



AGENDA

May 23, 2024

CITY OF CITRUS HEIGHTS CITY COUNCIL

6:00 PM REGULAR MEETING

City Hall Council Chambers

6360 Fountain Square Drive, Citrus Heights, CA

PLEASE NOTE: Beginning July 1, 2024 City Council meetings will be held on the 2nd and 4th Wednesday of the month at 6 p.m.

HOW TO PARTICIPATE:

The City of Citrus Heights welcomes your interest and involvement in the City's legislative process. The Council may take up any agenda item at any time, regardless of the order listed. If you wish to address the Council during the meeting, please fill out a Speaker Identification Sheet and give it to the City Clerk. When you are called upon to speak, step forward to the podium and state your name for the record. Normally speakers are limited to five minutes each with 30 minutes being allowed for all comments. Any public comments beyond the initial 30 minutes may be heard at the conclusion of the agenda. The Mayor has the discretion to lengthen or shorten the allotted times. Alternatively, you may submit your comment by 4:00 p.m. on the meeting day 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.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection during normal business hours at City Hall, located at 6360 Fountain Square Drive. Audio / Visual presentation material must be provided to the City Clerk's Office at least 48 hours prior to the meeting. Email subscriptions of the agenda are available online by signing up with the City's [Notify Me](#) service.

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.

May 23, 2024 City Council Agenda Packet

Documents:

[05-23-24 REGULAR COUNCIL AGENDA PACKET.PDF](#)

CALL REGULAR MEETING TO ORDER

1. Flag Salute
2. Roll Call: Council Members: Lopez- Taff, Middleton, Schaefer, Karpinski- Costa, Daniels
3. Video Statement

APPROVAL OF AGENDA

PRESENTATIONS

4. Recognition Of 2024 Spirit Of San Juan Honoree, DaeChole Reed-Herbert , Lichen K-8 Student
5. Proclamation Of The City Of Citrus Heights Proclaiming June 2 – 8, 2024 As National Garden Week
6. Presentation By Republic Services – Recognition Of The 2024 Sustainability Scholarship Winners And 2023 Annual Report

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

PUBLIC COMMENT

Members of the public are entitled to address the City Council concerning any item within the City Council's subject matter jurisdiction. Pursuant to the Brown Act, the City Council is prohibited from discussing or acting on any item raised during "Public Comment" not appearing on the posted agenda.

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.

7. SUBJECT: Approval Of Minutes
RECOMMENDATION: Approve the Minutes of the Meeting of May 9, 2024
8. SUBJECT: Audited Financial Statements And Compliance Report For Transportation Development Act Funds And Single Audit Report
STAFF REPORT: S. Talwar / A. Preciado

RECOMMENDATION: Receive and file the City of Citrus Heights Transportation

Development Act (TDA) Funds Audited Financial Statements and Compliance Report for the fiscal year ended June 30, 2023 and the Single Audit Report for the fiscal year ended June 30, 2023

9. SUBJECT: Quarterly Treasurer's Report

STAFF REPORT: S. Talwar / A. Preciado

RECOMMENDATION: Receive and file the Quarterly Treasurer's Report for the quarter ending March 31, 2024

10. SUBJECT: AB 481- Annual Renewal Of Military Equipment Policy For The Police Department And Review Of Annual Report

STAFF REPORT: A. Turcotte / M. Wells / N. Garing

RECOMMENDATION: Adopt Resolution No. 2024- ____, A Resolution of the City Council of the City of Citrus Heights, California, Renewing the Police Department's Military Equipment Use Policy

REGULAR CALENDAR

11. SUBJECT: School Safety Options

STAFF REPORT: A. Turcotte / C. Kinnan

RECOMMENDATION: Provide direction to staff on the following options:

- a. Hire and fund two additional full-time School Resource Officers
- b. Reassign two existing sworn positions from other programs as determined by the City Manager and Police Chief to School Resource Officers
- c. Utilize the Police Department's current traffic unit to create a school liaison program to provide enhanced traffic enforcement and life safety, including perimeter security, at Citrus Heights schools
- d. Continue coordination with the San Juan Unified Safe Schools program

DEPARTMENT REPORTS

CITY MANAGER ITEMS

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

ADJOURNMENT

**CITY OF CITRUS HEIGHTS
CITY COUNCIL
Regular Meeting of Thursday, May 23, 2024
City Hall Council Chambers, 6360 Fountain Square Dr., Citrus Heights, CA
Regular Meeting 6:00 p.m.**

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

| IN PERSON | ONLINE | ON TELEVISION |
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| City Council meetings take place in the City Hall Council Chambers. | Watch the livestream and replay past meetings on the City website . | Watch live and replays of meetings on Sac Metro Cable, Channel 14. |

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May 17, 2024


 Amy Van, City Clerk

REGULAR CITY COUNCIL MEETING
6:00 PM**CALL REGULAR MEETING TO ORDER**

1. Flag Salute
2. Roll Call: Council Members: Lopez-Taff, Middleton, Schaefer, Karpinski-Costa, Daniels
3. Video Statement

APPROVAL OF AGENDA**PRESENTATIONS**

4. Recognition of 2024 Spirit of San Juan Honoree, DaeChole Reed-Herbert, Lichen K-8 Student
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COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES**CONSENT CALENDAR**

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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, May 9, 2024
City Hall Council Chambers
6360 Fountain Square Dr., Citrus Heights, CA**

CALL REGULAR MEETING TO ORDER

The regular meeting was called to order at 6:01 p.m. by Mayor Daniels.

1. The Flag Salute was led by Melissa Hayden.
2. Roll Call: Council Members present: Lopez-Taff, Middleton, Schaefer, Karpinski-Costa, Daniels
Council Members absent: None
Staff Members present: Blomquist, Cave, Feeney, Kempenaar, Turcotte, Van and department directors.
3. The video statement was read by City Clerk Van.

APPROVAL OF AGENDA

Mayor Daniels pulled Item 7 for a future meeting and Item 10b as it is no longer applicable.

ACTION: On a motion by Council Member Lopez-Taff, seconded by Council Member Middleton, the City Council approved the agenda.

| | |
|---------|---|
| AYES: | Lopez-Taff, Middleton, Schaefer, Karpinski-Costa, Daniels |
| NOES: | None |
| ABSENT: | None |

PRESENTATIONS

4. Proclamation of the City of Citrus Heights Proclaiming May 2024 as "Building Safety Month"

Council Member Lopez-Taff read and presented the proclamation to Chief Building Official Joe Cuffe, Development Services Technician Susan McLendon, and Jr. Building Inspector Siena Hudock.

5. Proclamation of the City of Citrus Heights Proclaiming May 12-18, 2024 as "National Police Week"

Mayor Daniels read and presented the proclamation to Police Chief Alexander Turcotte on behalf of the Citrus Heights Police Department.

6. Proclamation of the City of Citrus Heights Proclaiming May 19-25, 2024 as "National Public Works Week"

Council Member Middleton read and presented the proclamation to General Services Director Regina Cave and staff.

7. Pulled for a future meeting.

PUBLIC COMMENT

Kevin Bracey announced a Positivity Party, fundraiser event for It Takes Guts organization, on May 18 at Mesa Verda High School for youth TK-6th grade.

Sara Williams with Be Kind TNR stated she has received calls from Citrus Heights residents stating they have called Animal Services and were told not to feed the cats. She requested the City to institute a trap, neuter and release program, develop an intake process for the kittens, and provide residents with vouchers to get into spay and neuter clinics.

Sandra Decker spoke on finding shelter options for feral cats in Citrus Heights and requested funding from the City for food to feed the cats.

Melissa Hayden asked for funding from the City in the amount of \$5,500 per month to fund the cost of vouchers to provide for 50 appointments per month for trap, neuter, and release. She also requested funding in the amount of \$500 for the cost of food. She also requested more dog chipping events.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

Council Member Middleton announced Asian Pacific Islander (API) Heritage Month and said she attended several events including one at the API headquarters. She attended the Arcade-Cripple Creek Trail grand opening event. She attended the California Chamber of Commerce Capitol Summit.

Council Member Lopez-Taff attended the Sacramento County District Attorney's Citizen Award Ceremony. She attended the Sacramento Valley Manufacturing Alliance Manufacturing Challenge at San Juan High School. She attended the Arcade-Cripple Creek Trail grand opening event. She attended the California Chamber of Commerce Capitol Summit.

Council Member Schaefer announced a repaving project on Greenback Lane at Dewey Drive on May 11. He attended the Sacramento Valley Manufacturing Alliance Manufacturing Challenge at San Juan High School. He attended the Arcade-Cripple Creek Trail grand opening event.

Vice Mayor Karpinski-Costa attended the Arcade-Cripple Creek Trail grand opening event. She provided an update from the Sacramento Area Sewer District board meeting. She announced National Pet Week and that Bissell Pet Foundation is funding free pet adoptions May 1-15 at Bradshaw Animal Shelter.

Mayor Daniels attended the Sacramento Transportation Authority meeting. He attended the Sunrise MarketPlace board meeting. He attended the Capitol Corridor Joint Powers Authority meeting. He attended the Sacramento Valley Manufacturing Alliance Manufacturing Challenge at San Juan High School. He attended the Arcade-Cripple Creek Trail grand opening event. He announced the Citrus Heights Chamber of Commerce Luncheon on Tuesday, May 14 at 11:30 a.m. at the Citrus Heights Community Center. He announced the Sunrise MarketPlace Brews in the Burbs event on Saturday, May 18 at 5:00 p.m. at the Sunrise Mall. He gave a reminder that City Council meetings are switching to Wednesdays beginning in July.

CONSENT CALENDAR

8. **SUBJECT:** Approval of Minutes
RECOMMENDATION: Approve the Minutes of the Meeting of April 25, 2024

ACTION: On a motion by Council Member Middleton, seconded by Council Member Schaefer, the City Council adopted Consent Calendar Item 8.

AYES: Lopez-Taff, Middleton, Schaefer, Karpinski-Costa, Daniels
NOES: None
ABSENT: None

REGULAR CALENDAR

9. **SUBJECT:** Auburn Boulevard Complete Streets Project – Phase 2
STAFF REPORT: R. Cave / L. Blomquist
RECOMMENDATION: Staff recommends the following:
- a. Adopt Resolution No. 2024-035 A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute an Agreement with George Reed, Inc. for the Auburn Boulevard Complete Streets – Phase 2 Rebid Project
 - b. Adopt Resolution No. 2024-036 A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Professional Services Agreement with Psomas to Provide Construction Management, Inspection, and Materials Testing Services for the Auburn Boulevard Complete Streets – Phase 2 Project
 - c. Adopt Resolution No. 2024-037 A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 3 to the Agreement for Professional Services with Bennett Engineering Services, Inc. for Construction Support for the Auburn Boulevard Complete Streets – Phase 2 Project
 - d. Adopt Resolution No. 2024-038 A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute an SD-14 System Enhancement Agreement with the Sacramento Municipal Utility District (SMUD) for the Auburn Boulevard Complete Streets – Phase 2 Project

City Engineer Blomquist introduced the Auburn Boulevard Complete Streets Phase 2 Project which extends from Rusch Park to the intersection of Auburn Boulevard and Orlando Avenue near the Citrus Heights-Roseville border. The Project includes undergrounding utilities, bike lanes, wide sidewalks, decorative street lighting, landscaping and trees, updated transit stops, storm drain infrastructure upgrades, new traffic signals and crosswalks, a custom gateway structure, and asphalt overlay. She provided an overview of the history of the project that dates back to 2005 when the Boulevard Plan was adopted as a specific plan that acts as a guide to the revitalization and enhancement of Auburn Boulevard between Sylvan Corners and Interstate 80. Phase 1 was completed in 2015 and nearing the end of that construction, design of Phase 2 began. While the planning and engineering efforts were underway, public engagement was also occurring and the City received written letters of support from members and organizations of the community that were instrumental in obtaining grant funds for the project. In total, Phase 2 received \$25,991,000 in grant awards for construction. The Sacramento

Municipal Utility District (SMUD) will also contribute \$1,365,323 towards the construction of the project and \$1,482,560 of their own labor and materials. In late 2023, the original bid came in higher than expected and on February 8, 2024 City Council rejected all bids and directed staff to re-bid the project. In an attempt to reduce costs, the design team made modifications to the bid package. She gave an overview of the total project costs at \$35,515,000 and the recommended funding sources. She noted \$7,062,967 in various local funds would cover the balance to reach the total project costs. She provided the recommendations for City Council to approve contracts for construction, construction management, engineering support, and SD-14 System Enhancement Agreement with SMUD.

Public Comment

City Clerk Van read the following written public comment submitted by Rick Hodkins, "I rise and support of this item, as that this is very important. If I'm not mistaken, and I hope someone that whether they're on the city council or one of the presenters can elaborate if this is at the end of Auburn between antelope Road and the Placer county Sacramento county line and the citrus Heights Roseville line, that where there is not a sidewalk in most areas on either side and that there is not always crosswalk to cross over to the other side either. So I support this. Thank you."

City Council questions and comments followed.

City Engineer Blomquist, City Manager Feeney, and General Services Director Cave responded to questions.

ACTION: On a motion by Council Member Schaefer, seconded by Council Member Lopez-Taff, the City Council adopted Resolution No. 2024-035 A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute an Agreement with George Reed, Inc. for the Auburn Boulevard Complete Streets – Phase 2 Rebid Project.

| | |
|---------|---|
| AYES: | Lopez-Taff, Middleton, Schaefer, Karpinski-Costa, Daniels |
| NOES: | None |
| ABSENT: | None |

ACTION: On a motion by Council Member Schaefer, seconded by Council Member Lopez-Taff, the City Council adopted Resolution 2024-036 A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute a Professional Services Agreement with Psomas to Provide Construction Management, Inspection, and Materials Testing Services for the Auburn Boulevard Complete Streets – Phase 2 Project.

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| AYES: | Lopez-Taff, Middleton, Schaefer, Karpinski-Costa, Daniels |
| NOES: | None |
| ABSENT: | None |

ACTION: On a motion by Council Member Schaefer, seconded by Council Member Lopez-Taff, the City Council adopted Resolution No. 2024-037 A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute Amendment No. 3 to the Agreement for Professional Services with Bennett Engineering Services, Inc. for Construction Support for the Auburn Boulevard Complete Streets – Phase 2 Project.

AYES: Lopez-Taff, Middleton, Schaefer, Karpinski-Costa, Daniels
NOES: None
ABSENT: None

ACTION: On a motion by Council Member Schaefer, seconded by Council Member Lopez-Taff, the City Council adopted Resolution 2024-038 A Resolution of the City Council of the City of Citrus Heights, California, Authorizing the City Manager to Execute an SD-14 System Enhancement Agreement with the Sacramento Municipal Utility District (SMUD) for the Auburn Boulevard Complete Streets – Phase 2 Project.

AYES: Lopez-Taff, Middleton, Schaefer, Karpinski-Costa, Daniels
NOES: None
ABSENT: None

10. **SUBJECT:** Planning Commission Discussion

STAFF REPORT: A. Van / C. Kempenaar

RECOMMENDATION: Staff will present the City Council with discussion items related to the Planning Commission and recommend the City Council provide feedback and direction on the following options:

- a. Direct Staff to proceed with the necessary Municipal Code updates to dissolve the Planning Commission;
- b. Mayor Daniels nominate one regular member to fill the unexpired term on the Planning Commission, subject to ratification by the City Council;
- c. Appoint an individual, by majority vote, to fill the at-large unexpired term on the Planning Commission; or
- d. Do nothing – The Planning Commission would be a five-member Commission until January 2025.

City Clerk Van introduced the item. She gave an overview of the Planning Commission which was established shortly after the City's incorporation in 1997. The Planning Commission is comprised of seven members; five regular members appointed by individual Council Members and two at-large members. She stated the Planning Commission holds hearings and communicates with stakeholders pertaining to land use decisions and reviews and makes recommendations to the City Council related to the General Plan, specific plans, and the zoning code. She stated there is one at-large vacancy on the Planning Commission with a term ending in December 2024. The City received 13 applications for City Council consideration and appointment.

City Council comments and questions followed.

City Clerk Van responded to questions.

Public Comment

Kathy Morris stated it is important to have the groups in the city such as the Planning Commission for residents to give their opinions too. She spoke in favor of keeping the Planning Commission.

Michael Lagomarsino, Planning Commission applicant, provided clarification on his previous years of service on the Planning Commission. He spoke in favor of option d. which is, Do nothing – The Planning Commission would be a six-member Commission until January 2025. He withdrew his application for consideration.

Janie Ricketts expressed concerns regarding dissolving the Planning Commission and urged the City Council to have more discussion on the item.

Tom Scheeler, current Planning Commissioner, spoke in favor of keeping the Planning Commission.

Bill Van Duker spoke in favor of keeping the Planning Commission.

Andrew Saunders, Planning Commission applicant, spoke in favor of option c. which is, Appoint an individual, by majority vote, to fill the at-large unexpired term on the Planning Commission.

City Clerk Van read the following written public comment submitted by Albert Fox, "I find it is necessary to comment on what I see as an ill planned assault upon the freedom of the community to have input on important development within the city or changes in the various city codes and regulations. I served the Planning Commission (PC), conducting hearings major projects and proposed rule changes. (Creeks and Trails; Medical Office Building; Stones Freeway Signage;). Residents are more willing to speak at a PC hearing before commissioners than at a council meeting. Talking with your neighbors is easier than a formal council meeting. The stated reasoning for less frequent meetings or the need, or costs, to have staff and attorneys present at meetings is not a legitimate cause for removing the planning commission as a public forum. These commissions serve as a check and balance to public planning and land use. I urge you to once again stand and represent our residents, retain the Planning Commission and fill the two vacant positions. These are volunteers who serve from commitment to the community."

City Clerk Van read the following written public comment submitted by Rick Hodgkins, "I support option D, that which if my memory serves me right, that this would be to keep the planning commission, that which is very important, as that they help to oversee the sunrise tomorrow project, that when I was just last at sunrise mall, I saw absolutely no movement at. In fact, more restaurants have closed down over there! And as a sidenote, if we're going to attract more businesses to citrus Heights, the mall would be the perfect place for them to be! any case, I would say let's just keep the planning commission! Thank you!"

City Clerk Van clarified that option b. is no longer applicable and there is only one vacancy to consider at this time.

