Chamber supports local and state legislation that is business friendly and opposes measures that would provide obstacles to a business’ success. Through the Economic Development Committee, the Chamber partners with the City to attract new business and retain existing business in the City. The Committee provides an open forum for elected officials, utilities, and service providers to update and share upcoming initiative and activities in the government arenas.
- **Promote/Market specific commercial areas of the City:** The Chamber continues to support the local business associations; Auburn Boulevard Business Association., Antelope Crossing and Sunrise MarketPlace. When the Chamber and City’s Annual Business walk occurs, the Chamber targets specific commercial corridors each year. The Chamber works with the City to address concerns and issues affecting the business community and follows-up with the businesses it visits to resolve issues. In 2022, the Chamber plans on hosting a “Taco Tuesday” event on Auburn Blvd.
- **Attract new shoppers and visitors to the City:** The Chamber partners with other Chambers in the area to provide venues for members to engage other members from outside the City limits. The quarterly Sunrise Corridor Chambers’ Power Luncheon brings members from the Rancho Cordova, Carmichael, Fair Oaks, and Orangevale Chambers together. Selecting a City restaurant to host the event provides local businesses opportunities to showcase their services.

- **Create or enhance a sense of place:** The Chamber will continue to work with the CHPD and City on managing those issues that concern and impact our businesses; homelessness, graffiti, illegal signs, and other quality of life issues. The Chamber will work closely with the Navigator Program and HART to help with the City's homeless issues. Executive Director is a Board member on Citrus Heights HART and volunteer with the Citrus Heights Police Department.
- **Improve perception and promote the City as business friendly:** The Chamber invites the City and CH Police department to be guest speakers at a monthly Chamber Luncheon so that the business community can hear about updates, ask questions and have access to the City's Mayor, City Council Members and City Manager. The Chamber also hosts an annual Elected Officials Reception which allows businesses to network directly with local, county and state officials. In summary, our active committees, regular and special events, along with established programs help make this an attractive location for regional businesses.

3) PROJECTED OUTCOME / BENEFIT. What is expected to result from this project? Describe how accurate record of this was obtained and will be maintained. Also, using the objectives listed in #2 above; describe how the proposed program, project or event is providing a benefit to the City / community? (No more than 1 page, typed).

In addition to the services outlined above, the Chamber will provide a strategic plan for 2022 Economic Development efforts to meet the overall goal of providing relevant and useful training and information to business owners. The Chamber commits to continue to be active with A.B.B.A. Every Friday, a newsletter is sent to over 800 email addresses with Classes listed and offered by SBA. Continue to meet with and work with SBDC – Small Business Development Center. The Chamber commits to continue Semi- monthly communication with the City and staff.

4) LEVERAGING OF FUNDS. What is the total project cost? How much of this is the City being asked to fund? Does your organization have any other funds or funding commitments to assist in the funding of the project?

The Chamber has a current operating budget of \$210,000. The Sponsorship requested is a small percentage of the overall funding sources. The Chamber receives a regular stream of revenue from membership dues, event sponsorships and luncheon fees.

The Citrus Heights Chamber of Commerce should not be holding our monthly lunches outside of Citrus Heights. We prefer to use the Community Center and we are asking the City of Citrus Heights Economic Development Department to sponsor this location. By using the Community Center –

- It shows a strong partnership with the City
- It gives us the opportunity to use different restaurants and caterers in Citrus Heights
- We will bring people into the Center and the area

We are asking for \$10,000 for the Diamond sponsorship, and \$4,848 for the South Room ABC at the Community Center. We will list the City of Citrus Heights Economic Development Department as the lunch sponsor each month, in addition to the City's Diamond sponsorship.

5) SUSTAINABILITY. In almost all cases the City's support of an outside organization should be considered a temporary or one-time commitment. Does your organization or event have a plan to become financially self-sustaining?

The Chamber activity pursues new corporate sponsorships (Chairman Circle Program) to fund special events and provide services to its members. The Chamber leverages the City's support as an example to the value of partnerships for a stronger business economy within the City.

