



City Council and Successor Agency to the Brea Redevelopment Agency Agenda

Tuesday, August 18, 2020

5:30 p.m. - Closed Session
6:00 p.m. - Study Session
7:00 p.m. - General Session

Marty Simonoff, Mayor

Steven Vargas, Mayor Pro Tem

Cecilia Hupp, Council Member

Christine Marick, Council Member

Glenn Parker, Council Member

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

Procedures for Addressing the Council

This meeting is being conducted consistent with Governor Newsom's Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic.

Written comments may be sent to the City Clerk's Office at cityclerksgroup@cityofbrea.net no later than 12:00 p.m. on Tuesday, August 18, 2020. Any comments received via email will be summarized aloud into the record at the meeting. To provide comments in person, the Council Chambers will be open to a limited number of members from the public in observance of social distancing guidelines. Masks are required. Overflow will be available in the Plaza directly outside of the Council Chambers. Based on capacity, the public may be required to cycle in and out of the Chambers as to provide everyone in attendance an opportunity to address the Council. To provide comments by teleconference (zoom), members of the public must contact City Staff at (714) 990-7756 or cityclerksgroup@cityofbrea.net no later than 12:00 p.m. on Tuesday, August 18, 2020 to obtain the Zoom Meeting ID number and password. Teleconference participants will be muted until recognized at the appropriate time by the Council. The meeting will also be broadcast live at www.cityofbrea.net.

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

Special Accommodations

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

Important Notice

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

CLOSED SESSION
5:30 p.m. - Council Chamber
Plaza Level

CALL TO ORDER / ROLL CALL - COUNCIL

1. Public Comment

Closed Session may convene to consider matters of purchase / sale of real property (G. C. §54956.8), pending litigation [G.C.§54956.9(d)(1)], potential litigation [G.C. §54956.9(d)(2)(3) or (4)], liability claims (G. C. §54961) or personnel items (G.C.§54957.6). Records not available for public inspection.

2. Conference with City's Labor Negotiator Pursuant to Government Code §54957.6 Regarding the Brea Management Association (Non-Safety); Brea City Employees' Association (BCEA); Administrative and Professional Employees' Association (APEA); Brea Fire Association (BFA); Brea Fire Management Association (BFMA); Brea Police Association (BPA); and the Brea Police Management Association (BPMA) Chris Emeterio, Negotiator, Cindy Russell, Negotiator, and Mario E. Maldonado, Negotiator.

3. Conference with Legal Counsel Pursuant to Government Code Section 54956.9(d)(2) - Anticipated Litigation.
Significant Exposure to Litigation: 2 potential cases.
Facts and Circumstances: July 10, 2020 Baric & Associates Correspondence; July 19, 2020 PARRIS Correspondence.

STUDY SESSION
6:00 p.m. - Council Chamber
Plaza Level

CALL TO ORDER / ROLL CALL - COUNCIL

4. Public Comment

5. Clarify Regular Meeting Topics

DISCUSSION ITEMS

6. Clear Channel Outdoor Bus Shelter Revenue Discussion

7. Professional Services Agreement with AP Triton to assist Brea/Fullerton Fire in recruiting emergency ambulance services and billing subcontractor

REPORT

8. Council Member Report/Requests

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

CALL TO ORDER/ ROLL CALL - COUNCIL

9. Pledge of Allegiance

10. **Invocation: Charles Frost, City of Brea Police Chaplain**
11. **Presentation: Brea Police Department MADD Award Recipients**
12. **Report - Prior Study Session**

13. **Matters from the Audience**

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

ADMINISTRATIVE ITEMS - *This agenda category is for City Council consideration of a wide variety of topics related to the City's operations. Public comments regarding items in this section should be presented during "Matters from the Audience."*

15. **Investment Advisory Committee Annual Update** - Receive and file.
16. **Executive Order of the Emergency Services Director to Establish Procedures for Certain Outdoor Business Operations** - Adopt Resolution No. 2020-052, ratifying the Emergency Executive Order of the Emergency Services Director which establishes procedures for the temporary authorization of certain businesses to provide outdoor operations. There is no fiscal impact.
17. **Executive Order Establishing Temporary Public Safety Regulations for Indoor Entry Into City Facilities** - Adopt Resolution No. 2020-053, ratifying the Executive Order of the Emergency Services Director establishing temporary public safety regulations for indoor entry into city facilities. There is no fiscal impact.