ACTION: On a motion by Council Member Schaefer, seconded by Council Member Lopez-Taff, the City Council appointed Kelsey Nelson to fill the at-large vacancy on the Planning Commission with a term ending December 31, 2024.

AYES: Lopez-Taff, Schaefer, Daniels

NOES: Middleton, Karpinski-Costa
ABSENT: None

DEPARTMENT REPORTS

None.

CITY MANAGER ITEMS

City Manager Feeney gave a recap of the Arcade-Cripple Creek Trail grand opening. He announced that Citrus Heights Police Lieutenant Michael Wells will be honored at the Hearts 4 Heroes Gala. He announced the Sunrise MarketPlace Brews in the Burbs event on May 18 at the Sunrise Mall parking lot. He announced Public Service Recognition Week and gave an update on how City employees were appreciated during the week, including a proclamation by the City Council. He announced the Public Works Showcase on May 16 from 3-6 p.m. at Van Maren Park.

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

None.

ADJOURNMENT

Mayor Daniels adjourned the regular meeting at 8:05 p.m.

Respectfully submitted,

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: May 23, 2024

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Susan K. Talwar, Administrative Services Director
Alberto Preciado, Finance Manager

SUBJECT: **Audited Financial Statements and Compliance Report for
Transportation Development Act Funds and Single Audit Report**

Summary and Recommendation

Staff recommends the City Council receives and files the City of Citrus Heights Transportation Development Act (TDA) Funds Audited Financial Statements and Compliance Report for the fiscal year ended June 30, 2023 and the Single Audit Report for the fiscal year ended June 30, 2023.

Fiscal Impact

There is no fiscal impact associated with this action.

Background and Analysis

TDA Audit

The accounting firm of Richardson & Company, LLP was hired by the Sacramento Area Council of Governments to audit the transportation funds received by member agencies for the fiscal year ended June 30, 2023. They have determined that the City of Citrus Heights Transportation Fund financial statements present fairly, in all material respects, the financial position of the Transportation Development Act Funds of the City of Citrus Heights as of June 30, 2023. The statements are in conformity with Generally Accepted Accounting Principles.

Single Audit

A single audit is required by Title 2 of the *U.S. Code of Federal regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (*Uniform Guidance*) when federal expenditures during a fiscal year exceed \$750,000. For the

Subject: Audited Financial Statements and Compliance Report for Transportation Development Act Funds and Single Audit Report**Date: May 23, 2024****Page 2 of 2**

fiscal year 2022-2023, the City made federal expenditures of \$9.2 million. The City's audit firm, Lance, Soll & Lunghard, LLP (LSL CPAs), performed the single audit. The single audit report also includes the report on Internal Control over Financial Reporting and Compliance and Other Matters. LSL issued a clean audit opinion regarding compliance and internal control over compliance for the City's major federal programs and schedule of expenditures of federal awards (SEFA).

Attachment

1. City of Citrus Heights Transportation Development Act Funds – Audited Financial Statements and Compliance Report as of June 30, 2023.
2. City of Citrus Heights Single Audit Report for the year ended June 30, 2023.

CITY OF CITRUS HEIGHTS
TRANSPORTATION DEVELOPMENT ACT FUNDS

Audited Financial Statements
and Compliance Report

June 30, 2023

CITY OF CITRUS HEIGHTS
TRANSPORTATION DEVELOPMENT ACT FUNDS

Audited Financial Statements
and Compliance Report

June 30, 2023

Audited Financial Statements

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| Independent Auditor's Report | 1 |
| Balance Sheets..... | 3 |
| Statements of Revenues, Expenditures and Changes in Fund Balances | 4 |
| Notes to Financial Statements | 5 |

Compliance Report

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| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> and the Transportation Development Act..... | 8 |
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INDEPENDENT AUDITOR'S REPORT

To the City Council
 City of Citrus Heights, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Transportation Development Act Funds (the Funds) of the City of Citrus Heights (the City), as of and for year ended June 30, 2023, and the related notes to the 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 financial position of the Transportation Development Act Funds of the City of Citrus Heights, as of June 30, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis-of-Matter

As discussed in Note B, the financial statements present only the Transportation Development Act Funds of the City of Citrus Heights and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2023 and 2022, the changes in financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

To the City Council
City of Citrus Heights, California

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 generally accepted auditing standards 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.

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 Matters

Prior Year Comparative Information

We have previously audited the June 30, 2022 Transportation Act Funds of the City of Citrus Heights' financial statements dated February 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2024 on our consideration of the City's internal control over financial reporting related to the Funds and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, and the Transportation Development Act. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Richardson & Company, LLP

February 22, 2024

CITY OF CITRUS HEIGHTS

TRANSPORTATION DEVELOPMENT ACT FUNDS

BALANCE SHEETS

June 30, 2023

(With Prior Year Data For Comparative Purposes Only)

| | 2023 | | | (Comparative Purposes Only) 2022 |
|---|-------------------|-------------------|-------------------|---|
| | Transit | Non-Transit | Total | |
| ASSETS | | | | |
| Cash and investments | \$ 170,735 | \$ 119,250 | \$ 289,985 | \$ 153,334 |
| Interest receivable | 1,324 | 771 | 2,095 | 320 |
| Due from other governments | 40,214 | 216,596 | 256,810 | 177,777 |
| TOTAL ASSETS | \$ 212,273 | \$ 336,617 | \$ 548,890 | \$ 331,431 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 798 | | \$ 798 | \$ 12 |
| Salaries and benefits payable | 4,854 | | 4,854 | 4,583 |
| Due to other funds | | | | 175 |
| TOTAL LIABILITIES | 5,652 | | 5,652 | 4,770 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenues | | \$ 216,596 | 216,596 | 107,343 |
| FUND BALANCES | | | | |
| Restricted for transit administration | 206,621 | | 206,621 | 86,010 |
| Restricted for pedestrian and bicycle facilities | | 120,021 | 120,021 | 133,308 |
| TOTAL FUND BALANCES | 206,621 | 120,021 | 326,642 | 219,318 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 212,273 | \$ 336,617 | \$ 548,890 | \$ 331,431 |

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

CITY OF CITRUS HEIGHTS

TRANSPORTATION DEVELOPMENT ACT FUNDS

STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2023
(With Prior Year Data For Comparative Purposes Only)

| | 2023 | | | (Comparative Purposes Only) 2022 |
|--|-------------------|-------------------|-------------------|---|
| | Transit | Non-Transit | Total | |
| REVENUES | | | | |
| Local Transportation Funds | | | | |
| Pedestrian and bicycle | | | | |
| Contract administration payment from SacRT | \$ 402,056 | | \$ 402,056 | \$ 353,078 |
| Use of money and property | 3,220 | \$ 2,908 | 6,128 | (1,893) |
| TOTAL REVENUES | <u>405,276</u> | <u>2,908</u> | <u>408,184</u> | <u>351,185</u> |
| EXPENDITURES | | | | |
| Administration | 249,665 | | 249,665 | 231,160 |
| Contract Services | 35,000 | | 35,000 | |
| Pedestrian and bicycle facilities | | 16,195 | 16,195 | 83,000 |
| TOTAL EXPENDITURES | <u>284,665</u> | <u>16,195</u> | <u>300,860</u> | <u>314,160</u> |
| NET CHANGE IN FUND BALANCES | 120,611 | (13,287) | 107,324 | 37,025 |
| Fund balances at beginning of year | <u>86,010</u> | <u>133,308</u> | <u>219,318</u> | <u>182,293</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 206,621</u> | <u>\$ 120,021</u> | <u>\$ 326,642</u> | <u>\$ 219,318</u> |

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

CITY OF CITRUS HEIGHTS
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE A – ORGANIZATION

The City of Citrus Heights (the City) receives funds under the provisions of the Transportation Development Act (TDA) from the Sacramento County Local Transportation Fund (LTF) under Article 3, Section 99234 for pedestrian and bicycle facilities. The City's Article 3 LTF funds represent amounts set aside by the Sacramento Area Council of Governments (SACOG), the transportation planning agency administering TDA funds, to be allocated for pedestrian and bicycle facilities within the jurisdictions of Sacramento County and represent up to 2% of the available funds countywide.

On January 1, 2019, the City's transit operations were annexed by the Sacramento Regional Transit District (SacRT). As a result of this annexation, beginning in April of 2019, the City's transit related State Transit Assistance (STA), State of Good Repair (SGR) and LTF funds, with the exception of Article 3 funds, will be claimed directly from SACOG by SacRT. The transit administration allocation is provided by SacRT and will be adjusted in each future fiscal year to match the percent increase or decrease in the budgeted TDA apportionment to the City for that fiscal year as compared to the previous year. The City will also continue to receive an apportionment for pedestrian and bicycle facilities under Article 3. The City of Citrus Heights' Transit Fund and Transportation Development Act Fund (the Funds) are used to account for Transit and Non-transit TDA funds, received by the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Transportation Development Act Funds (the Funds) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity: The financial statements are intended to present the financial position and results of operations of only those transactions recorded in the Funds. The Funds are included in the financial statements of the City.

Fund Accounting: The accounts of the City are organized on the basis of funds. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity.

The City utilizes the special revenue fund type of the governmental fund group to account for the activities of the Funds. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. A special revenue fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, liabilities and deferred inflows of resources are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by special revenue funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which is generally 90 days. TDA revenues are recognized when all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF CITRUS HEIGHTS

TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-term Interfund Receivables/Payables: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” on the balance sheet. The “due to other funds” at June 30, 2022 represents revenue posted in the Transit Fund that should have been posted in another City fund.

Deferred Inflows of Resources: Deferred inflows of resources in governmental funds arise when a potential revenue source does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources consisted of revenues for which all eligibility requirements had been met at year end, but the amounts were not received from the Sacramento County Auditor – Controller’s Office within the 90-day availability period.

Fund Balance: Restrictions of fund balance represent amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation. The restrictions of fund balance are according to the provisions of the Transportation Development Act and the purpose of each restriction is indicated by the account title on the face of the balance sheets.

Use of Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Statements: The financial statements include certain prior-year summarized comparative information in total, but not by individual fund. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Funds’ financial statements for the year ended June 30, 2022, from which the summarized information was derived.

NOTE C – CASH AND INVESTMENTS

Investment Policy: The City’s investment policy may be found in the notes to City’s basic financial statements.

Investment in the City’s Investment Pool: The Funds’ cash is held in the City’s investment pool. The City maintains an investment pool and allocates interest to the various funds based upon the average daily cash balances. Investments held in the City’s investment pool are available on demand to the Funds and are stated at fair value.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2023, the weighted average maturity of the investments contained in the City of Citrus Heights investment pool was approximately 357 days.

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. The City’s investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government’s indirect deposits or investment in securities through the use of government investment pools (such as the City’s investment pool).

CITY OF CITRUS HEIGHTS
TRANSPORTATION DEVELOPMENT ACT FUNDS
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2023

NOTE D – DUE FROM OTHER GOVERNMENTS

The due from other governments consists of the following at June 30, 2023:

| | Transit | Non-Transit | 2023 | (Comparative Purposes Only) 2022 |
|--------------------------------------|------------------|-------------------|-------------------|---|
| Transportation Development Act: | | | | |
| Local Transportation Fund | | | | |
| Fiscal Year 2022/23 | | \$ 216,596 | \$ 216,596 | |
| Fiscal Year 2021/22 | | | | \$ 107,343 |
| Sacramento Regional Transit District | \$ 40,214 | | 40,214 | 70,434 |
| Total due from other governments | <u>\$ 40,214</u> | <u>\$ 216,596</u> | <u>\$ 256,810</u> | <u>\$ 177,777</u> |

NOTE E – CONCENTRATIONS

The Funds receive a substantial amount of their support from a statewide retail sales tax from the LTF created by the TDA. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Funds' activities.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
 AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
 STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
 AND THE TRANSPORTATION DEVELOPMENT ACT

To the City Council
 City of Citrus Heights, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Citrus Heights' (the City) Transportation Development Act Funds, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated February 22, 2024.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Our audit was further made to determine that Transportation Development Act (TDA) funds allocated and received by the City were expended in conformance with the applicable statutes, rules and regulations of the TDA and Section 6666 and 6667 of the California Code of Regulations. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the TDA.

To the City Council
City of Citrus Heights, California

Purpose of this Report

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

Richardson & Company, LLP

February 22, 2024



CITY OF CITRUS HEIGHTS, CALIFORNIA

FOR THE YEAR ENDED JUNE 30, 2023

SINGLE AUDIT REPORT

Focused
on YOU



CITY OF CITRUS HEIGHTS, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2023

CITY OF CITRUS HEIGHTS, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2023

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Citrus Heights, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 29, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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



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

Purpose of This Report

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

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

Sacramento, California
December 29, 2023



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Citrus Heights, California (the "City")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards,



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

Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 29, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lance, Soll & Luyhard, LLP

Sacramento, California

December 29, 2023 (Except for the Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance which is dated March 18, 2024)

CITY OF CITRUS HEIGHTS
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

| <i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i> | <i>Federal Assistance Listing Number</i> | <i>Pass-Through Entity Identifying Number</i> | <i>Total Federal Expenditures</i> |
|--|--|---|---------------------------------------|
| U.S. Department of Housing and Urban Development | | | |
| Office of Community Planning and Development - Direct Program | | | |
| Community Development Block Grants/Entitlement Grants Cluster* | | | |
| 2022 Community Development Block Grants | 14.218 | N/A | \$ 187,381 |
| 2023 Community Development Block Grants | 14.218 | N/A | 519,807 |
| COVID-19 Community Development Block Grants (CARES Act) | 14.218 | N/A | 313,073 |
| Subtotal - Assistance Listing 14.218 | | | 1,020,261 |
| Total Department of Housing and Urban Development Programs | | | 1,020,261 |
| U.S. Department of Justice | | | |
| Bureau of Justice Assistance - Direct Program | | | |
| Bulletproof Vest Partnership Program | 16.607 | N/A | 11,632 |
| FY23 Public Safety Partnership and Community Policing Grants | 16.710 | N/A | 115,639 |
| 2021 Edward Byrne Memorial Justice Assistance Program | 16.738 | N/A | 19,349 |
| Equitable Sharing Program | 16.922 | N/A | 16,258 |
| Total U.S. Department of Justice | | | 162,878 |
| U.S. Department of Transportation | | | |
| National Highway Traffic Safety Administration - Direct Program | | | |
| Highway Safety Cluster | | | |
| 2022 Selective Traffic Enforcement Program | 20.600 / 20.608 | N/A | 53,321 |
| 2023 Selective Traffic Enforcement Program | 20.600 / 20.608 | N/A | 60,298 |
| Total Highway Safety Cluster | | | 113,619 |
| Total U.S. Department of Transportation | | | 113,619 |
| Highway Planning and Construction | | | |
| Federal Highway Administration | | | |
| Passed through California State Transportation Agency, | | | |
| Department of Transportation | | | |
| Highway Planning and Construction Cluster | | | |
| Signalized Intersection Safety Improvements | 20.205 | N4YFFGL4CDX5 | (290,733) |
| Auburn Blvd-Rusch/Northern Limits | 20.205 | N4YFFGL4CDX5 | 271,935 |
| San Juan Avenue | 20.205 | N4YFFGL4CDX5 | 290,410 |
| Old Auburn Rd | 20.205 | N4YFFGL4CDX5 | 388,418 |
| Arcade Cripple Creek / Electric Greenway | 20.205 | N4YFFGL4CDX5 | 3,875,519 |
| Subtotal - Assistance Listing 20.205 | | | 4,535,549 |
| Total Highway Planning and Construction Cluster | | | 4,535,549 |
| Total U.S. Department of Transportation Highway Planning and Construction | | | 4,649,168 |
| Department of Homeland Security | | | |
| Passed through California Governor's Office of Emergency Services | | | |
| COVID-19 Public Assistance FEMA Emergency Protective Measures | 97.036 | UTM3S7LKYQZ4 | 383 |
| Total U.S. Department of Homeland Security | | | 383 |
| Other Programs | | | |
| U.S. Department of Treasury | | | |
| COVID-19 Coronavirus State and Local Recovery Funds* | 21.027 | N/A | 3,331,099 |
| Total Other Programs | | | 3,331,099 |
| Total Expenditures of Federal Awards | | | 9,163,789 |
| Federal Loan Beginning Balances with a Continuing Compliance Requirement | | | |
| Community Development Block Grant* | 14.218 | | 1,164,178 |
| HOME Investment Partnership Program | 14.239 | | 234,665 |
| Total Federal Loan Balances with a Continuing Compliance Requirement | | | 1,398,843 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS INCLUDING LOANS | | | \$ 10,562,632 |

* Major Program

Note a: Refer to Note 1 to the Schedule of Expenditures of Federal Awards for a description of significant accounting policies used in preparing this schedule.

Note b: There were no federal awards expended in the form of noncash assistance and insurance in effect during the year.

Note c: Total amount provided to subrecipients during the year was \$0.

CITY OF CITRUS HEIGHTS
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the City of Citrus Heights, California, that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

B. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 2: LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The City participates in certain federal award programs that sponsor revolving loan programs, which are administered by the City. These programs required servicing arrangements with the City. The funds are returned to the programs upon repayment of the principal and interest. Current year transactions relating to these programs are included in the Schedule of Expenditures of Federal Awards. In accordance with 2 CFR section 200.502(b), the balance of loan program outstanding June 30, 2023, are as follows:

| Assistance Listing Number | Program Name | Outstanding Balance at June 30, 2023 |
|--|-------------------------|---|
| 14.218 | CDBG Loans | \$ 1,338,525 |
| 14.239 | HOME Loans | 178,854 |
| | Total Loans Outstanding | <u>\$ 1,517,379</u> |

CITY OF CITRUS HEIGHTS
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

• Significant deficiencies identified? ☐ yes ☒ none reported

• Material weaknesses identified? ☐ yes ☒ no

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

• Significant deficiencies identified? ☐ yes ☒ none reported

• Material weaknesses identified? ☐ yes ☒ no

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? ☐ yes ☒ no

Identification of major programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

14.218

Community Development Block Grants/Entitlement Grants

21.027

Coronavirus State and Local Recovery Funds

Dollar threshold used to distinguish between type A and type B program \$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

**CITY OF CITRUS HEIGHTS
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023**

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: May 23, 2024

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Susan K. Talwar, Administrative Services Director
Alberto Preciado, Finance Manager

SUBJECT: Quarterly Treasurer's Report

Summary and Recommendation

Staff recommends the City Council receive and file the Quarterly Treasurer's Report for the quarter ending March 31, 2024. This report is a standard quarterly report submitted in accordance with the provisions of California Government Code Section 53646(b) whereas it states the treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency.