The sponsorship is evaluated each year to meet the City's and Chamber's changing needs and priorities. The City / Chamber partnership has been productive since the incorporation of the City of Citrus Heights. The Chamber anticipates that this mutually beneficial partnership will continue and indeed expand through the future years.

The Chamber hosts different fundraising events each year to help offset our operation cost.

6) SCHEDULE. Provide a schedule indicating when funds will be needed, when the project is to be implemented, and when it will be completed.

Funding is requested within the next month so that the Chamber can begin to prepare and allocate assets for the City.

By signing this document, I certify that I will only use the City funds for what has been outlined in this application.

Signature

Date:

*if approved, the applicant must provide a summary of the award, no later than 30-days after the end of the program, project or event.

*** The program is based on a non-COVID year.



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: January 27, 2022

TO: Mayor and City Council Members

FROM: Christopher W. Boyd, Interim City Manager
Bill Zenoni, Interim Administrative Services Director
Meghan Huber, Economic Development & Communications Manager

SUBJECT: Citrus Heights Small Business COVID Recovery Grant Program Approval

Summary and Recommendation

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law. The \$1.9 trillion financial package is intended to combat the COVID-19 pandemic, including public health and economic impacts. The ARPA includes funds provided directly to the City of Citrus Heights for uses allowed under the ARPA guidelines, including providing support to small businesses which were negatively impacted by the COVID-19 pandemic.

Under the provisions of ARPA and consistent with guidance provided by the US Treasury Department, ARPA funds may be used by municipalities to provide grants to local businesses which were negatively impacted by the COVID pandemic. At a November 10, 2021 Study Session, staff provided a summary of ARPA interim guidelines, funding amounts, and an updated phased approach to the Citrus Heights COVID Recovery Map for fund deployment. Phase II of the COVID Recovery Map focuses on Small Business COVID Recovery Grants and Travel, Tourism and Entertainment Recovery. City Council directed staff to maximize support for small business and asked for the opportunity to hear directly from businesses as grant programs are considered. At the December 9, 2021 City Council meeting, staff presented real-time data analytics on the Citrus Heights business community make-up, facilitated business community feedback through speaker comments as well as preliminary results of a business survey, and presented proposed principles for a Small Business COVID Recovery Grant Program. City Council expressed support for the Citrus Heights Small Business COVID Recovery Grant Program principles. Council requested that staff continue community outreach and engagement efforts and ensure that the program application process is simple, expedited and as confidential as possible. At the January 13, 2022 City Council Meeting, staff presented the final ARPA guidelines that were issued on January 6, 2022 after staff's initial grant program presentation and recommendation. Of note was the addition of an alternative revenue loss calculation: a standardized allocation option of \$10,000,000 in addition to the existing calculation method. City Council gave direction to launch

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a Small Business COVID Recovery Grant Program using the unallocated non-revenue loss portion of funding in the amount of \$320,000.

Consistent with the program principles presented to and supported by City Council, staff recommends adopting the Resolution establishing Citrus Heights Small Business COVID Recovery Grant Program, and approving an amendment to the Fiscal Year 2021-22 Budget to appropriate ARPA funds for the Citrus Heights Small Business COVID Recovery Grant Program.

Fiscal Impact

The City received the first tranche of ARPA funding in May 2021 in the amount of \$7,838,486. Citrus Heights COVID Recovery Plan Phase I in June 2021 leveraged \$5,353,209 to restore Police Department staffing levels. There is currently a \$2,485,277 *remaining unappropriated from the first ARPA funding allocation*. The second and final release of ARPA funding is expected in May 2022.