Fiscal Impact

There is no fiscal impact associated with this action. The attached report is for informational purposes on the effects of current market conditions on the City's investment portfolio.

Background and Analysis

The market value of cash and investments for all City funds on March 31, 2024, was \$59,829,961, up from \$52,161,978 on December 31, 2023. The increase is largely a result of the receipt of property tax distributions from Sacramento County.

Significant deposits for the FY23-24 third quarter (January through March 2024) included:

| | |
|---|--------------|
| Property Tax and In-Lieu of Motor Vehicle Revenue | \$11,619,667 |
| Sales Tax | \$3,572,881 |
| Measure A Revenues | \$867,664 |
| CalTrans Grant Reimbursements | \$815,307 |

The breakdown of the City's investment portfolio and current rate of return is as follows:

Subject: Quarterly Treasurer's Report**Date: May 23, 2024****Page 2 of 4**

| Description | As of 03/31/2024 | | | | |
|--------------------------------------|------------------|--------------|--------------|---------------------|----------------------|
| | Par Value | Cost Basis | Market Value | Avg. Rate of Return | % of Total Portfolio |
| Local Agency Investment Funds (LAIF) | \$48,101,642 | \$48,101,642 | \$47,822,232 | 4.27% | 79.93% |
| US Bank – General Account | \$1,716,868 | \$1,716,868 | \$1,716,868 | 0.00% | 2.87% |
| Investment Accounts | \$10,418,918 | \$10,350,936 | \$10,290,861 | 4.42% | 17.20% |
| <i>Total Portfolio</i> | \$60,237,428 | \$60,169,446 | \$59,829,961 | 4.17% | |

A portion of the City's investments are under management by Chandler Asset Management as of March 2023. For more information regarding the City's investments, see schedules included as Attachment 2.

The report includes all securities managed by the City and its Investment Manager (excluding bond proceeds) and provides information on the values (par, fair, and cost), term, and yield of each security. Please note that because the safe-keeping custodian and the Investment Manager may use different pricing sources to determine the market value of the securities, there can be minor differences in market values shown on the custodian's monthly statement as compared to the Investment Manager's monthly statement.

Fair Value of individual securities has been provided by Chandler Asset Management. The City uses US Bank as its third-party custodian for safekeeping of all investments except for the Local Agency Investment Fund (LAIF). LAIF is a money market fund administered by the State Treasurer that has many governmental agency participants and holds securities through its own administrator.

The value of fixed-income securities may fluctuate with changes in interest rates. As interest rates go up, the market value of the securities may go down, and the reverse is true; when interest rates go down, the market value of the securities may go up. The difference between the book and fair market value is considered an unrealized gain or loss. The unrealized loss for this reporting period is \$60,075. It is important to note that a loss or gain is realized when an investment is redeemed or sold before its maturity date. The City's investments are typically retained until the maturity date, at which point the City's full investment is returned. Nonetheless, the City may elect to sell an investment before its maturity and record a capital gain or loss to manage the portfolio's quality, liquidity or yield in response to market conditions or the City's risk preferences.

Compliance

All investment transactions were executed in accordance with the California Government Code and the City's Investment Policy. In accordance with California Government Code section 53646(b)(3), staff believes that the investments and budgeted revenues for the City will provide sufficient cash flow to meet the anticipated cash flow requirements of each entity for the next six months.

Subject: Quarterly Treasurer's Report**Date: May 23, 2024****Page 3 of 4**

Pooled cash and investments book balances are adjusted annually to reflect fair value as required by Generally Accepted Accounting Principles (GAAP). The term fair value was formerly known as market value and became effective with the mandatory implementation of the Governmental Accounting Standards Board (GASB) Statement No. 31 in fiscal year 1998. The attached investment schedules meet these requirements.

American Rescue Plan Act Summary

Included in the City's investment portfolio are the uncommitted American Rescue Plan Act (ARPA) funds at \$1,629,632 through December 31, 2023. The amount committed by Council through the same date is \$14,047,340.

| | |
|---|---------------------------|
| Amount received from US Treasury in May 2021 & 2022 | \$15,676,972 |
| Expended Amount through March 31, 2024 | \$8,128,332 |
| Committed Amount through March 31, 2024 | \$14,047,340 |
| Remaining Uncommitted Amount through March 31, 2024 | \$1,629,632 |
| <i>Committed and proposed allocations through May 8, 2024</i> | <i>\$0</i> |
| <i>Tentative Remaining Uncommitted Amount through March 31, 2024</i> | <i>\$1,629,632</i> |

The breakdown of Council approved committed ARPA funds:

| Date of Council Approval | Project Name | Adopted ARPA Funds |
|---------------------------------|--|---------------------------|
| 6/24/21 | Rehire Public Safety staff to pre-pandemic levels FY 21/22 | \$2,541,434 |
| 6/24/21 | Rehire Public Safety staff to pre-pandemic levels FY 22/23 | \$2,811,775 |
| 1/13/22 | Small Business COVID Recovery Grant | \$320,000 |
| 6/23/22 | Beautification Crew Pilot Program+ | \$875,000 |
| 6/23/22 | Police Fleet Vehicles & Equipment | \$1,400,000 |
| 6/23/22 | Public Safety Communications Center Critical Needs | \$600,000 |
| 6/23/22 | Block Party Trailer – Community Engagement+ | \$50,000 |
| 9/22/22 | Community Projects Grant Program+ | \$50,000 |
| 10/27/22 | ERP System and Technology+ | \$1,198,350 |
| 12/08/22 | Infrastructure Financing Strategies for Sunrise Tomorrow+ | \$40,000 |
| 1/26/23 | Patriotic Event+ | \$80,000 |
| 2/23/23 | CH Cares Community Beautification+ | \$47,000 |
| 3/23/23 | Business Attraction Incentive Program+ | \$1,000,000 |

Subject: Quarterly Treasurer's Report

Date: May 23, 2024

Page 4 of 4

| | | |
|---------|--|---------------------|
| 4/27/23 | Sound Wall Beautification+ | \$155,000 |
| 5/11/23 | Proposed Grant Strategy+ | \$60,000 |
| 6/8/23 | Community Project Grant Round 2 *+ | \$22,400 |
| 7/1/23 | Rehire Public Safety staff to pre-pandemic levels FY 23/24 | \$2,396,381 |
| 7/1/23 | Fleet Replacement FY23/24 | \$400,000 |
| | Committed Amount through March 31, 2024 | \$14,047,340 |

+ City Council Strategic Objective

* Dependent on successful award of grant

Attachments

1. Chandler Asset Management Portfolio Summary, Statement of Compliance, and Holdings Report

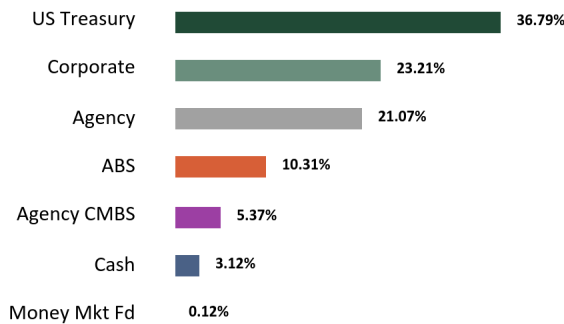
PORTFOLIO SUMMARY

City of Citrus Heights | Account #11026 | As of March 31, 2024

Portfolio Characteristics

| | |
|---------------------------|-------|
| Average Modified Duration | 1.76 |
| Average Coupon | 3.99% |
| Average Purchase YTM | 4.42% |
| Average Market YTM | 4.81% |
| Average Quality | AA |
| Average Final Maturity | 2.12 |
| Average Life | 1.93 |

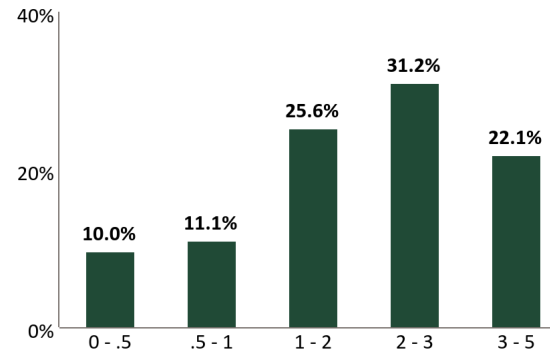
Sector Allocation



Account Summary

| | Beg. Values as of 03/01/2024 | End Values as of 03/31/2024 |
|---------------------------|---------------------------------|--------------------------------|
| Market Value | 10,251,952.31 | 10,290,830.49 |
| Accrued Interest | 86,386.76 | 85,717.81 |
| Total Market Value | 10,338,339.07 | 10,376,548.30 |
| Income Earned | 38,482.00 | 28,428.11 |
| Cont/WD | 0.00 | 0.00 |
| Par | 10,386,590.30 | 10,418,887.09 |
| Book Value | 10,311,478.78 | 10,350,905.26 |
| Cost Value | 10,276,068.79 | 10,318,706.82 |

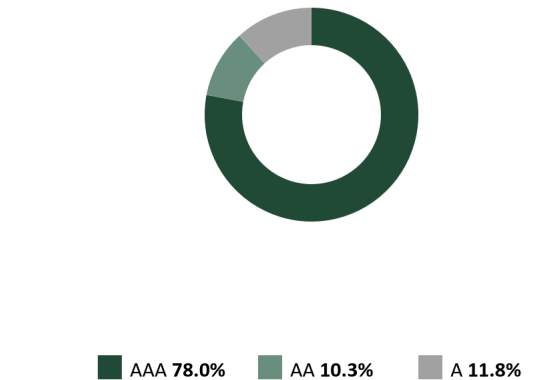
Maturity Distribution



Top Issuers

| | |
|--------------------------------------|--------|
| United States Department of The Trea | 18.77% |
| United States | 18.02% |
| Farm Credit System | 10.87% |
| Federal Home Loan Banks | 10.20% |
| FHLMC | 5.37% |
| Toyota Auto Receivables 2023-B Owner | 1.93% |
| American Express Company | 1.71% |
| JPMorgan Chase & Co. | 1.70% |

Credit Quality



*See Footnote

Performance Review

| Total Rate of Return | 1M | 3M | YTD | 1YR | 2YRS | 3YRS | 5YRS | 10YRS | Since Inception (04/01/23) |
|------------------------|-------|-------|-------|-------|------|------|------|-------|-------------------------------|
| City of Citrus Heights | 0.38% | 0.47% | 0.47% | 4.15% | -- | -- | -- | -- | -- |
| Benchmark Return* | 0.32% | 0.30% | 0.30% | 2.99% | -- | -- | -- | -- | -- |

*Periods over 1 year are annualized.

Benchmark: ICE BofA 1-3 Year US Treasury & Agency Index Secondary Benchmark:

The credit quality is a weighted average calculation of the highest of S&P, Moody's' and Fitch

Execution Time: 04/11/2024 10:51:14 AM

Chandler Asset Management | info@chandlerasset.com | www.chandlerasset.com | 800.317.4747

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City of Citrus Heights

Assets managed by Chandler Asset Management are in full compliance with state law and the Client's investment policy.

| Category | Standard | Comment |
|--|---|----------|
| U.S. Treasuries | No limit; 5 years max maturity | Complies |
| Federal Agencies | 30% max per Agency/GSE issuer; 20% max agency callable securities; 5 years max maturity | Complies |
| Supranational Obligations | "AA" rating category or higher by a NRSRO; 30% max; 10% max per issuer; 5 years max maturity; USD denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by IBRD, IFC, or IADB | Complies |
| Municipal Securities (CA, Other States) | "A" rating category or better by a NRSRO; 30% max; 5% max per issuer; 5 years max maturity | Complies |
| Corporate Medium Term Notes | "A" rating category or better by a NRSRO; 30% max; 5% max per issuer; 5 years max maturity; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S. | Complies |
| Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations | "AA" rating category or better by a NRSRO; 20% max (combined); 5% max per Asset-Backed or Commercial Mortgage security issuer; 5 years max maturity; From issuers not defined in US Treasuries and Federal Agencies sections of the Authorized Investments section of the policy | Complies |
| Negotiable Certificates of Deposit (NCD) | The amount of NCD insured up to the FDIC limit does not require any credit ratings; Any amount above FDIC insured limit must be issued by institutions with "A-1" short-term debt rating or better by a NRSRO; or "A" long-term rating category or better by a NRSRO; 30% max; 5% max per issuer; 5 years max maturity | Complies |
| Non-Negotiable Certificates of Deposit | 20% max; 5 years max maturity | Complies |
| Collateralized Bank Deposits | No Limit; Deposits with financial institutions will be collateralized with pledged securities per California Government Code | Complies |
| Banker's Acceptances | A-1 short-term debt rated or better by a NRSRO; or "A" long-term debt rating category or better by a NRSRO; 40% max; 5% max per issuer; 180 days max maturity | Complies |
| Commercial Paper | 25% max; 5% max per issuer; 270 days maturity; 10% max of the outstanding commercial paper of any single issuer; Issued by an entity that meets all of the following conditions in either (a) or (b): a. (i) organized and operating within the U.S. with assets > \$500 million; (ii) "A-1" rated or better by a NRSRO; (iii) "A" rating or better by a NRSRO, if issuer has debt obligations; b. (i) organized within the U.S. as a special purpose corporation, trust, or limited liability company; (ii) must have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; (iii) rated "A-1" or better by a NRSRO | Complies |
| Money Market Mutual Funds | 20% max combined Money Market Mutual Funds and Mutual Funds; 20% max per MMMF; Meet either of the following criteria: (i) Attained highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing MMMF with AUM >\$500 million | Complies |

City of Citrus Heights

Assets managed by Chandler Asset Management are in full compliance with state law and the Client's investment policy.

| Category | Standard | Comment |
|-------------------------------------|--|----------|
| Mutual Funds | 20% max combined Money Market Mutual Funds and Mutual Funds; 10% max per MF; Meet either of the following criteria: (i) Attained highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience investing in securities authorized by CGC & with AUM >\$500 million | Complies |
| Local Agency Investment Fund (LAIF) | Maximum amount permitted by LAIF; Not used by investment adviser | Complies |
| Local Government Investment Pools | Issued by joint powers authority; Have retained an investment adviser that meets all of the following criteria: 1) registered or exempt from SEC Registration, 2) >5years experience, 3) has AUM >\$500 million; Not used by investment adviser | Complies |
| Repurchase Agreements | 1 year max maturity; 102% Collateralized; Not used by investment adviser | Complies |
| Max Per Issuer | 5% max per issuer unless otherwise specified in the policy | Complies |
| Duration | Approximately equal to the duration (typically +/-20%) of market benchmark selected by the City | Complies |
| Maximum Maturity | 5 years max maturity, except as otherwise stated in the policy | Complies |

HOLDINGS REPORT

City of Citrus Heights | Account #11026 | As of March 31, 2024

| Cusip | Security Description | Par Value/ Units | Purchase Date Purchase Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody's/ S&P Fitch | Maturity Duration |
|------------------|--|---------------------|---------------------------------|--|-------------------------------|--|----------------------------------|------------------------------|----------------------------|
| ABS | | | | | | | | | |
| 448979AD6 | HART 2023-A A3 4.58 04/15/2027 | 50,000.00 | 04/04/2023 5.14% | 49,995.12 49,996.37 | 99.10 5.65% | 49,548.92 101.78 | 0.48% (447.45) | NA/AAA AAA | 3.04 1.73 |
| 47800CAC0 | JDOT 2023 A3 5.01 11/15/2027 | 100,000.00 | 04/17/2023 4.63% | 101,019.53 100,749.38 | 99.71 5.59% | 99,707.07 222.67 | 0.97% (1,042.31) | Aaa/NA AAA | 3.63 1.78 |
| 891941AD8 | TAOT 2023-B A3 4.71 02/15/2028 | 200,000.00 | 10/03/2023 5.68% | 196,039.06 196,495.34 | 99.26 5.57% | 198,523.70 418.67 | 1.93% 2,028.36 | Aaa/NA AAA | 3.88 2.27 |
| 362583AD8 | GMCAR 2023-2 A3 4.47 02/16/2028 | 35,000.00 | 04/04/2023 4.51% | 34,999.04 34,999.24 | 98.91 5.50% | 34,619.24 65.19 | 0.34% (380.00) | Aaa/AAA NA | 3.88 2.28 |
| 05522RDF2 | BACCT 2022-2 A 5.0 04/17/2028 | 100,000.00 | 04/18/2023 4.59% | 101,093.75 100,768.97 | 99.74 5.44% | 99,738.19 222.22 | 0.97% (1,030.78) | Aaa/AAA NA | 4.05 1.52 |
| 47787CAC7 | JDOT 2023-C A3 5.48 05/15/2028 | 100,000.00 | 09/12/2023 5.40% | 99,993.13 99,993.92 | 100.71 5.54% | 100,714.76 243.56 | 0.98% 720.84 | Aaa/NA AAA | 4.12 2.29 |
| 438123AC5 | HAROT 2023-4 A3 5.67 06/21/2028 | 150,000.00 | 12/07/2023 5.10% | 152,244.13 152,065.19 | 101.21 5.44% | 151,815.20 236.25 | 1.48% (250.00) | Aaa/NA AAA | 4.22 2.50 |
| 161571HT4 | CHAIT 2023-1 A 5.16 09/15/2028 | 110,000.00 | 09/07/2023 5.17% | 109,969.51 109,972.83 | 100.51 5.33% | 110,560.66 252.27 | 1.07% 587.83 | NR/AAA AAA | 4.46 2.26 |
| 02582JKD1 | AMXCA 2023-3 A 5.23 09/15/2028 | 175,000.00 | 09/12/2023 5.29% | 174,992.18 174,993.02 | 100.69 5.34% | 176,201.13 406.78 | 1.71% 1,208.11 | NA/AAA AAA | 4.46 2.25 |
| 448973AD9 | HART 2024-A A3 4.99 02/15/2029 | 40,000.00 | 03/11/2024 5.05% | 39,991.18 39,991.24 | 99.99 5.38% | 39,997.54 60.99 | 0.39% 6.30 | NA/AAA AAA | 4.88 2.23 |
| Total ABS | | 1,060,000.00 | 5.16% | 1,060,336.63 1,060,025.49 | 100.14 5.47% | 1,061,426.41 2,230.36 | 10.31% 1,400.91 | Aaa/AAA AAA | 4.10 2.16 |
| AGENCY | | | | | | | | | |
| 3130AV7L0 | FEDERAL HOME LOAN BANKS 5.0 02/28/2025 | 250,000.00 | 03/23/2023 4.16% | 253,867.50 251,821.61 | 99.86 5.16% | 249,642.61 1,145.83 | 2.43% (2,179.00) | Aaa/AA+ AA+ | 0.91 0.88 |
| 3130AWER7 | FEDERAL HOME LOAN BANKS 4.625 06/06/2025 | 200,000.00 | 06/09/2023 4.67% | 199,834.00 199,901.32 | 99.62 4.95% | 199,243.04 2,954.86 | 1.94% (658.28) | Aaa/AA+ AA+ | 1.18 1.12 |
| 3133EPW68 | FEDERAL FARM CREDIT BANKS FUNDING CORP 4.125 01/22/2026 | 200,000.00 | 01/24/2024 4.40% | 198,980.00 199,073.87 | 98.97 4.73% | 197,931.82 1,581.25 | 1.92% (1,142.06) | Aaa/AA+ AA+ | 1.81 1.71 |
| 3133EPCR4 | FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 03/09/2026 | 375,000.00 | -- 3.99% | 382,886.25 380,156.25 | 100.06 4.72% | 375,206.66 1,088.54 | 3.65% (4,949.59) | Aaa/AA+ AA+ | 1.94 1.83 |
| 3133EPHH1 | FEDERAL FARM CREDIT BANKS FUNDING CORP 4.0 04/28/2026 | 200,000.00 | 05/15/2023 3.85% | 200,814.00 200,571.61 | 98.66 4.68% | 197,317.94 3,400.00 | 1.92% (3,253.67) | Aaa/AA+ AA+ | 2.08 1.94 |

HOLDINGS REPORT

City of Citrus Heights | Account #11026 | As of March 31, 2024

| Cusip | Security Description | Par Value/ Units | Purchase Date Purchase Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody's/ S&P Fitch | Maturity Duration |
|---------------------|--|---------------------|---------------------------------|--|------------------------------|---|-------------------------------------|------------------------------|----------------------------|
| 3133EPNG6 | FEDERAL FARM CREDIT BANKS FUNDING CORP 4.375 06/23/2026 | 250,000.00 | 06/22/2023 4.43% | 249,630.00 249,725.54 | 99.45 4.64% | 248,619.78 2,977.43 | 2.42% (1,105.76) | Aaa/AA+ AA+ | 2.23 2.08 |
| 3130AXU63 | FEDERAL HOME LOAN BANKS 4.625 11/17/2026 | 200,000.00 | 12/18/2023 4.23% | 202,130.00 201,921.80 | 100.26 4.52% | 200,514.33 3,443.06 | 1.95% (1,407.47) | Aaa/AA+ AA+ | 2.63 2.42 |
| 3130AXQL5 | FEDERAL HOME LOAN BANKS 4.875 12/11/2026 | 200,000.00 | 02/05/2024 4.29% | 203,068.00 202,905.59 | 100.64 4.62% | 201,272.07 4,008.33 | 1.96% (1,633.52) | Aaa/AA+ AA+ | 2.70 2.46 |
| 3133EP6K6 | FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/26/2027 | 100,000.00 | 03/25/2024 4.45% | 100,145.00 100,144.21 | 100.00 4.50% | 100,000.00 62.50 | 0.97% (144.21) | Aaa/AA+ AA+ | 2.99 2.77 |
| 3130ATUS4 | FEDERAL HOME LOAN BANKS 4.25 12/10/2027 | 200,000.00 | 05/15/2023 3.66% | 204,924.00 203,976.96 | 99.46 4.41% | 198,924.20 2,620.83 | 1.93% (5,052.76) | Aaa/AA+ AA+ | 3.70 3.35 |
| Total Agency | | 2,175,000.00 | 4.19% | 2,196,278.75 2,190,198.76 | 99.71 4.71% | 2,168,672.45 23,282.64 | 21.07% (21,526.31) | Aaa/AA+ AA+ | 2.13 1.98 |

| AGENCY CMBS | | | | | | | | | |
|--------------------------|--------------------------------|-------------------|---------------------|--|------------------------------|--------------------------------------|-----------------------------------|------------------------------|----------------------------|
| 3137BVZ82 | FHMS K-063 A2 3.43 01/25/2027 | 150,000.00 | 06/07/2023 4.53% | 144,544.92 145,779.56 | 96.65 5.08% | 144,977.54 428.75 | 1.41% (802.02) | Aaa/AA+ AAA | 2.82 2.50 |
| 3137FBBX3 | FHMS K-068 A2 3.244 08/25/2027 | 100,000.00 | 06/08/2023 4.34% | 95,808.59 96,621.89 | 95.60 5.02% | 95,596.10 270.33 | 0.93% (1,025.79) | Aaa/AA+ AA+ | 3.40 3.08 |
| 3137FBU79 | FHMS K-069 A2 3.187 09/25/2027 | 150,000.00 | 06/09/2023 4.41% | 142,980.47 144,311.45 | 95.40 5.02% | 143,095.44 398.38 | 1.39% (1,216.01) | Aaa/AAA AA+ | 3.49 3.11 |
| 3137FETN0 | FHMS K-073 A2 3.35 01/25/2028 | 75,000.00 | 05/24/2023 4.27% | 72,082.03 72,616.21 | 95.63 5.03% | 71,720.45 209.38 | 0.70% (895.76) | Aaa/AA+ AAA | 3.82 3.42 |
| 3137FG6X8 | FHMS K-077 A2 3.85 05/25/2028 | 100,000.00 | 05/24/2023 4.24% | 98,164.06 98,477.54 | 97.01 5.05% | 97,007.43 320.83 | 0.94% (1,470.11) | Aaa/AA+ AAA | 4.15 3.67 |
| Total Agency CMBS | | 575,000.00 | 4.38% | 553,580.07 557,806.64 | 96.07 5.04% | 552,396.96 1,627.67 | 5.37% (5,409.68) | Aaa/AA+ AAA | 3.46 3.08 |

| CASH | | | | | | | | | |
|-------------------|------------|-------------------|--------------|--|-----------------------------|----------------------------------|-----------------------------|------------------------------|----------------------------|
| CCYUSD | Payable | (90,000.00) | -- 0.00% | (90,000.00) (90,000.00) | 1.00 0.00% | (90,000.00) 0.00 | (0.87%) 0.00 | Aaa/AAA AAA | 0.00 0.00 |
| CCYUSD | Receivable | 411,193.33 | -- 0.00% | 411,193.33 411,193.33 | 1.00 0.00% | 411,193.33 0.00 | 4.00% 0.00 | Aaa/AAA AAA | 0.00 0.00 |
| Total Cash | | 321,193.33 | 0.00% | 321,193.33 321,193.33 | 1.00 0.00% | 321,193.33 0.00 | 3.12% 0.00 | Aaa/AAA AAA | 0.00 0.00 |

CORPORATE

HOLDINGS REPORT

City of Citrus Heights | Account #11026 | As of March 31, 2024

| Cusip | Security Description | Par Value/ Units | Purchase Date Purchase Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody's/ S&P Fitch | Maturity Duration |
|-----------|--|---------------------|---------------------------------|--------------------------|----------------------|------------------------------|-------------------------|--------------------------|----------------------|
| 61761JVL0 | MORGAN STANLEY 3.7 10/23/2024 | 150,000.00 | 06/28/2023 5.57% | 146,488.50 148,503.41 | 99.03 5.47% | 148,546.44 2,435.83 | 1.44% 43.03 | A1/A- A+ | 0.56 0.54 |
| 89236TKF1 | TOYOTA MOTOR CREDIT CORP 3.65 08/18/2025 | 125,000.00 | 06/12/2023 4.94% | 121,710.00 122,916.88 | 98.12 5.08% | 122,644.51 544.97 | 1.19% (272.37) | A1/A+ A+ | 1.38 1.33 |
| 46647PDM5 | JPMORGAN CHASE & CO 5.546 12/15/2025 | 100,000.00 | 06/12/2023 5.65% | 99,855.00 99,931.98 | 99.94 5.63% | 99,936.09 1,632.99 | 0.97% 4.11 | A1/A- AA- | 1.71 0.68 |
| 24422EWP0 | JOHN DEERE CAPITAL CORP 4.8 01/09/2026 | 35,000.00 | 03/17/2023 4.45% | 35,322.35 35,203.79 | 99.71 4.97% | 34,898.14 382.67 | 0.34% (305.66) | A1/A A+ | 1.78 1.67 |
| 78016FZT4 | ROYAL BANK OF CANADA 4.875 01/12/2026 | 150,000.00 | 06/28/2023 5.25% | 148,672.50 149,067.74 | 99.65 5.08% | 149,467.89 1,604.69 | 1.45% 400.15 | A1/A AA- | 1.79 1.67 |
| 756109BQ6 | REALTY INCOME CORP 5.05 01/13/2026 | 100,000.00 | 06/12/2023 5.49% | 98,941.00 99,268.57 | 99.65 5.26% | 99,647.08 1,094.17 | 0.97% 378.51 | A3/A- NA | 1.79 1.67 |
| 037833BY5 | APPLE INC 3.25 02/23/2026 | 125,000.00 | 03/23/2023 4.10% | 122,103.75 123,113.63 | 97.20 4.81% | 121,499.24 428.82 | 1.18% (1,614.38) | Aaa/AA+ NA | 1.90 1.81 |
| 00440EAV9 | CHUBB INA HOLDINGS INC 3.35 05/03/2026 | 125,000.00 | 10/19/2023 5.85% | 117,758.75 119,021.85 | 96.60 5.09% | 120,747.82 1,721.53 | 1.17% 1,725.97 | A3/A A | 2.09 1.96 |
| 14913UAA8 | CATERPILLAR FINANCIAL SERVICES CORP 4.35 05/15/2026 | 100,000.00 | 06/12/2023 4.71% | 99,031.00 99,296.43 | 98.91 4.89% | 98,909.68 1,643.33 | 0.96% (386.75) | A2/A A+ | 2.12 1.97 |
| 341081GR2 | FLORIDA POWER & LIGHT CO 4.45 05/15/2026 | 125,000.00 | 05/18/2023 4.65% | 124,325.00 124,520.25 | 99.04 4.93% | 123,795.51 2,101.39 | 1.20% (724.74) | A1/A A+ | 2.12 1.97 |
| 24422EWX3 | JOHN DEERE CAPITAL CORP 4.75 06/08/2026 | 100,000.00 | 06/05/2023 4.72% | 100,094.00 100,068.44 | 99.68 4.90% | 99,682.85 1,490.97 | 0.97% (385.59) | A1/A A+ | 2.19 2.03 |
| 69371RS56 | PACCAR FINANCIAL CORP 5.05 08/10/2026 | 75,000.00 | 08/03/2023 5.07% | 74,962.50 74,970.54 | 100.36 4.89% | 75,267.27 536.56 | 0.73% 296.73 | A1/A+ NA | 2.36 2.19 |
| 74340XBK6 | PROLOGIS LP 3.25 10/01/2026 | 125,000.00 | 01/16/2024 4.53% | 120,963.74 121,266.36 | 95.66 5.12% | 119,575.20 2,031.25 | 1.16% (1,691.16) | A3/A WR | 2.50 2.32 |
| 26442CAS3 | DUKE ENERGY CAROLINAS LLC 2.95 12/01/2026 | 100,000.00 | 04/10/2023 4.43% | 95,073.00 96,389.09 | 95.32 4.84% | 95,319.95 983.33 | 0.93% (1,069.14) | Aa3/A WR | 2.67 2.50 |
| 06051GLE7 | BANK OF AMERICA CORP 5.08 01/20/2027 | 100,000.00 | -- 5.60% | 98,714.80 99,134.13 | 99.50 5.37% | 99,496.45 1,001.89 | 0.97% 362.31 | A1/A- AA- | 2.81 1.69 |
| 17275RBQ4 | CISCO SYSTEMS INC 4.8 02/26/2027 | 55,000.00 | 02/21/2024 4.85% | 54,928.50 54,930.78 | 100.16 4.74% | 55,088.47 256.67 | 0.54% 157.69 | A1/AA- NA | 2.91 2.67 |
| 857477CL5 | STATE STREET CORP 4.993 03/18/2027 | 120,000.00 | 03/13/2024 4.99% | 120,000.00 120,000.00 | 100.19 4.92% | 120,232.45 216.36 | 1.17% 232.45 | NA/A AA- | 2.96 2.72 |
| 89115A2W1 | TORONTO-DOMINION BANK 4.98 04/05/2027 | 90,000.00 | 03/26/2024 4.98% | 90,000.00 90,000.00 | 99.85 5.03% | 89,866.29 0.00 | 0.87% (133.71) | A1/A AA- | 3.01 2.75 |

HOLDINGS REPORT

City of Citrus Heights | Account #11026 | As of March 31, 2024

| Cusip | Security Description | Par Value/ Units | Purchase Date Purchase Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody's/ S&P Fitch | Maturity Duration |
|--------------------------------|--|---------------------|---------------------------------|--|------------------------------|---|------------------------------------|--|----------------------------|
| 06406RBQ9 | BANK OF NEW YORK MELLON CORP 4.947 04/26/2027 | 110,000.00 | -- 5.13% | 109,476.40 109,619.92 | 99.54 5.18% | 109,497.87 2,342.95 | 1.06% (122.04) | A1/A AA- | 3.07 1.91 |
| 74456QBS4 | PUBLIC SERVICE ELECTRIC AND GAS CO 3.0 05/15/2027 | 75,000.00 | 04/18/2023 4.48% | 70,921.50 71,873.88 | 94.53 4.91% | 70,895.59 850.00 | 0.69% (978.29) | A1/A WR | 3.12 2.90 |
| 91324PEG3 | UNITEDHEALTH GROUP INC 3.7 05/15/2027 | 100,000.00 | 03/23/2023 4.28% | 97,802.00 98,342.04 | 96.96 4.76% | 96,960.55 1,397.78 | 0.94% (1,381.49) | A2/A+ A | 3.12 2.87 |
| 22160KAM7 | COSTCO WHOLESALE CORP 3.0 05/18/2027 | 40,000.00 | 03/17/2023 4.28% | 38,067.20 38,546.90 | 95.66 4.50% | 38,265.93 443.33 | 0.37% (280.97) | Aa3/A+ WR | 3.13 2.91 |
| 06368LAQ9 | BANK OF MONTREAL 4.7 09/14/2027 | 125,000.00 | 11/14/2023 5.56% | 121,346.25 121,704.31 | 99.15 4.97% | 123,940.01 277.43 | 1.20% 2,235.70 | A2/A- AA- | 3.46 3.15 |
| 46647PEAO | JPMORGAN CHASE & CO 5.04 01/23/2028 | 75,000.00 | 01/17/2024 4.99% | 75,109.50 75,102.61 | 99.66 5.17% | 74,741.38 714.00 | 0.73% (361.22) | A1/A- AA- | 3.82 2.57 |
| Total Corporate | | 2,425,000.00 | 5.00% | 2,381,667.24 2,392,793.54 | 98.54 5.05% | 2,388,922.69 26,132.91 | 23.21% (3,870.86) | A1/A A+ | 2.34 2.03 |
| MONEY MARKET FUND | | | | | | | | | |
| 31846V203 | FIRST AMER:GVT OBLG Y | 12,693.76 | -- 4.91% | 12,693.76 12,693.76 | 1.00 4.91% | 12,693.76 0.00 | 0.12% 0.00 | Aaa/ AAAm AAA | 0.00 0.00 |
| Total Money Market Fund | | 12,693.76 | 4.91% | 12,693.76 12,693.76 | 1.00 4.91% | 12,693.76 0.00 | 0.12% 0.00 | Aaa/ AAAm AAA | 0.00 0.00 |
| US TREASURY | | | | | | | | | |
| 91282CEX5 | UNITED STATES TREASURY 3.0 06/30/2024 | 250,000.00 | 06/12/2023 5.22% | 244,404.30 248,685.08 | 99.42 5.33% | 248,537.60 1,895.60 | 2.42% (147.49) | Aaa/AA+ AA+ | 0.25 0.25 |
| 91282CFA4 | UNITED STATES TREASURY 3.0 07/31/2024 | 250,000.00 | 06/12/2023 5.16% | 244,130.86 248,284.62 | 99.22 5.34% | 248,051.76 1,256.87 | 2.41% (232.87) | Aaa/AA+ AA+ | 0.33 0.33 |
| 91282CFG1 | UNITED STATES TREASURY 3.25 08/31/2024 | 200,000.00 | 06/28/2023 5.27% | 195,453.13 198,388.99 | 99.16 5.31% | 198,312.50 565.22 | 1.93% (76.49) | Aaa/AA+ AA+ | 0.42 0.41 |
| 91282CFN6 | UNITED STATES TREASURY 4.25 09/30/2024 | 250,000.00 | 04/12/2023 4.33% | 249,707.03 249,900.52 | 99.50 5.28% | 248,747.56 29.03 | 2.42% (1,152.96) | Aaa/AA+ AA+ | 0.50 0.48 |
| 91282CGD7 | UNITED STATES TREASURY 4.25 12/31/2024 | 250,000.00 | 05/18/2023 4.48% | 249,111.33 249,588.69 | 99.31 5.19% | 248,273.92 2,685.44 | 2.41% (1,314.76) | Aaa/AA+ AA+ | 0.75 0.73 |