<u>TOTAL PROGRAM CALCULATION</u>	
Total Allocation	\$15,676,972
Police Department Staffing	<u>(\$5,353,209)</u>
Remaining to Allocate	\$10,323,763
<u>WORKING CASH ON HAND CALCULATION</u>	
May 2021 Allocation	\$7,838,486
Police Department Staffing	<u>(\$5,353,209)</u>
<i>Balance of First Allocation</i>	<i>\$2,485,277</i>
Second Allocation due May 2022	<u>\$7,838,486</u>
Remaining to Allocate	\$10,323,763

At the January 13, 2022 City Council Meeting, staff presented the final ARPA guidelines issued on January 6, 2022. City Council gave direction to launch the Small Business COVID Recovery Grant Program using the non-revenue loss portion of funding in the amount of \$320,000.

	Final Guideline funding breakdown
ARPA Remaining Allocation	\$10,323,763
“COVID Recovery” portion	\$323,763
Revenue Loss portion	\$7,123,763

At the City Council meeting on January 13, 2022 staff received direction to immediately deploy the Small Business COVID Recovery Grant Program under the “Responding to the Negative

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Economic Impact of COVID” category of funding. Passage of the attached resolution will result in the following budget amendment:

Budget Amendment:	\$320,000
Fund:	General Fund/American Rescue Plan Act Funds (Fund 101)
Department:	Non-Departmental

Staff will also potentially contract with a consulting organization to assist businesses with application support and triage during the 30 day application period at a cost not to exceed \$5,000.

Background and Analysis

The following program principles are consistent with staff’s proposed program principles and incorporate City Council’s feedback to ensure engagement and simple, expedited and confidential program administration.

Program Scope

Small Business Eligibility

- Commercial business located and licensed in Citrus Heights
- Business was operational as of March 1, 2020, and is still in business at the time of application submittal, and intends to remain open indefinitely
- Open to all industries, available to franchises and affiliate businesses
- Business entity earned \$3 million annual revenue or less in calendar year 2019
- Business experienced a net revenue loss (gross revenue net of operating expenses) of at least 25% for the calendar year 2020 OR calendar year 2021 compared to the calendar year 2019
 - A business cannot receive more in ARPA grant funding than total revenue loss
- Business employed 20 full-time equivalent (FTE) employees or less, as of March 1, 2020.
- For businesses with multiple locations, only employment and revenue figures for the Citrus Heights location(s) can be used to qualify for a grant under the Program, and all grant funds received must be used only to support Citrus Heights business operations. Multiple locations within Citrus Heights operating under a single business entity will be considered one business for purposes of the Program.
- Passive businesses are not eligible. These include rental properties or any business in which the owner does not actively participate.
- This program does not include non-profits at this time.

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Funding Allocation

Grant amounts to eligible businesses will be a flat amount determined by the 2019 Annual Gross Revenue for each small business applicant as indicated in the table below:

2019 Annual Gross Revenue Brackets	Grant Amount
\$1,000 - \$100,000	\$2,000
\$100,000 - \$1,000,000	\$10,000
\$1,000,000 - \$3,000,000	\$15,000

Application and Review Process

Small business applicants meeting all the eligibility criteria may apply for a grant. Applying is not a guarantee of funding. Selection of applicants for grant receipt shall be based upon the recommendations of the Program Administrators.

A 30-day on-line application period will be opened commencing as soon as administratively possible and after outreach and marketing efforts are well underway. During this period, businesses may apply for a grant on-line at <https://www.citrusheights.net/1139/American-Rescue-Plan-Act-ARPA>.

It is staff's expectation that the majority of applications will be submitted via the online application portal; however, any business lacking access to the internet and/or a computer will be able to easily submit a paper-based application by contacting staff. In addition, all applications will be available in both paper and electronic format in all key languages. Staff and its partners will be available to provide personalized live assistance via phone, in-person, or virtual meetings to assist any applicant in all key languages.

To ensure all businesses have an equal opportunity to apply for a grant, outreach efforts will be as robust and wide-ranging as possible and will occur both before and after the application period opens. General outreach efforts will include press releases and e-news, business and economic development partner organization assistance, announcements and reminders at public meetings, direct messaging to all licensed businesses for which the City has contact information, social media posts, advertising, and media engagement.