HOLDINGS REPORT

City of Citrus Heights | Account #11026 | As of March 31, 2024

| Cusip | Security Description | Par Value/ Units | Purchase Date Purchase Yield | Cost Value Book Value | Mkt Price Mkt YTM | Market Value Accrued Int. | % of Port. Gain/Loss | Moody's/ S&P Fitch | Maturity Duration |
|-------------------------------------|--|----------------------|---------------------------------|--|------------------------------|--|--------------------------------------|------------------------------|----------------------------|
| 91282CGN5 | UNITED STATES TREASURY 4.625 02/28/2025 | 250,000.00 | 04/12/2023 4.07% | 252,460.94 251,192.86 | 99.59 5.08% | 248,984.38 1,005.43 | 2.42% (2,208.48) | Aaa/AA+ AA+ | 0.91 0.89 |
| 91282CGX3 | UNITED STATES TREASURY 3.875 04/30/2025 | 250,000.00 | 06/08/2023 4.55% | 246,962.89 248,268.28 | 98.81 5.01% | 247,031.25 4,071.94 | 2.40% (1,237.03) | Aaa/AA+ AA+ | 1.08 1.03 |
| 91282CEU1 | UNITED STATES TREASURY 2.875 06/15/2025 | 250,000.00 | 05/18/2023 4.19% | 243,544.92 246,252.99 | 97.58 4.96% | 243,945.31 2,120.90 | 2.37% (2,307.68) | Aaa/AA+ AA+ | 1.21 1.16 |
| 91282CFK2 | UNITED STATES TREASURY 3.5 09/15/2025 | 250,000.00 | 06/08/2023 4.35% | 245,439.45 247,073.33 | 98.13 4.84% | 245,332.03 404.21 | 2.38% (1,741.30) | Aaa/AA+ AA+ | 1.46 1.40 |
| 91282CFW6 | UNITED STATES TREASURY 4.5 11/15/2025 | 250,000.00 | 05/18/2023 4.05% | 252,646.48 251,722.68 | 99.55 4.79% | 248,876.95 4,265.11 | 2.42% (2,845.73) | Aaa/AA+ AA+ | 1.63 1.53 |
| 91282CGL9 | UNITED STATES TREASURY 4.0 02/15/2026 | 250,000.00 | 06/08/2023 4.22% | 248,613.28 249,032.69 | 98.76 4.70% | 246,894.53 1,263.74 | 2.40% (2,138.16) | Aaa/AA+ AA+ | 1.88 1.78 |
| 91282CGV7 | UNITED STATES TREASURY 3.75 04/15/2026 | 250,000.00 | 04/12/2023 3.75% | 250,029.30 250,019.67 | 98.27 4.65% | 245,683.60 4,328.89 | 2.39% (4,336.08) | Aaa/AA+ AA+ | 2.04 1.91 |
| 91282CHB0 | UNITED STATES TREASURY 3.625 05/15/2026 | 250,000.00 | 06/08/2023 4.15% | 246,435.55 247,424.01 | 98.02 4.61% | 245,039.06 3,435.78 | 2.38% (2,384.95) | Aaa/AA+ AA+ | 2.12 1.99 |
| 91282CJC6 | UNITED STATES TREASURY 4.625 10/15/2026 | 150,000.00 | 10/19/2023 5.05% | 148,265.63 148,526.34 | 100.29 4.50% | 150,427.73 3,203.38 | 1.46% 1,901.39 | Aaa/AA+ AA+ | 2.54 2.33 |
| 912828U24 | UNITED STATES TREASURY 2.0 11/15/2026 | 250,000.00 | 05/18/2023 3.83% | 235,195.31 238,884.88 | 93.88 4.50% | 234,687.50 1,895.60 | 2.28% (4,197.38) | Aaa/AA+ AA+ | 2.63 2.50 |
| 91282CEF4 | UNITED STATES TREASURY 2.5 03/31/2027 | 250,000.00 | 03/24/2023 3.52% | 240,556.64 242,948.10 | 94.68 4.41% | 236,699.22 17.08 | 2.30% (6,248.88) | Aaa/AA+ AA+ | 3.00 2.81 |
| Total US Treasury | | 3,850,000.00 | 4.36% | 3,792,957.04 3,816,193.73 | 98.35 4.92% | 3,785,524.90 32,444.24 | 36.79% (30,668.83) | Aaa/AA+ AA+ | 1.40 1.32 |
| Total Portfolio | | 10,418,887.09 | 4.42% | 10,318,706.82 10,350,905.26 | 95.59 4.81% | 10,290,830.49 85,717.81 | 100.00% (60,074.77) | Aa2/AA- AA | 2.12 1.76 |
| Total Market Value + Accrued | | | | | | 10,376,548.30 | | | |



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT

MEMORANDUM

DATE: May 23, 2024

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Alexander A. Turcotte, Chief of Police
Michael Wells, Lieutenant, Citrus Heights Police Department
Nicole Garing, Lieutenant, Citrus Heights Police Department

SUBJECT: **AB 481- Annual Renewal of Military Equipment Policy for the Police Department and Review of Annual Report**

Summary and Recommendation

Assembly Bill 481 (AB 481) requires a law enforcement agency (LEA) to obtain approval from the applicable governing body, via adoption of a “military equipment” use policy by ordinance prior to the LEA funding, acquiring, or using military equipment. City Council adopted the Citrus Heights Police Department (CHPD) Military Equipment Use Policy on May 12, 2022, via Ordinance 2022-005.

AB 481 requires CHPD to submit to City Council an annual military equipment report (Annual Report) within one year of approval, and annually thereafter for as long as the military equipment is available for use. AB 481 also requires CHPD to release the Annual Report to the public and hold a community engagement session for members of the public to ask questions regarding the Annual Report and CHPD’s funding, acquisition, or use of military equipment. AB 481 requires the City Council to annually renew the Military Equipment Use Policy if it finds that the use of the equipment item complied with the standards of approval as set forth in Ordinance 2022-005.

CHPD provided the Annual Report, attached hereto as Attachment 1, to City Council on May 7, 2024, and released it to the public on April 30, 2024. CHPD held a community engagement session on Tuesday, May 14, 2024.

Staff recommends the City Council adopt Resolution No. 2024-____, renewing the Police Department’s Military Equipment Use Policy.

Fiscal Impact

Subject: AB 481 Military Equipment Policy and Annual Report Renewal

Date: May 23, 2024

Page 2 of 2

There are no new fiscal impacts associated with this resolution.

Background and Analysis

The term “military equipment”, as used in AB 481, in fact does not necessarily indicate equipment that has been used by the military. Pursuant to AB 481, items deemed to be “military equipment” include, but are not limited to, unmanned aerial or ground vehicles, armored vehicles, command and control vehicles, pepper balls, less lethal shotguns, less lethal 40mm projectile launchers and flashbangs.

CHPD is committed to using the most up to date tools and equipment to safeguard the citizens of Citrus Heights. Many items deemed to be “military equipment” by AB 481 are in fact employed by CHPD, and LEA’s across the country, in order to specifically reduce risk to community members. These items provide peace officers with the ability to safely resolve volatile situations which otherwise might rise to the level of a lethal force encounter.

CHPD compiled an Annual Report, Attachment 1, consisting of the following items:

- (1) A summary of how the military equipment was used and the purpose of its use.
- (2) A summary of any complaints or concerns received concerning the military equipment.
- (3) The results of any internal audits, any information about violations of the military equipment use policy, and any actions taken in response.
- (4) The total annual cost for each type of military equipment, including acquisition, personnel, training, transportation, maintenance, storage, upgrade, and other ongoing costs, and from what source funds will be provided for the military equipment in the calendar year following submission of the annual military equipment report.
- (5) The quantity possessed for each type of military equipment.
- (6) If the law enforcement agency intends to acquire additional military equipment in the next year, the quantity sought for each type of military equipment.

The police department has successfully maintained its military equipment in accordance with AB 481, Government Code section 7072(a), and Citrus Heights Police Lexipol Policy 708.

Attachments

1. Citrus Heights Police Annual Report
2. Resolution Renewing Ordinance No. 2022-005 and the Military Equipment Use Policy
3. Citrus Heights Police Lexipol Policy #708

Citrus Heights Police Department

AB 481 – 2023 Annual Report

AB 481 Annual Report

AB 481 requires law enforcement agencies to obtain the approval of its governing body to enact a military equipment use policy before purchasing, raising funds for, or acquiring military equipment. The initial policy must be passed via ordinance and renewed by a vote of the Council each year. AB 481 provides an expansive definition of "military equipment" that includes many items which law enforcement agencies use, deploy, and obtain on a regular basis. The law enforcement agency is required to return annually to provide an Annual Report to the governing body and the public at large. The agency is also required to host a community engagement session for members of the public to attend.

On May 12, 2022, the City Council for the City of Citrus Heights adopted Ordinance 2022-005, adopting a Military Equipment Use Policy, governing law enforcement's use of items that are deemed "military equipment" under AB 481. Since then, the Citrus Heights Police Department (CHPD) has successfully maintained military equipment in accordance with the policy. This Annual Report provides the summary required by Government Code section § 7072(a). The CHPD will host a community engagement session on Tuesday, May 14, 2024, at 6:00 PM.

The following summarizes the CHPD's Annual Report:

1.) Unmanned Aircraft System (UAS): an unmanned aircraft along with associated equipment necessary to control it remotely.

a.) Description, quantity, purchase cost, capabilities, and any plans to purchase more:

- i.) DJI MAVIC MINIS, estimated cost of \$500 each, quantity not to exceed 4, ability to record video/audio and provide live video stream to operators. Currently own 3, with no current intention to acquire additional.
- ii.) DJI INSPIRE 1 with FLIR camera system, estimated cost of \$1,200 each, quantity not to exceed 2, ability to record video/audio, and provide live video stream to operators with nighttime capabilities. Currently own 1, with no current intention to acquire additional.
- iii.) DJI MAVIC ENTERPRISE DUALS, estimated cost of \$5,500, quantity not to exceed 4, ability to record video/audio and provide live video stream to operators. Currently own 2, with no current intention to acquire additional.
- iv.) AUTO EVO II, estimated cost of \$1,200, quantity not to exceed 2, ability to record video/audio and provide live video stream to operators. Currently own 2, with no intent to acquire additional.

b.) Purpose

To be deployed when its view would assist officers or incident commanders with the following situations, which include but are not limited to:

- i.) Major collision investigations;
- ii.) Searching for missing persons;
- iii.) Natural disaster management;
- iv.) Crime scene photography;
- v.) SWAT, tactical or other public safety and life preservation missions; and

Citrus Heights Police Department

AB 481 – 2023 Annual Report

vi.) Responding to specific requests from local, state, or federal fire authorities for fire response and/or prevention.

c.) How the military equipment was used / complaints received:

The department's UAS equipment was utilized for fatal traffic collision photography, crime scene photography, and visual assistance during SWAT and patrol tactical operations to assist with officer safety and the location of potentially dangerous subjects.

The department did not receive any complaints or concerns related to the use of the UAS in 2023.

d.) Authorized Use

Only assigned operators who have completed the required training shall be permitted to operate the UAS during approved missions.

e.) Expected Life Span

All UAS equipment, approximately 3-5 years.

f.) Fiscal Impact

Annual maintenance and battery replacement cost is approximately \$10,000. No annual acquisition, personnel, training, transportation, or storage costs.

g.) Training

All Department UAS operators are licensed by the Federal Aviation Administration for UAS operation.

h.) Legal and Procedural Rules

It is the policy of the CHPD to utilize UAS only for official law enforcement purposes and in a manner that respects the privacy of our community, pursuant to State and Federal law, including all FAA requirements and regulations.

i.) Concerns and Complaints Received

None

j.) Future Acquisition Plans and Source of Funding

None

k.) Internal Audit Results and Response

No violations

2.) Armored Vehicles: Commercially produced wheeled armored personnel vehicles utilized for law enforcement purposes.

a.) Description, quantity, purchase cost, capabilities, and any plans to purchase more:

2008 NAVISTAR DEFENSE MAXPRO MRAP, initial cost \$0 (estimated replacement cost \$800,000), quantity not to exceed 2, armored vehicle which can seat numerous personnel, provides ballistic protection, and allows for rescue of downed officer and/or citizens. Currently own 1, with no intent to acquire any additional at this time.

b.) Purpose

To be used in response to critical incidents to enhance officer and community safety, improve scene containment and stabilization, and assist in resolving critical incidents. It can stop various projectiles, which provides greater safety to citizens and officers beyond the protection level of shield and personal body armor. The vehicle also serves

Citrus Heights Police Department

AB 481 – 2023 Annual Report

as an emergency extraction vehicle to transport injured officers, and or community members that may be involved in a critical incident.

c.) How the military equipment was used / complaints received:

The department's Navistar MRAP was used for community engagement events, department training exercises, and SWAT tactical operations to provide ballistic protection and assist with officer safety.

The department did not receive any complaints or concerns related to the use of the Navistar MRAP in 2023.

d.) Authorized Use

The use of armored vehicles shall only be authorized by a watch commander or SWAT commander based on the specific circumstances of a given critical incident. Armored vehicles shall be used only by officers trained in their deployment and in a manner consistent with Department policy and training.

e.) Lifespan

Approximately 15 years.

f.) Fiscal Impact

Annual maintenance cost of approximately \$5,000. No annual acquisition, personnel, training, transportation, or storage costs.

g.) Training

All drivers/operators shall be required to obtain a valid California Class B license.

h.) Legal and Procedural Rules

It is the policy of the Department to utilize armored vehicles only for official law enforcement purposes and pursuant to State and Federal law.

i.) Concerns and Complaints Received

None

j.) Future Acquisition Plans and Source of Funding

None

k.) Internal Audit Results and Response

No violations

3.) Command Post (CP): A mobile office that provides shelter and access to Department computer systems and other equipment.

a.) Description, quantity, purchase cost, capabilities, and any plans to purchase more:

2008 GMC C5500, estimated cost of \$300,000, quantity not to exceed 1, can be used to conduct meetings and store large amounts of equipment for SWAT/CNT, critical incidents, natural disasters, and community events. Currently own 1, with no intent to acquire additional at this time.

b.) Purpose

To be used in specific circumstances when a mobile, large, and weather-protective facility is needed.

c.) How the military equipment was used / complaints received:

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The department's command post was used for critical incidents, community engagement events, and department training.

The department did not receive any complaints or concerns related to the use of the command post in 2023.

d.) Authorized Use

Only those trained in the deployment and operations in a manner consistent with Department policy and training are authorized to operate the CP.

e.) Lifespan

The CP lifespan on the chassis and vehicle structure is approximately 20 years. Upgrades to maintain IT systems are needed approximately every 5 years.

f.) Fiscal Impact

The annual maintenance cost is approximately \$2,000. No annual maintenance, acquisition, personnel, training, transportation or storage costs.

g.) Training

The driver/operator shall receive training in the safe handling of the vehicle on a closed training course. Once the operator has shown competence in vehicle handling, the driver/operator will drive the vehicle within the city with an experienced driver.

h.) Legal and Procedural Rules

It is the policy of the Department to use the CP only for official law enforcement purposes and in accordance with California State law regarding the operation of motor vehicles.

i.) Concerns and Complaints Received

None

j.) Future Acquisition Plans and Source of Funding

None

k.) Internal Audit Results and Response

No violations

4.) 40 MM Launchers and Rounds: 40MM Launchers are utilized by department personnel as a less lethal tool to launch impact and chemical rounds.

a.) Description, quantity, purchase cost, capabilities, and any plans to purchase more:

i.) DEFENSIVE TECHNOLOGY 40MM SINGLE SHOT LAUNCHER, estimated cost of \$1,000 each, quantity not to exceed 8, tactical single shot launcher that will fire various less lethal ammunition. Currently own 5, with no intention to exceed 8, no current intent to purchase more.

ii.) DEFENSE TECHNOLOGY FERRETT 40MM CS LIQUID, estimated cost of \$23 each, quantity not to exceed 200, a less lethal 40MM round used to deliver a small liquid chemical payload inside a structure or vehicle. Primarily used to dislodge barricaded subjects from confined areas and cause temporary discomfort in an effort to gain compliance from potentially violent or dangerous subjects. Currently own 23, with no intention to exceed 200, no current intent to purchase more.

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- iii.) 40-MILLIMETER CTS MUZZLE BLAST RIOT CS POWDER, estimated cost of \$30 each, quantity not to exceed 100, a less lethal 40MM round used to deliver a small powder chemical payload inside a structure or vehicle. Primarily used to dislodge barricaded subjects from confined areas and cause temporary discomfort in an effort to gain compliance from potentially violent or dangerous subjects. Currently own 32, with no intention to exceed 100, no current intent to purchase more.
- iv.) WOOD BATON 40MM, estimated cost of \$30 each, quantity not to exceed 50, a less lethal 40MM projectile which is accurate and effective for gaining pain compliance when deployed from approved distances. Currently own 0 and intend on purchasing an undetermined amount not to exceed 50.
- v.) MUZZLE BLAST 40MM OC, estimated cost of \$28 each, quantity not to exceed 100, the 40MM OC round is widely used as a crowd control management tool but can also be used for barricaded subjects during tactical operations. Currently own 19, with no intention to exceed 100, no current intent to purchase more.
- vi.) DEFENSE TECHNOLOGY RUBBER FOAM 40MM PROJECTILE, estimated cost of \$30 each, quantity not to exceed 50, a less lethal 40MM lightweight plastic projectile which provides accurate and effective compliance of potentially violent and dangerous subjects when fired from approved distance. Currently own 8, with no intention to exceed 50, no current intent to purchase more.

b.) Purpose:

To limit the escalation of conflict where employment of lethal force is prohibited or undesirable.

c.) How the military equipment was used / complaints received:

40 MM launchers and rounds were only used for training purposes.

The department did not receive any complaints or concerns related to the use of the 40 MM launchers and rounds in 2023.

d.) Authorized Use:

Only those POST-certified to deploy chemical munitions are authorized to use the 40MM launchers. Situations for use of the less lethal weapon systems may include, but are not limited to:

- i.) Self-destructive; dangerous and/or combative individuals;
- ii.) Riot/crowd control and civil unrest incidents;
- iii.) Circumstances where a tactical advantage can be obtained;
- iv.) Potentially vicious animals; and
- v.) Training exercises or approved demonstrations.

e.) Training

Sworn members utilizing 40MM less lethal chemical agents or impact rounds are trained by POST-certified less lethal and chemical agent instructors.

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- f.) Lifespan
Approximately 5 years.
- g.) Fiscal Impact
Annual maintenance is approximately \$50 for each launcher. No annual acquisition, personnel, training, transportation, or storage costs.
- h.) Legal and Procedural Rules
It is the policy of the CHPD to utilize the 40MM only for official law enforcement purposes and pursuant to State and Federal law, including those regarding the use of force.
- i.) Concerns and Complaints Received
None
- j.) Future Acquisition Plans and Source of Funding
None. If, in the future, any more were acquired, it is expected that this would be paid by the general fund or asset forfeiture funds.
- k.) Internal Audit Results and Response
No violations

5.) Less Lethal Shotgun: A less lethal shotgun is used to deploy the less lethal 12-gauge Super Shock beanbag round.

- a.) Description, quantity, capabilities, and any plans to purchase more:
 - i.) REMINGTON 870 LESS LETHAL SHOTGUN, estimated cost of \$946 each, quantity not to exceed 12, the less lethal shotgun is used to deploy the less lethal beanbag rounds, the range of the weapon system helps to maintain space between officers and suspect reducing the immediacy of the threat which is the principle of de-escalation. Currently own 3, with no intention to exceed 12, no current intent to purchase more.
 - ii.) 12-GAUGE SUPER-SHOCK BEANBAG ROUND, estimated cost of \$5 each, quantity not to exceed 200, this ballistic fiber-filled bag provides accurate and effective performance when fired from the approved distances. Currently own 47, with no intention to exceed 200, no current intent to purchase more.
- b.) Purpose:
To limit the escalation of conflict where employment of lethal force is prohibited or undesirable.
- c.) How the military equipment was used / complaints received:
Less lethal shotguns were used for training purposes and apprehension of suspects during high-risk situations.

The department did not receive any complaints or concerns related to the use of less lethal shotguns in 2023.
- d.) Authorized Use:
Less lethal shotguns shall be used only by officers trained in their deployment and in a manner consistent with Department policy and training. Situations for use of the less lethal weapon systems may include, but are not limited to, the following:
 - i.) Self-destructive, dangerous and/or combative individuals;

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- ii.) Riot/crowd control and civil unrest incidents;
- iii.) Circumstances where a tactical advantage can be obtained;
- iv.) Potentially vicious animals; and
- v.) Training exercises or approved demonstrations.
- e.) Lifespan
Remington 870 Less approximately 25 years.

Super-shock Beanbag Round, approximately 5 years.
- f.) Fiscal Impact
Annual maintenance is approximately \$50 for each shotgun. No annual acquisition, personnel, training, transportation, or storage costs.
- g.) Training
All officers are trained in the 12-gauge less lethal shotgun as a less lethal option by in-service training.
- h.) Legal and Procedural Rules
It is the policy of the CHPD to utilize the less lethal shotgun only for official law enforcement purposes and pursuant to State and Federal law, including those regarding the use of force.
- i.) Concerns and Complaints Received
None
- j.) Future Acquisition Plans
None. If, in the future, any more would be acquired, it is expected that this would be paid by the general fund or asset forfeiture funds.
- k.) Internal Audit Results and Response
No violations

6.) Distraction Devices: Distraction devices are ideal for distracting dangerous suspects during assaults, hostage rescues, room entry, or other high-risk arrest situations.

- a.) Description, quantity, capabilities, and any plans to purchase more:
 - i.) COMBINED TACTICAL SOLUTIONS BAFFLED WHITE SMOKE FLASH BANGS, estimated cost of \$38 each, quantity not to exceed 200, a non-fragmenting bang device that produces a loud noise and intense bright light. Currently own 1, intend on purchasing an undetermined amount not to exceed 200.
- b.) Purpose
To produce atmospheric over-pressure and white light and, as a result, can cause short-term (6-8 seconds) physiological/psychological sensory deprivation to give officers a tactical advantage.
- c.) How the military equipment was used / complaints received:
Distraction devices were used for training purposes, high-risk warrant services and high-risk situations, enhancing officer safety.

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The department did not receive any complaints or concerns related to the use of distraction devices in 2023.

d.) Authorized Use:

Diversionary devices shall only be used in the following ways:

- i.) Officers who have been trained in proper use;
- ii.) In hostage and barricaded subject situations;
- iii.) In high-risk warrant services where there may be a risk to officer safety;
- iv.) During other high-risk situations where their use would enhance officer safety and during training exercises.

e.) Lifespan

5 years

f.) Fiscal Impact

No annual maintenance, acquisition, personnel, training, transportation, or storage costs.

g.) Training

Prior to use, officers must attend diversionary device training that is conducted by POST-certified instructors.

h.) Legal and Procedural Rules

It is the policy of the CHPD to utilize diversion devices only for official law enforcement purposes and pursuant to State and Federal law regarding the use of force.

i.) Concerns and Complaints Received

None

j.) Future Acquisition Plans and Source of Funding

None. If, in the future, any more were acquired, it is expected that this would be paid for by the general fund or asset forfeiture funds.

k.) Internal Audit Results and Response

No violations

7.) Rifles: Guns that are fired from shoulder level, having a long spirally grooved barrel intended to make bullets spin and thereby have greater accuracy over a long distance.

a.) Description, quantity, capabilities, and any plans to purchase more:

- i.) WINCHESTER M14 7.62 MILLIMETER, estimated cost of \$2,500 each, quantity not to exceed 4, ability to provide lethal options from extended distances. Currently own 2, with no intention to exceed 4, no current intent to purchase more.
- ii.) TRW M14 7.62 MILLIMETER, estimated cost of \$2,500 each, quantity not to exceed 2, ability to provide lethal options from extended distances. Currently own 1, with no intention to exceed 2, no current intent to purchase more.
- iii.) H&R ARMS M14 7.62 MILLIMETER, estimated cost of \$2,500 each, quantity not to exceed 5, ability to provide lethal options from extended distances.

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Currently own 3, with no intention to exceed 4, nor current intent to purchase more.

- iv.) REMINGTON 700 7.62 MILLIMETER, estimated cost of \$2,500 each, quantity not to exceed 7, ability to provide lethal options from extended distances. Currently own 4, with the intention to exceed 7, no current intent to purchase more.

- b.) Purpose:

To be used to address a threat with more precision and/or greater distances than a handgun, if present and feasible.

- c.) How the military equipment was used / complaints received:

Rifles were only used for training purposes.

The department did not receive any complaints or concerns related to the use of rifles in 2023.

- d.) Authorized Use

Only officers are approved and trained per department policy.

- e.) Lifespan

Approximately 15 years.

- f.) Fiscal Impact

Annual maintenance is approximately \$50 for each rifle. No annual acquisition, personnel, training, transportation, or storage costs.

- g.) Training

Prior to using a rifle, officers must be certified by POST instructors in the operation of the rifle.

Additionally, all members who operate any rifle are required to pass a range qualification.

- h.) Legal and Procedural Rules

It is the policy of the CHPD to utilize rifles only for official law enforcement purposes and pursuant to State and Federal law regarding the use of force.

- i.) Concerns and Complaints Received

None

- j.) Future Acquisition Plans and Source of Funding

None If, in the future, any more would be acquired, it is expected that this would be paid by the general fund or asset forfeiture funds.

- k.) Internal Audit Results and Response

No violations

8.) Chemical Agent and Smoke Canisters: Canisters that contain chemical agents that are released when deployed.

- a.) Description, quantity, capabilities, and any plans to purchase more:

- i.) DEFENSE TECHNOLOGY LAUNCHABLE FLAMELESS CS, estimated cost of \$43 each, quantity not to exceed 100, can be used in crowd control and

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tactical deployment situations. Currently own 2 and intend on purchasing an undetermined amount not to exceed 100.

- ii.) DEFENSE TECHNOLOGY INSTANTANEOUS BLAST CS, estimated cost of \$43 each, quantity not to exceed 100, can be used in crowd control and tactical deployment situations. Currently own 7, with no intention to exceed 100, no current intent to purchase more.
- iii.) DEFENSIVE TECHNOLOGY RIOT CONTROL CS, estimated cost of \$41 each, current quantity 20 and not to exceed 100, can be used in crowd control and tactical deployment situations, no current intent to purchase more.
- iv.) DEFENSE TECHNOLOGY TRI CHAMBER CS, estimated cost of \$45 each, quantity not to exceed 100, can be used in crowd control and tactical deployment situations. Currently own 28, with no intention to exceed 100, no current intent to purchase more.
- v.) DEFENSE TECHNOLOGY POCKET CS, estimated cost of \$28 each, quantity not to exceed 100, can be used in crowd control and tactical deployment situations. Currently own 0 and intend on purchasing an undetermined amount not to exceed 100.

b.) Purpose:

To limit the escalation of conflict where employment of lethal force is prohibited or undesirable.

Situations for use of the less lethal weapon systems may include, but are not limited to:

- i.) Self-destructive, dangerous and/or combative individuals;
- ii.) Riot/crowd control and civil unrest incidents;
- iii.) Circumstances where a tactical advantage can be obtained;
- iv.) Potentially vicious animal; and
- v.) Training exercises or approved demonstrations.

c.) How the military equipment was used / complaints received:

Chemical agents and smoke canisters were only used for training purposes.

The department did not receive any complaints or concerns related to the use of Chemical agents and smoke canisters in 2023.

d.) Authorized Use:

Only officers who have received POST certification in the use of chemical agents are authorized to deploy.

e.) Training

Sworn members utilizing chemical agent canisters are certified by POST less lethal and chemical agent instructors.

f.) Lifespan

Approximately 5 years from the manufacturing date.

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g.) Fiscal Impact

No annual maintenance, acquisition, personnel, training, transportation or storage costs.

h.) Legal and Procedural Use

It is the policy of the CHPD to utilize chemical agents only for official law enforcement purposes and pursuant to State and Federal law, including those regarding the use of force.

i.) Concerns and Complaints Received

None

j.) Future Acquisition Plans and Source of Funding

None. If, in the future, any more would be acquired, it is expected that this would be paid by the general fund or asset forfeiture funds.

k.) Internal Audit Results and Response

No violations

9.) Explosive Breaching Tools: Tools that are used to conduct an explosive breach.a.) Description, quantity, capabilities, and any plans to purchase more:

i.) REMINGTON 870 EXPRESS BREACHING SHOTGUN, estimated cost of \$500, quantity not to exceed 3, the weapon allows for breachers to safely utilize shotgun breaching rounds in order to defeat deadbolts, locks and hinges. The weapon has a standoff at the end of the barrel which allows for positive placement of the weapon into the correct position and vents gases to prevent over pressure. Currently own 1, with no intention to exceed 3, no current intent to purchase more.

ii.) BENELLI M4 12 GAUGE BREACHING SHOTGUN, estimated cost of \$1,500, quantity not to exceed 2, the less lethal shotgun is used to deploy the less lethal beanbag rounds, the range of the weapon system helps to maintain space between officers and suspect reducing the immediacy of the threat which is the principle of de-escalation. Currently own 1, with no intention to exceed 2, no current intent to purchase more.

b.) Purpose:

The purpose is to quickly and safely gain access to property or structure.

c.) How the military equipment was used / complaints received:

Explosive breaching tools were only used for training purposes.

The department did not receive any complaints or concerns related to the use of explosive breaching tools in 2023.

d.) Authorized Use:

Explosive breaching may only occur after authorization of a SWAT Commanding Officer or during training exercises.

The department did not receive any complaints or concerns related to the use of explosive breaching tools during 2023.

e.) Lifespan

Breaching shotgun, approximately 25 years.

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f.) Fiscal Impact

Annual Maintenance is approximately \$100. No annual, acquisition, personnel, training, transportation, or storage costs.

g.) Training

All officers who use explosive breaching tools shall attend 40 hours of explosive breaching instruction.

h.) Legal and Procedural Rules

It is the policy of the CHPD to utilize breaching tools only for official law enforcement purposes and pursuant to State and Federal law.

i.) Concerns and Complaints Received

None

j.) Future Acquisition Plans and Source of Funding

None. If in the future, any more would be acquired, it is expected that this would be paid by the general fund or asset forfeiture funds.

k.) Internal Audit Results and Response

No violations

RESOLUTION NO. 2024-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA, RENEWING THE POLICE DEPARTMENT'S MILITARY
EQUIPMENT POLICY**

RECITALS

- A. On September 30, 2021, Governor Gavin Newsom signed into law Assembly Bill 481 ("AB 481"), adding Chapter 12.8, "Funding, Acquisition and Use of Military Equipment", to Division 7 of Title 1 of the Government Code (sections 7070 – 7075), relating to the use of military equipment by California law enforcement agencies; and
- B. AB 481 seeks to provide transparency, oversight, and an opportunity for meaningful public input on decisions regarding whether and how military equipment is funded, acquired, or used; and
- C. AB 481 requires, inter alia, the Police Department submit to the City Council an annual military equipment report for each type of military equipment approved by the City Council; and
- D. The City Council shall review its Ordinance approving the funding, acquisition, or use of military equipment at least annually and vote on whether to renew the Ordinance at a regular meeting; and
- E. The City Council shall determine, based on the annual military equipment report submitted, whether each type of military equipment identified in that report has complied with the standards for approval set forth in its Ordinance; and
- F. The City Council has reviewed the annual military report submitted by the Police Department and determined the military equipment has complied with the standards for approval set forth in its Ordinance; and
- G. The City Council voted to renew Ordinance No. 2022-005 by resolution of the City Council set forth below.

**THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA,
DOES RESOLVE AS FOLLOWS:**

SECTION 1. The above recitals are true and correct and are a substantial part of this resolution.

SECTION 2. City of Citrus Heights Ordinance No. 2022-005 is hereby renewed.

SECTION 3. The City Clerk shall certify to passage and adoption thereof.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights this 23rd day of May, 2024 by the following vote to wit:

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

Bret Daniels, Mayor

ATTEST:

Amy Van, City Clerk

Military Equipment

708.1 PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines for the approval, acquisition, and reporting requirements of military equipment (Government Code § 7070; Government Code § 7071; Government Code § 7072).

708.1.1 DEFINITIONS

Definitions related to this policy include (Government Code § 7070):

Governing body – The elected or appointed body that oversees the Citrus Heights Department.

Military equipment – Includes but is not limited to the following:

- Unmanned, remotely piloted, powered aerial or ground vehicles.
- Mine-resistant ambush-protected (MRAP) vehicles or armored personnel carriers.
- High mobility multipurpose wheeled vehicles (HMMWV), two-and-one-half-ton trucks, five-ton trucks, or wheeled vehicles that have a breaching or entry apparatus attached.
- Tracked armored vehicles that provide ballistic protection to their occupants.
- Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units.
- Weaponized aircraft, vessels, or vehicles of any kind.
- Battering rams, slugs, and breaching apparatuses that are explosive in nature. This does not include a handheld, one-person ram.
- Firearms and ammunition of .50 caliber or greater, excluding standard-issue shotguns and standard-issue shotgun ammunition.
- Specialized firearms and ammunition of less than .50 caliber, including firearms and accessories identified as assault weapons in Penal Code § 30510 and Penal Code § 30515, with the exception of standard-issue firearms.
- Any firearm or firearm accessory that is designed to launch explosive projectiles.
- Noise-flash diversionary devices and explosive breaching tools.
- Munitions containing tear gas or OC, excluding standard, service-issued handheld pepper spray.
- TASER® Shockwave, microwave weapons, water cannons, and long-range acoustic devices (LRADs).
- Kinetic energy weapons and munitions.
- Any other equipment as determined by a governing body or a state agency to require additional oversight.

Military Equipment

708.2 POLICY

It is the policy of the Citrus Heights Police Department that members of this department comply with the provisions of Government Code § 7071 with respect to military equipment.

708.3 MILITARY EQUIPMENT COORDINATOR

The Chief of Police of Police should designate a member of this department to act as the military equipment coordinator. The responsibilities of the military equipment coordinator include but are not limited to:

- (a) Acting as liaison to the governing body for matters related to the requirements of this policy.
- (b) Identifying department equipment that qualifies as military equipment in the current possession of the Department, or the equipment the Department intends to acquire that requires approval by the governing body.
- (c) Conducting an inventory of all equipment defined as military per the government code or requiring additional oversight by council direction at least annually.
- (d) Collaborating with any allied agency that may use military equipment within the jurisdiction of the Citrus Heights Police Department (Government Code § 7071).
- (e) Preparing for, scheduling, and coordinating the annual community engagement meeting to include:
 - 1. Publicizing the details of the meeting.
 - 2. Preparing for public questions regarding the department's funding, acquisition, and use of equipment.
- (f) Preparing the annual military equipment report for submission to the Chief of Police and ensuring that the report is made available on the department website (Government Code § 7072).
- (g) Establishing the procedure for a person to register a complaint or concern, or how that person may submit a question about the use of a type of military equipment, and how the Department will respond in a timely manner.

708.4 MILITARY EQUIPMENT INVENTORY

The following constitutes a list of qualifying equipment for the Department:

[See attachment: Military Equipment Inventory - 2022.pdf](#)

708.5 APPROVAL

The Chief of Police of Police or the authorized designee shall obtain approval from the governing body by way of an ordinance adopting the military equipment policy. As part of the approval process, the Chief of Police or the authorized designee shall ensure the proposed military equipment policy is submitted to the governing body and is available on the department website at least 30 days prior to any public hearing concerning the military equipment at issue (Government

Military Equipment

Code § 7071). The military equipment policy must be approved by the governing body prior to engaging in any of the following (Government Code § 7071):

- (a) Requesting military equipment made available pursuant to 10 USC § 2576a.
- (b) Seeking funds for military equipment, including but not limited to applying for a grant, soliciting or accepting private, local, state, or federal funds, in-kind donations, or other donations or transfers.
- (c) Acquiring military equipment either permanently or temporarily, including by borrowing or leasing.
- (d) Collaborating with another law enforcement agency in the deployment or other use of military equipment within the jurisdiction of this department.
- (e) Using any new or existing military equipment for a purpose, in a manner, or by a person not previously approved by the governing body.
- (f) Soliciting or responding to a proposal for, or entering into an agreement with, any other person or entity to seek funds for, apply to receive, acquire, use, or collaborate in the use of military equipment.
- (g) Acquiring military equipment through any means not provided above.

708.6 COORDINATION WITH OTHER JURISDICTIONS

Military equipment deployed or used by any member of this jurisdiction shall be approved for use and in accordance with this Department policy. Any military equipment that is deployed or used by other jurisdictions that are providing mutual aid to this jurisdiction shall comply with their respective military equipment use policies. Situations may arise where Citrus Heights Police Department may deploy or use military equipment owned by other law enforcement agencies, in these situations, Citrus Heights Police Department is authorized to deploy or use a different agency's military equipment as authorized in Section 706.4 of this policy. Citrus Heights Police Department is also authorized to deploy or use the following non-exhaustive list of military equipment owned by another agency: [See attachment: Use of Military Equipment Owned by Other Agencies - 2022.pdf](#)

708.7 ANNUAL REPORT

Upon approval of a military equipment policy, the Chief of Police or the authorized designee should submit a military equipment report to the governing body for each type of military equipment approved within one year of approval, and annually thereafter for as long as the military equipment is available for use (Government Code § 7072).