Staff will review all applications for completeness and eligibility, determine grant amounts, and process grant payments. The City Manager is authorized to make all final decisions on Program eligibility, business categorization, and grant amounts, and any related interpretations or decisions necessary to make a grant decision. All businesses accepting a grant will be required to sign a non-negotiable Affidavit, Waiver, and Release form requiring the applicant to declare that all information contained in their application is true and correct.

Due to the uncertainty of the number of applications that may be received, it is possible that the Program could be over-subscribed or under-subscribed. If over-subscribed, there may not be

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funding available for all eligible businesses to receive a grant. If under-subscribed, there may be funds left over. If over-subscribed, a discretionary review process may be used. If under-subscribed at the end of the initial 30-day application period, staff may opt to reopen the application period for a subsequent application round or consider modification of guidelines to attempt to expend all funds. Staff will provide City Council consistent updates on program performance and progress. The actual number of grants and dollar amounts will vary based on the number of eligible businesses that apply.

Attachments

1. Resolution
2. Exhibit A: Citrus Heights Small Business COVID Recovery Grant Program guidelines

RESOLUTION NO. 2022 - ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS
HEIGHTS, CALIFORNIA, ESTABLISHING THE CITRUS HEIGHTS
SMALL BUSINESS COVID RECOVERY GRANT PROGRAM AND
APPROVING AN AMENDMENT TO THE FISCAL YEAR 2021-22
BUDGET**

WHEREAS, on April 22, 2021, the City Council adopted the Budget for the City of Citrus Heights for Fiscal Years 2021-22 and 2022-23;

WHEREAS, subsequent to adoption of the Budget, the City of Citrus Heights received funding from the American Rescue Plan Act (ARPA);

WHEREAS, an eligible use of ARPA funds is to provide support to small businesses within the City of Citrus Heights which were negatively impacted by the COVID-19 pandemic;

WHEREAS, a Small Business COVID Recovery Grant Program has been developed and reviewed by the City Council; and

WHEREAS, the City Council has determined that it is in the best interest of the citizens of the City of Citrus Heights to provide assistance to small businesses which have been negatively impacted economically by the COVID-19 pandemic.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Citrus Heights hereby establishes the Citrus Heights Small Business COVID Recovery Grant Program as outlined in Exhibit A; and

BE IT FURTHER RESOLVED, that the City Council of the City of Citrus Heights approves an amendment to the Fiscal Year 2021-22 Budget as provided below:

Budget Amendment	\$320,000
Fund:	General Fund/American Rescue Plan Act Funds (Fund 101)
Department:	Non-Departmental

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 27th day of January, 2022, by the following vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Porsche Middleton, Mayor

ATTEST:

Amy Van, City Clerk

Attachment:

Exhibit A – Small Business COVID Recovery Grant Program Guidelines

**Citrus Heights Economic Development
AMERICAN RESCUE PLAN ACT
SMALL BUSINESS COVID RECOVERY GRANT PROGRAM GUIDELINES**

PROGRAM OVERVIEW

To further support businesses in Citrus Heights experiencing negative financial impacts of COVID-19, the City of Citrus Heights has created the “ARPA COVID-19 Small Business Recovery Grant Program” (hereafter, the “Program”). The Program provides grant funding to assist businesses with absorbing costs associated with the financial impacts of the COVID-19 pandemic and to support business recovery. The total amount of grant funds available is \$320,000.

The Program provides grants up to \$15,000 to certain eligible businesses. There is a limited allocation of funds available for the Program; therefore, depending on the number of businesses that apply, it is possible that not all eligible businesses can be assisted. Applying is not a guarantee of funding. Selection of applicants for grant receipt shall be based upon the recommendations of the Program Administrators. If the program as outlined below is oversubscribed, a discretionary review process may be used. The allocation, amount, business eligibility and making of grants will be solely within the City Manager’s discretion.

BUSINESS ELIGIBILITY

Outlined below are the grant categories and eligibility criteria for a business to receive a grant. Eligibility exceptions may be considered by the City Manager.