The Chief of Police or the authorized designee should also make each annual military equipment report publicly available on the department website for as long as the military equipment is available for use. The report shall include all information required by Government Code § 7072 for the preceding calendar year for each type of military equipment in department inventory.

Military Equipment

708.8 COMMUNITY ENGAGEMENT

Within 30 days of submitting and publicly releasing the annual report, the Department shall hold at least one well-publicized and conveniently located community engagement meeting, at which the Department should discuss the report and respond to public questions regarding the funding, acquisition, or use of military equipment.

708.9 COMPLIANCE PROCEDURE

This procedure is to ensure compliance with the military equipment use policy.

All complaints, concerns, or questions submitted regarding this policy will be handled pursuant to the Department's normal complaint process and be handled in a timely manner.

Attachments

Military Equipment Inventory - 2022.pdf

Military Equipment Inventory

Unmanned Aircraft System (UAS); an unmanned aircraft along with associated equipment necessary to control it remotely.

1. Description, quantity, purchase cost and capabilities
 - a. DJI MAVIC MINIS, estimated cost of \$500 each, quantity not to exceed four, ability to record video/audio and provide live video stream to operators.
 - b. DJI INSPIRE one with FLIR camera system, estimated cost of \$1,200 each, quantity not to exceed two, ability to record video/audio and provide live video stream to operators with nighttime capabilities.
 - c. DJI MAVIC ENTERPRISE DUALS, estimated cost of \$5,500, quantity not to exceed 4, ability to record video/audio and provide live video stream to operators.
 - d. AUTO EVO II, estimated cost of \$1,200, quantity not to exceed two, ability to record video/audio and provide live video stream to operators.
2. Purpose
 - a. To be deployed when its view would assist officers or incident commanders with the following situations, which include but are not limited to:
 - i. Major collision investigations;
 - ii. Searching for missing persons;
 - iii. Natural disaster management;
 - iv. Crime scene photography;
 - v. SWAT, tactical or other public safety and life preservation missions; and
 - vi. Responding to specific requests from local, state or federal fire authorities for fire response and/or prevention.
3. Authorized Use
 - a. Only assigned operators who have completed the required training shall be permitted to operate the UAS during approved missions.
4. Expected Life Span
 - a. All UAS equipment, approximately three to five years.
5. Fiscal Impact

- a. Annual maintenance and battery replacement cost is approximately \$10,000.
- 6. Training
 - a. All Department UAS operators are licensed by the Federal Aviation Administration for UAS operation.
- 7. Legal and Procedural Rules
 - a. It is the policy of the CHPD to utilize UAS only for official law enforcement purposes, and in a manner that respects the privacy of our community, pursuant to State and Federal law, including all FAA requirements and regulations.

Robots: Unmanned machine operating on the ground utilized to enhance the safety to the community and officers.

- 1. Description, quantity, purchase cost and capabilities
 - a. IROBOT PACKBOT 501, initial cost \$0 (estimated replacement cost of \$100,000), quantity not to exceed two, battery powered and remote operated for delivery of various tools and/or ability to record video/audio and provide live video stream to operators.
- 2. Purpose
 - a. To be used to remotely gain visual/audio data, deliver HNT phone, open doors, disrupt suspicious packages, and clear buildings.
- 3. Authorized Use
 - a. Only assigned operators who have completed the required training shall be permitted to operate the robot during approved missions.
- 4. Expected Life Span
 - a. All robots, approximately five to eight years.
- 5. Fiscal Impact
 - a. Annual maintenance and battery replacement cost is approximately \$3,000.
- 6. Training
 - a. All robot operators are required to demonstrate proficiency during SWAT training exercises.

7. Legal and Procedural Rules

It is the policy of the CHPD to utilize a robot only for official law enforcement purposes, and in a manner that respects the privacy of our community, pursuant to State and Federal law.

Armored Vehicles: Commercially produced wheeled armored personnel vehicle utilized for law enforcement purposes.

1. Description, quantity, purchase cost and capabilities

- a. 2008 NAVISTAR DEFENSE MAXPRO MRAP, initial cost \$0 (estimated replacement cost \$800,000), quantity not to exceed two, armored vehicle which can seat numerous personnel, provides ballistic protection and allows for rescue of downed officer and/or citizens

2. Purpose

- a. To be used in response to critical incidents to enhance officer and community safety, improve scene containment and stabilization, and assist in resolving critical incidents. It can stop various projectiles, which provides greater safety to citizens and officers beyond the protection level of shield and personal body armor.

3. Authorized Use

- a. The use of armored vehicles shall only be authorized by a watch commander or SWAT commander, based on the specific circumstances of a given critical incident. Armored vehicles shall be used only by officers trained in their deployment and in a manner consistent with Department policy and training.

4. Expected Life Span

- a. Approximately 15 years.

5. Fiscal Impact

- a. Annual maintenance cost of approximately \$5,000.

6. Training

- a. All driver/operators shall be required to obtain a valid California Class B license.

7. Legal and Procedural Rules

- a. It is the policy of the Department to utilize armored vehicles only for official law enforcement purposes, and pursuant to State and Federal law.

Command Post (CP): A mobile office that provides shelter and access to Department computer systems and other equipment.

1. Description, quantity, purchase cost and capabilities
 - a. 2008 GMC C5500, estimated cost of \$300,000, quantity not to exceed one, the CP can be used to conduct meetings and store large amounts of equipment for SWAT/CNT, critical incidents, natural disasters and community events.
2. Purpose
 - a. To be used on specific circumstances when a mobile, large and weather protected facility is needed.
3. Authorized Use
 - a. Only those trained in the deployment and operations in a manner consistent with Department policy and training are authorized to operate the CP.
4. Expected Life Span
 - a. The CP lifespan on chassis and vehicle structure is approximately 20 years. Upgrades to maintain IT systems needed approximately every five years.
5. Fiscal Impact
 - a. Annual maintenance cost is approximately \$2,000.
6. Training
 - a. The driver/operator shall receive training in the safe handling of the vehicle on a closed training course. Once the operator has shown competence in vehicle handling, the driver/operator will drive the vehicle within the city with an experienced driver.
7. Legal and Procedural Rules
 - a. It is the policy of the Department to use the CP only for official law enforcement purposes, and in accordance with California State law regarding the operation of motor vehicles.

Long Range Acoustic Device (LRAD): LRAD is a high intensity directional acoustical array for

long range, crystal clear hailing, notification, and unmistakable warning tone. The LRAD is primarily used as a communication device.

1. Description, quantity, purchase cost and capabilities
 - a. LT-PMS1B MAGNETIC AUDIO DEVICE, cost \$0 (estimated replacement cost \$20,000), quantity not to exceed two, acoustic devices used to broadcast warnings/messages and are mounted to vehicles.
2. Purpose
 - a. To be used for issuing dispersal orders during crowd and riot control situations or to address the public in the event of civil emergencies, natural disasters, missing persons, evacuations, and other police incidents.
3. Authorized Use
 - a. The LRAD shall only be used by those officers trained in its deployment and used in a manner consistent with Department policy and training.
4. Expected Life Span
 - a. Approximately 10 years.
5. Fiscal Impact
 - a. Annual Maintenance cost approximately \$300.
6. Training
 - a. All operators are required to receive training prior to operating in the field.
7. Legal and Procedural Rules
 - a. It is the policy of the CHPD to utilize the LRAD only for official law enforcement purposes, and pursuant to State and Federal law.

40 MM Launchers and Rounds: 40MM Launchers are utilized by department personnel as a less lethal tool to launch impact and chemical rounds.

1. Description, quantity, purchase cost and capabilities
 - a. DEFENSIVE TECHNOLOGY 40MM SINGLE SHOT LAUNCHER, estimated cost of \$1,000 each, quantity not to exceed eight, tactical single shot launcher that will fire various less lethal ammunition.
 - b. DEFENSE TECHNOLOGY FERRETT 40MM CS LIQUID, estimated cost of \$23 each,

quantity not to exceed 200, a less lethal 40MM round used to deliver a small liquid chemical payload inside a structure or vehicle. Primarily used to dislodge barricaded subjects from confined areas and causes temporary discomfort in an effort to gain compliance from potentially violent or dangerous subjects.

- c. DEFENSE TECHNOLOGY FERRET 40 MM CS POWDER, estimated cost of \$30 each, quantity not to exceed 100, a less lethal 40MM round used to deliver a small powder chemical payload inside a structure or vehicle. Primarily used to dislodge barricaded subjects from confined areas and causes temporary discomfort in an effort to gain compliance from potentially violent or dangerous subjects.
- d. WOOD BATON 40MM, estimated cost of \$30 each, quantity not to exceed 50, a less lethal 40MM projectile which is accurate and effective for gaining pain compliance when deployed from approved distances.
- e. MUSSLE BLAST 40MM OC, estimated cost of \$28 each, quantity not to exceed 100, the 40MM OC round is widely used as a crowd control management tool but can also be used for barricaded subjects during tactical operations.
- f. DEFENSE TECHNOLOGY RUBBER FOAM 40MM PROJECTILE, estimated cost of \$30 each, quantity not to exceed 50, a less lethal 40MM lightweight plastic projectile which provides accurate and effective compliance of potentially violent and dangerous subjects when fired from approved distance.

2. Purpose

- a. To limit the escalation of conflict where employment of lethal force is prohibited or undesirable.

3. Authorized Use

- a. Only those POST certified to deploy chemical munitions are authorized.
Situations for use of the less lethal weapon systems may include, but are not limited to:
 - i. Self-destructive;
 - ii. Dangerous and/or combative individuals;

- iii. Riot/crowd control and civil unrest incidents;
 - iv. Circumstances where a tactical advantage can be obtained;
 - v. Potentially vicious animals; and
 - vi. Training exercises or approved demonstrations.
- 4. Expected Life Span
 - a. Approximately five years.
- 5. Fiscal Impact
 - a. Annual maintenance, approximately \$50 for each launcher.
- 6. Training
 - a. Sworn members utilizing 40MM less lethal chemical agents or impact rounds are trained by POST certified less lethal and chemical agent instructors.
- 7. Legal and Procedural Rules
 - a. It is the policy of the CHPD to utilize the 40mm only for official law enforcement purposes, and pursuant to State and Federal law, including those regarding the use of force.

Less Lethal Shotgun: Less lethal shotgun is used to deploy the less lethal 12-gauge Super Sock beanbag round.

- 1. Description, quantity, purchase cost and capabilities
 - a. REMINGTON 870 LESS LETHAL SHOTGUN, estimated cost of \$946 each, quantity not to exceed 12, the less lethal shotgun is used to deploy the less lethal beanbag rounds, the range of the weapon system helps to maintain space between officers and suspect reducing the immediacy of the threat which is the principle of de-escalation.
 - b. BENELLI M4 12 GAUGE SHOTGUN, estimated cost of \$1,500, quantity not to exceed 2, the less lethal shotgun is used to deploy the less lethal beanbag rounds, the range of the weapon system helps to maintain space between officers and suspect reducing the immediacy of the threat which is the principle of de-escalation.
 - c. 12-GAUGE SUPER-SHOCK BEANBAG ROUND, estimated cost of \$5 each, quantity

not to exceed 200, this ballistic fiber filled bag provides accurate and effective performance when fired from the approved distances.

2. Purpose

- a. To limit the escalation of conflict where employment of lethal force is prohibited or undesirable.

3. Authorized Use

- a. Less lethal shotguns shall be used only by officers trained in their deployment and in a manner consistent with Department policy and training. Situations for use of the less lethal weapon systems may include, but are not limited to, the following:
 - i. Self-destructive, dangerous and/or combative individuals;
 - ii. Riot/crowd control and civil unrest incidents;
 - iii. Circumstances where a tactical advantage can be obtained;
 - iv. Potentially vicious animals; and
 - v. Training exercises or approved demonstrations.

4. Expected Life Span

- a. Remington 870 Less and Benelli Lethal Shotgun, approximately 25 years.
- b. Super-shock Beanbag Round, approximately five years.

5. Fiscal Impact

- a. Annual maintenance, approximately \$50 for each shotgun.

6. Training

- a. All officers are trained in the 12 gauge less lethal shotgun as a less lethal option by in-service.

7. Legal and Procedural Rules

- a. It is the policy of the CHPD to utilize the less lethal shotgun only for official law enforcement purposes, and pursuant to State and Federal law, including those regarding the use of force.

Distraction Devices: A distract device is ideal for distracting dangerous suspects during assaults, hostage rescue, room entry or other high-risk arrest situations.

1. Description, quantity, purchase cost and capabilities
 - a. COMBINED TACTICAL SOLUTIONS BAFFLED WHITE SMOKE FLASH BANGS, estimated cost of \$38 each, quantity not to exceed 200, a non-fragmenting bang device that produces a loud noise and intense bright light.
2. Purpose
 - a. To produce atmospheric over-pressure and white light and, as a result, can cause short-term (6-8 seconds) physiological/psychological sensory deprivation to give officers a tactical advantage.
3. Authorized Use
 - a. Diversionary devices shall only be used in the following ways:
 - i. Officers who have been trained in proper use;
 - ii. In hostage and barricaded subject situations;
 - iii. In high-risk warrant services where there may be a risk to officer safety;
 - iv. During other high-risk situations where their use would enhance officer safety; and
 - v. During training exercises.
4. Expected Life Span
 - a. No expiration date.
5. Fiscal Impact
 - a. No annual maintenance.
6. Training
 - a. Prior to use, officers must attend diversionary device training that is conducted by POST certified instructors.
7. Legal and Procedural Rules
 - a. It is the policy of the CHPD to utilize diversion devices only for official law enforcement purposes, and pursuant to State and Federal law regarding the use of force.

Rifles: Guns that are fired from shoulder level, having a long spirally grooved barrel intended to make bullets spin and thereby have greater accuracy over a long distance.

1. Description, quantity, purchase cost and capabilities
 - a. WINCHESTER M14 7.62 MILLIMETER, estimated cost of \$2,500 each, quantity not to exceed four, ability to provide lethal options from extended distances.
 - b. TRW M14 7.62 MILLIMETER, estimated cost of \$2,500 each, quantity not to exceed two, ability to provide lethal options from extended distances.
 - c. H&R ARMS M14 7.62 MILLIMETER, estimated cost of \$2,500 each, quantity not to exceed 5, ability to provide lethal options from extended distances.
 - d. REMINGTON 700 7.62 MILLIMETER, estimated cost of \$2,500 each, quantity not to exceed seven, ability to provide lethal options from extended distances.
2. Purpose
 - a. To be used to address a threat with more precision and/or greater distances than a handgun, if present and feasible.
3. Authorized Use
 - a. Only officers that are approved and trained per Department policy.
4. Expected Life Span
 - a. Approximately 15 years.
5. Fiscal Impact
 - a. Annual maintenance, approximately \$50 for each rifle.
6. Training
 - a. Prior to using a rifle, officers must be certified by POST instructors in the operation of the rifle.
 - b. Additionally, all members that operate any rifle are required to pass a range qualification.
7. Legal and Procedural Rules
 - a. It is the policy of the CHPD to utilize rifles only for official law enforcement purposes, and pursuant to State and Federal law regarding the use of force.

Chemical Agent and Smoke Canisters: Canisters that contain chemical agents that are released when deployed.

1. Description, quantity, purchase cost and capabilities

- a. DEFENSE TECHNOLOGY LAUNCHABLE FLAMELESS CS, estimated cost of \$43 each, quantity not to exceed 100, can be used in crowd control and tactical deployment situations.
 - b. DEFENSE TECHNOLOGY INSTANTANEOUS BLAST CS, estimated cost of \$43 each, quantity not to exceed 100, can be used in crowd control and tactical deployment situations.
 - c. DEFENSIVE TECHNOLOGY RIOT CONTROL CS, estimated cost of \$41 each, current quantity 20 and not to exceed 100, can be used in crowd control and tactical deployment situations.
 - d. DEFENSE TECHNOLOGY TRI CHAMBER CS, estimated cost of \$45 each, quantity not to exceed 100, can be used in crowd control and tactical deployment situations.
 - e. DEFENSE TECHNOLOGY POCKET CS, estimated cost of \$28 each, quantity not to exceed 100, can be used in crowd control and tactical deployment situations.
2. Purpose
- a. To limit the escalation of conflict where employment of lethal force is prohibited or undesirable. Situations for use of the less lethal weapon systems may include, but are not limited to:
 - i. Self-destructive, dangerous and/or combative individuals;
 - ii. Riot/crowd control and civil unrest incidents;
 - iii. Circumstances where a tactical advantage can be obtained;
 - iv. Potentially vicious animal; and
 - v. Training exercises or approved demonstrations.
3. Authorized Use
- a. Only officers who have received POST certification in the use of chemical agents are authorized to deploy.
4. Expected Life Span
- a. Approximately five years from manufacturing date.
5. Fiscal Impact

- a. No annual maintenance.
- 6. Training
 - a. Sworn members utilizing chemical agent canisters are certified by POST less lethal and chemical agent instructors.
- 7. Legal and Procedural Rules
 - a. It is the policy of the CHPD to utilize chemical agents only for official law enforcement purposes, and pursuant to State and Federal law, including those regarding the use of force.

Explosive Breaching Tools: Tools that are used to conduct an explosive breach.

- 1. Description, quantity, purchase cost and capabilities
 - a. REMINGTON 870 EXPRESS BREACHING SHOTGUN, estimated cost of \$500, quantity not to exceed three, the weapon allows for breachers to safely utilize shotgun breaching rounds in order to defeat deadbolts, locks and hinges. The weapon has a standoff at the end of the barrel that allows for positive placement of the weapon into the correct position and vents gasses to prevent over pressure.
- 2. Purpose
 - a. The purpose is to quickly and safely gain access to property or structure.
- 3. Authorized Use
 - a. Explosive breaching may only occur after authorization of a SWAT Commanding Officer or during training exercises.
- 4. Expected Life Span
 - a. Breaching shotgun, approximately 25 years.
- 5. Fiscal Impact
 - a. Annual Maintenance is approximately \$100.
- 6. Training
 - a. All officers who use explosive breaching tools shall attend 40 hours of explosive breaching instruction.
- 7. Legal and Procedural Rules

- a. It is the policy of the CHPD to utilize breaching tools only for official law enforcement purposes and pursuant to State and Federal law

Use of Military Equipment Owned by Other Agencies - 2022.pdf

Use of Military Equipment Owned by Other Agencies

Armored Vehicles: Commercially produced wheeled armored personnel vehicle utilized for law enforcement purposes.