Small Business Eligibility

- Commercial business located and licensed in Citrus Heights
- Business was operational as of March 1, 2020, and is still in business at the time of application submittal, and intends to remain open indefinitely
- Open to all industries, available to franchises and affiliate businesses
- Business entity earned \$3 million annual revenue or less in calendar year 2019
- Business experienced a net revenue loss (gross revenue net of operating expenses) of at least 25% for the calendar year 2020 OR calendar year 2021 compared to the calendar year 2019
 - A business cannot receive more in ARPA grant funding than total revenue loss
- Business employed 20 full-time equivalent (FTE) employees or less, as of March 1, 2020.
- For businesses with multiple locations, only employment and revenue figures for the Citrus Heights location(s) can be used to qualify for a grant under the Program, and all grant funds received must be used only to support Citrus Heights business operations. Multiple locations within Citrus Heights operating under a single business entity will be considered one business for purposes of the Program.
- Passive businesses are not eligible. These include rental properties or any business in which the owner does not actively participate.
- This program does not include non-profits at this time.

FUNDING ALLOCATION LEVELS

Grant amounts to eligible businesses will be a flat amount determined by the 2019 Annual Gross Revenue for each small business applicant as indicated in the table below:

2019 Annual Gross Revenue Brackets	Grant Amount
\$1,000 - \$100,000	\$2,000
\$100,000 - \$1,000,000	\$10,000
\$1,000,000 - \$3,000,000	\$15,000

USE OF FUNDS

Grant funds can be used to offset or reimburse the business for operational costs or revenue loss caused by the COVID-19 pandemic, including:

- General business operations
- Payroll expenses
- Supplier payments
- Rent, lease, or mortgage payments for business real or personal property
- Façade improvements to resolve COVID related blight
- Outdoor improvements
- Personal Protective Equipment (PPE) and/or sanitation supplies and equipment
- Costs of compliance with county, state, or federal requirements or recommendations
- Technical assistance, counseling, or other services to assist with business planning needs

Ineligible use of grant funds are as follows:

- Anything outside the scope relating to COVID-mitigation
- Any expense not applicable through ARPA
- To fund any business other than that which is receiving the grant

APPLICATION, REVIEW, AND APPROVAL PROCESS

An initial 30 calendar day application period will be established which will commence on a Monday at 9 AM (the exact date of which will be determined and broadly publicized), and will close 30 calendar days later, at 5 PM. Applications may be submitted electronically via the City's online application portal which will be established at <http://www.citrusheights.net/1139/American-Rescue-Plan-Act-ARPA>. The City will also accept written applications submitted to the attention of the City of Citrus Heights Economic Development and Communications Manager at 6360 Fountain Square Drive, Citrus Heights, CA 95621. The City will not accept applications after the application period closes.

The application process will be as follows:

- Business submits application with required documents (listed below)
 - Business License Certificate
 - 2019 and 2020 OR 2021 Filed Business Tax Returns
 - W9
- City reviews application and supporting materials
- City determination of business eligibility and grant amount

- A discretionary administrative level review process may be used if the program is oversubscribed
- Initial application period will be 30 calendar days; subsequent rounds may be initiated if funds are not exhausted during initial round
- The City Manager or his/her designee will make all final decisions on Program eligibility and adherence and any related interpretations necessary to make a grant decision.

PUBLIC RECORD

Unless otherwise exempt under applicable law, applications and application materials are public records. All information received from an applicant, whether received in connection with a grant application or in connection with any grant-funded activities performed, are subject to disclosure pursuant to the California Public Records Act, unless otherwise exempt. Examples of potential exemption include social security numbers, tax identification numbers or other security related information.

AFFIDAVIT, WAIVER, AND RELEASE FORM

All businesses offered a grant who choose to accept the grant will be required to sign a non-negotiable affidavit, waiver, and release form prior to payment being made. The affidavit will require the applicant to declare that all information contained in the application is true and correct and can be used as admissible evidence in any legal proceeding against the company if the City attempted to recoup any grant funds provided under false pretenses.

PAYMENT METHOD

Grant payments will be made by check to a US based bank account in the business's name.