1. Description, quantity, purchase cost and capabilities
 - a. Lenco BEARCAT, G2, cost: \$315,518.65, quantity: 1. The Lenco Bearcat, G2, is an armored vehicle that seats 10-12 personnel with open floor plan that allows for rescue of down personnel. It can stop various projectiles, which provides greater safety to citizens and officers beyond the protection level of shield and personal body armor.
 - b. Lenco BEARCAT, G3, cost: \$404,521, quantity: 1. The Lenco Bearcat, G2, is an armored vehicle that seats 10-12 personnel with open floor plan that allows for rescue of down personnel. The Bearcat G3 has increased ground clearance and a robust suspension which allows for an emergency response to almost any situation. It can stop various projectiles, which provides greater safety to citizens and officers beyond the protection level of shield and personal body armor.
2. Purpose
 - a. To be used in response to critical incidents to enhance officer and community safety, improve scene containment and stabilization, and assist in resolving critical incidents.
3. Authorized Use
 - a. The use of armored vehicles shall only be authorized by a watch commander or SWAT commander, based on the specific circumstances of a given critical incident. Armored vehicles shall be used only by officers trained in their deployment and in a manner consistent with Department policy and training.
4. Expected Life Span
 - a. Lenco Bearcat models G2 and G3, 25 years.
5. Fiscal Impact
 - a. None

6. Training

- a. All driver/operators shall attend formalized instruction and be trained in vehicle operations and practical driving instruction.

7. Legal and Procedural Rules

- a. It is the policy of the Department to utilize armored vehicles only for official law enforcement purposes, and pursuant to State and Federal law.

NIJ Level IV Armored Caterpillar (CAT) Multi-Terrain Loader (The ROOK): The ROOK is a custom “armored critical incident vehicle” built on the chassis of a CAT Bulldozer, manufactured by Ring Power. The ROOK is built to increase job safety, versatility, and mission specific response. The ROOK is equipped with powerful mission specific attachments. The ROOK is capable of being used in tight areas both inside and outside, where traditional armored vehicles may not be able to enter.

1. Description, quantity, purchase cost and capabilities

- a. ROOK- Modified CAT compact Track Loader chassis, cost: \$400,000, quantity: 1. The ROOK can be utilized by authorized SWAT personnel to identify, discover and locate threats or hazards, to include explosives and ballistic threats. The ROOK may be used to stabilize critical infrastructure and functions to minimize health and safety threats during a terrorist attack. During a terrorist attack, the ROOK will allow for law enforcement protected response.

2. Purpose

- a. To provide a capability for defensive ballistic protection in indoor and outdoor environments, rescue platforms for elevated structure rescue, and rough terrain environments where certain equipment would be limited.

3. Authorized Use

- a. The ROOK shall be used by SWAT team members in a manner consistent with Department policy and training. Furthermore, only SWAT team members who have completed the appropriate training, will operate the ROOK.

4. Expected Life Span

- a. 25 years
- 5. Fiscal Impact
 - a. None
- 6. Training
 - a. All driver/operators shall attend formalized instruction and be trained in vehicle operations and practical driving instruction.
- 7. Legal and Procedural Rules
 - a. It is the policy of the Department to utilize armored vehicles only for official law enforcement purposes, and pursuant to State and Federal law.

Robots: A remotely-controlled unmanned machine that operates on the ground, which is utilized to enhance the safety of the community and officers.

- 1. Description, quantity, purchase cost and capabilities
 - a. REMOTEC ANDROS F6-A, cost: \$250,000 each, quantity: two. The Remotec ANDROS F6A is a heavy-duty robot. Its stair climbing ability, an arm capable of lifting 65lbs. The F6A also offers multiple communications options, a chassis and manipulator that allow for accessories and tool combinations, and quick-release pneumatic wheels for rapid width reduction.
 - b. QINETIC DRAGON RUNNER ROBOT, cost: \$90,000, quantity: one. Dragon Runners can be hand carried or transported inside a rucksack, and both can be remotely operated from many hundreds of meters away, providing protection and safety to their operators.
 - c. TEMPER 4WD Gen 2, cost: \$159, quantity: one. Length 13.75 inches, two hours of operation time and capable of video recording.
 - d. LOSI NIGHT CRAWLER SE 4WD, cost: \$350, quantity: one. Length 16.9 inches, two hours of operation time and capable of video recording.
- 2. Purpose
 - a. To be used to remotely gain visual/audio data, deliver HNT phone, open doors, disrupt packages, and clear buildings.

3. Authorized Use

- a. Only assigned operators who have completed the required training shall be permitted to operate the robots identified at sections 2(a)(i) through (ii). Use is established by the Bomb Squad Commander and or Incident Commander.

4. Expected Life Span

- a. All robots, 8-10 years.

5. Fiscal Impact

- a. None

6. Training

- a. All robot operators must complete the FBI's 6-week hazardous device school prior to operating the robots identified at sections 2(a)(i) through (ii).

7. Legal and Procedural Rules

- a. It is the policy of the CHPD to utilize a robot only for official law enforcement purposes, and in a manner that respects the privacy of our community, pursuant to State and Federal law.



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CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: May 23, 2024

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Alexander A. Turcotte, Chief of Police
Cassandra Kinnan, Senior Management Analyst

SUBJECT: School Safety Options

Summary and Recommendation

At the April 25, 2024, City Council meeting, two members of the City Council requested staff to explore funding options to place school resource officers at the high schools. Staff recommends the City Council provide direction on additional school safety measures at the high schools located in Citrus Heights.

Option 1: Hire and fund two additional full-time School Resource Officers.

Option 2: Reassign two existing sworn positions from other programs as determined by the City Manager and Police Chief to School Resource Officers.

Option 3: Utilize the Police Department's current traffic unit to create a school liaison program to provide enhanced traffic enforcement and life safety, including perimeter security, at Citrus Heights schools.

Option 4: Continue coordination with the San Juan Unified Safe Schools program.

City Council Strategic Goal/Objective

This staff report aligns with the following Citrus Heights City Council Strategic Plan Objectives:

Goal: Preserve and enhance public safety

Fiscal Impact

Option 1: The cost of two additional police officers is approximately \$185,211 per officer annually for an approximate total of \$370,422 annually.

Option 2: There is no fiscal impact with this option.

Option 3: There is no fiscal impact with this option.

Option 4: There is no fiscal impact with this option.

The City Council sets the policies and priorities that the City Manager implements. Option 1 would be adding two additional sworn police positions to the budget with ongoing future costs relative to personnel and future pension obligations. Decisions will need to be made as part of the next biennial budget relative to funding limited-term programs such as the Beautification Crew which is not funded beyond December 2026. Infrastructure also has been a City Council priority whereby the City Manager has worked with the staff team to build a larger reserve allowing for potential contributions to special infrastructure funding opportunities. Funding SRO positions as “new” positions (Option 1) could erode the ability to fund other priorities such as continuing the Beautification Crew program and reduce the opportunity to have reserve funds available for significant infrastructure funding match opportunities or other future City Council priorities.

Utilizing one of the Options 2, 3 or 4 are budget neutral and do not provide for new ongoing cost obligations.

Background and Analysis

A number of threats and violent incidents have occurred at schools throughout the nation. Members of the City Council have voiced concern about safety at Citrus Heights schools. At the July 28, 2022, City Council meeting, Police Chief Turcotte provided a school safety update describing how the Citrus Heights Police Department engages with the San Juan Unified Safe Schools program and their readiness to respond should an incident or a threat happen at a Citrus Heights school. There was also discussion that San Juan Unified School District (SJUSD) allocated \$10 million to support safety improvements at schools throughout the district and that SJUSD would be providing an update to City Council at a future meeting about their plans for safety improvements. Representatives from SJUSD provided an overview of their Safe Schools program and their planned safety improvements as a separate agenda item at the January 12, 2023, meeting and the Police Department provided an overview of the approximate cost of adding 12 School Resource Officers (SROs) with associated support staff in Citrus Heights schools.

On March 23, 2023, the City Council requested the Police Department to assess the funding required to provide a total of two (2) SROs; one at each high school.

In response to the City Council’s request, Police Chief Turcotte presented estimated startup and ongoing costs at the August 10, 2023, City Council meeting. At the same meeting, a representative from the SJUSD attended and presented the City Council with an overview of the District’s Safe Schools program. City Council requested further discussion on this topic at a later date.

Per City Council direction at the October 26, 2023, meeting, the City Manager formally requested SJUSD participate in funding two additional police officer positions to be assigned at

the high schools. The School District denied this request via letter dated March 20, 2024, stating they have made “significant recent investments in school safety and the need to provide time to measure their effectiveness before implementing other measures, our intent to implement solutions that respond to the needs of all our schools and the darkening state funding outlook, we are unable to participate in the funding of police officers at this time.”

At the April 25, 2024, City Council meeting, two members of the City Council requested staff to explore funding options to place school resource officers at the high schools.

To address Council concerns regarding school safety, staff is presenting and seeking direction on four options.

Option 1:

Hire and fund two additional police officer positions that would be assigned to each high school in Citrus Heights.

Prior to COVID-19, Citrus Heights did have a School Resource Officer (SRO) assigned to each high school. The SRO was responsible for handling a variety of patrol, investigative, and community policing functions relating to students and faculty. They were also responsible for maintaining close relationships with school administrators, mentoring students, and participating in youth related programs and activities, as well as instruct on active threat trainings, safety plans, and CPTED assessments for school campuses; and assist with youth program management and investigations.

SJUSD currently utilizes their Safe Schools program to handle many of the administrative investigations and threat assessment previously assigned to SROs. Safe Schools consists of Community Safety Specialists (CSS) that are trained in addressing school safety concerns and supporting school communities. They team up with staff and student families to develop strategies to increase school safety while promoting academic success. They also prepare Comprehensive School Safety Plans for each school in their District. These plans address site safety practices and emergency procedures. These specialists work closely with the police department anytime a significant threat is detected or on issues requiring a criminal case.

The School District has indicated they are currently satisfied with the combination of Safe Schools and standard police response as requested. They did acknowledge that SROs were also effective and welcome any additional police focus on school sites especially with traffic concerns and perimeter safety around the schools.

Fully funding two additional full-time officers to assign as school resource officers would have a significant fiscal impact to the general fund as no additional funding sources have been identified to fully fund an SRO program. Other options include adjusting the service delivery of current police staff to enhance the concerns noted above or continuing to coordinate with San Juan Safe Schools.

Option 2:

Reassign two existing sworn positions from other programs to be School Resource Officers. Prior to COVID-19, SROs were provided to the school district from within the authorized full-time police officer budget allotment. The Police Department has since reorganized staffing to mitigate current challenges with hiring and training to ensure a robust patrol staffing model focused on citywide life safety concerns. Assigning two full-time officers directly to a school campus would most likely require reassigning personnel from one of the Department's current specialty units. These units also face staffing challenges and are needed to provide added value services above basic patrol response. If directed by Council, the Police Chief will work with the City Manager to determine which positions to reassign. While there is no expected fiscal impact to a reassignment of positions, there will be an operational impact to the originating program(s) where these positions are currently allocated.

Option 3:

Utilize the Police Department's current traffic unit to create a school liaison program to provide enhanced traffic enforcement and life safety, including perimeter security, at Citrus Heights schools.

After a review of the school safety issue and feedback from both the community and the school district, another option does appear to be viable. The Police Department proposes the development of a school liaison program utilizing our current traffic unit. Our traffic team currently partners with our schools on items such as traffic safety and drug and alcohol awareness campaigns. This new liaison program would build on this existing relationship to provide enhanced traffic and life safety, including perimeter security, at Citrus Heights schools. This option would include identifying a traffic officer to liaison with each high school, provide traffic enforcement around the high school, and provide perimeter security by their consistent presence in and around the school. The officers assigned to the high schools would liaison with school staff regarding traffic and life safety issues while remaining a constant presence in and around the school. Additionally, they would provide active threat training to faculty and staff when needed, attend school assemblies, provide safety presentations, participate in school events (i.e., Red Ribbon Week, Every Fifteen Minutes, etc.), and work with Safe Schools to identify and mitigate any safety concerns.

The priority would be to fill at least two of our current traffic team vacancies to fulfill the liaison role at each high school while enhancing the overall ability of the team to conduct traffic enforcement and major collision investigation citywide. Once the traffic team staffing is back to their full complement of officers, the team will branch out to provide similar services to middle and elementary schools citywide. The remaining schools would not have a specific officer present to the same extent as the high schools, but the traffic team would ensure a significant focus is placed at all school campuses. The traffic team in essence will adopt our school campus

life safety and perimeter security as their primary community engagement mission, much like our current command staff has taken on Neighborhood Area support as a primary mission of theirs. The Department believes this enhanced partnership with school staff, coordination with Safe Schools, and the purposeful focus on perimeter security and life safety has the potential to enhance community engagement and safety, while utilizing the current resources that have proven to be effective on campus.

The City Manager discussed the school liaison officer Option 3 with the San Juan Unified School District Superintendent. The conversation was positive relative to the benefits that it could provide to the high schools and the Superintendent voiced that it would be helpful to have the two school liaison officers focus on and build relationships with all Citrus Heights secondary schools which would also include Sylvan Middle School. Given Sylvan Middle School proximity to Mesa Verde High School, this would allow for a quick response to Mesa Verde should an incident require a school liaison officer to be dispatched to the high school. There was also preliminary discussion about the possibility of having the school liaison officers having desk space available at San Juan High School and Mesa Verde High School where they would be able to produce their reports and complete desk work without going back to the police station. The details would need to be worked through by the City Manager, Police Chief and San Juan Unified School District leadership and site administrators. This would allow for further rapport to be developed with their assigned school community and maintain a consistent presence throughout their workday.

Option 4:

Continue coordination with the San Juan Unified Safe Schools program.

The Police Department and the San Juan Unified School District currently enjoy a collaborative and collegial relationship. The Safe Schools program staff work closely with the police department to mitigate threats and enhance safety measures on campuses throughout the City. Under this option, the police department will continue to respond to schools as needed and will continue to work with school staff on safety issues as they arise.

Attachment

- San Juan Unified School District Response Letter for Resolution 2023-099

Resources

- July 28, 2022 City Council meeting agenda: [Agenda - 07/28/2022 \(citrusheights.net\)](#)
- January 12, 2023 City Council meeting agenda: [Agenda - 01/12/2023 \(citrusheights.net\)](#)
- March 23, 2023 City Council meeting agenda: [Agenda - 03/23/2023 \(citrusheights.net\)](#)
- August 10, 2023 City Council meeting agenda: [Agenda - 08/10/2023 \(citrusheights.net\)](#)
- October 26, 2023 City Council meeting agenda: [Agenda - 10/26/2023 \(citrusheights.net\)](#)
- April 25, 2024 City Council meeting agenda: [Agenda - 04/25/2024 \(citrusheights.net\)](#)



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Superintendent of Schools

Board of Education

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March 20, 2024

Bret Daniels, Mayor
Members of the Citrus Heights City Council
Ashley J. Feeney, City Manager
City of Citrus Heights
6360 Fountain Square Drive
Citrus Heights, CA 95621

Re: Letter of request dated Jan. 10, 2024 / City of Citrus Heights Resolution No. 2023-099

Dear Mayor Daniels, Members of the Council and City Manager Feeney,

Thank you for the continued dialogue on how our community can best support the safety of our students and schools. School safety is a top priority for both staff and the Board of Education and we greatly value city leaders' interest and suggestions for how we can continue to support this vital need. As we continue to see concern in the area of safety, San Juan Unified has made important investments in our schools based on the needs of our students, families and staff. When considering safety solutions, we must identify options that can be deployed district wide and meet the needs of all of our schools. I would like to share with you some of the specific investments directly related to our Citrus Heights campuses.

The Board of Education dedicated \$10 million to improve fencing and campus perimeter safety of which \$1.85 million will be used at Citrus Heights schools. This work is underway now and should conclude by the end of the 2024-25 school year. We hope to continue investments in fencing until every school within our district benefits from a modern design that effectively directs visitors and others to appropriate entry points of each campus.

I am also pleased to share that the district has authorized the addition of a community safety specialist who will be primarily focused on support of our Citrus Heights schools at a cost of more than \$117,000 for the 2024-25 school year. A community safety specialist is trained to assist our principals and site safety teams in the response to critical incidents, planning for emergencies and training for response. The position does not carry a weapon and does not have the authority of law enforcement but plays a critical role in developing safe school cultures, building relationships with students, and connecting our campuses with first responders and other resources.

This year, we were also able to dedicate nearly \$4 million in funding to provide additional student supervision positions on our campuses district wide. Of that amount, more than \$763,000 is being utilized by our Citrus Heights schools to provide more staff to be on campuses supporting our students, preventing situations from occurring and helping to de-escalate them when they do occur.

In total, this represents an investment of more than \$2.7 million into safety improvements and staffing in support of our Citrus Heights students, staff members and school communities.

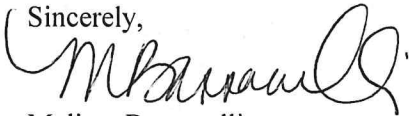
As you are likely aware, the state of California faces significant financial challenges in the near future with discussions already underway that would lead to less funding for schools and local communities. Especially given this level of economic uncertainty, we feel it is important to continue monitoring the impacts of our substantial investments in Citrus Heights school safety before making new investments.

Based on our significant recent investments in school safety and the need to provide time to measure their effectiveness before implementing other measures, our intent to implement solutions that respond to the needs of all of our schools and the darkening state funding outlook, we are unable to participate in the funding of police officers at this time.

I am proud of the work that our staff members and city staff, including members of the Citrus Heights Police Department, have undertaken since I assumed my post to develop our relationship, strengthen communication flow, and continue to ensure that our schools are supported by law enforcement when necessary and appropriate. We welcome continued collaboration to secure additional resources in support of Citrus Heights schools and to foster positive relationships between students, staff members, families and our local first responders.

I look forward to our continued partnership.

Sincerely,

A handwritten signature in black ink, appearing to read 'MBassanelli', written over a horizontal line.

Melissa Bassanelli
Superintendent of Schools