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

CITY COUNCIL - CONSENT

18. **July 21, 2020 City Council Regular Meeting Minutes** - Approve.
19. **July 23, 2020 City Council Special Meeting Minutes** - Approve.
20. **August 4, 2020 City Council Regular Meeting Minutes** - Approve.
21. **Amendment No. 1 with PeopleSpace for Civic & Cultural Center 3rd Floor Redesign and Furniture Purchase (CIP 7955)** - Approve Amendment No. 1 with PeopleSpace in the amount not-to-exceed \$121,116 resulting in a total contract amount not-to-exceed \$503,468; and Authorize City Engineer to approve change orders up to 5% of the not-to-exceed amount. There are sufficient funds budgeted in CIP Project No. 7955 to fund the proposed scope of services and the overall project will be within budget.
22. **Approval of Statement of Investment Policy for the City/Brea Successor Agency to the Brea Redevelopment Agency** - Review and approve the City of Brea/Successor Agency to the Brea Redevelopment Agency Statement of Investment Policy. There is no fiscal impact.

23. **Annual Development Impact Fee Report for the Fiscal Year Ended June 30, 2019** - Receive and file.
24. **Revised Maintenance Agreement with the State of California's Department of Transportation (Caltrans) for the intersection Overhead Street Name Signs on SR-90 & SR-142** - Approve revised Maintenance Agreement and authorize City Manager to execute future Amendment(s) to the Maintenance Agreement. Funds are available for new signs as part of approved CIP #7212. There is no fiscal impact to the General Fund.
25. **Investment Policy Guidelines for the City of Brea's Employee Benefit Fund Pension Plan** - Review and approve the Investment Policy Guidelines for the City of Brea's Employee Benefit Fund Pension Plan through Public Agency Retirement Services (PARS). There is no fiscal impact.
26. **Investment Policy Guidelines for the City of Brea's Other Post Employment Benefits (OPEB) Trust Fund** - Review and approve the Investment Guidelines for the City's Other Post Employment Benefits (OPEB) Trust Fund through Public Agency Retirement Services (PARS). There is no fiscal impact.
27. **Software/Hardware Maintenance Support and Online Subscription Service Agreements** - Authorize the Purchasing Agent to approve renewal agreements with various support services providers for the life of the computer software or hardware and for online software subscription services; and Authorize the Purchasing Agent to issue purchase orders for these renewal agreements that do not to exceed available budget appropriations. The City Council adopted Fiscal Year 2020-21 Budget has sufficient funding available for these purchases. There is no additional fiscal impact based on this action.
28. **Reimbursement Agreement with Western Golf Properties (WGP) for Brea Creek Golf and Birch Hills Golf Courses** - Approve reimbursement agreement with Western Golf Properties. The City will reimburse Western Golf Properties for expenses incurred at Brea Creek and Birch Hills Golf courses if WGP is not awarded the permanent operator contract for both courses. Any reimbursement will be recouped through the permanent operator RFP.
29. **Annual Vehicle and Equipment Purchase Plan for Fiscal Year 2020-21** - Authorize the Purchasing Agent to issue purchase orders in an amount not-to-exceed \$321,000 for various City vehicles and equipment as described in the Annual Vehicle Replacement Plan for Fiscal Year 2020-21. Sufficient funding is available for the requested not-to-exceed amount for these purchases in the Public Works Department, Equipment Maintenance Division, expenditure account: Mobile Equipment (480-51-5161-4641).
30. **Professional Services Agreement with AP Triton Consulting, LLC to Assist Brea and Fullerton Fire Departments with an Emergency Medical Services System Valuation Study and Recruitment of Emergency Ambulance Transport Service and Billing Subcontractors** - Accept the proposal and authorize the City Manager to execute an agreement with AP Triton Consulting, LLC (AP Triton) to assist the Brea and Fullerton Fire Departments with an Emergency Medical Services system valuation study, and recruitment of an emergency ambulance transport services subcontractor, as well as a billing subcontractor in an amount not-to-exceed \$131,000, plus change orders up to 10% of the contract price (\$13,100) for a total not-to-exceed amount of \$144,100; and Authorize the City Manager to enter into an Agreement with the City of Fullerton to reimburse the City of Brea for 75% of all costs incurred. Brea is taking the lead on this project for both Cities and the winning bidders of the Emergency Transport Service and Billing Subcontractors will reimburse Brea/Fullerton \$95,000 of the cost of this RFP. This will Increase General Fund Estimated Revenues by \$131,825 and appropriate \$144,100 from General Fund Reserves for a net impact to the General Fund Reserves of \$12,275.
31. **Authorization for the Issuance of 2020 Water Revenue Refunding Bonds to Refinance Outstanding Water Revenue Bonds and Engage Professional Services** - Adopt Resolution No. 2020-054, approving the institution of proceedings to refinance the outstanding 2014 Water Revenues Bonds of the Brea Community Benefit Financing Authority and engage professional services. There is no fiscal impact to the General Fund.
32. **Monthly Report of Investments for the City of Brea for Period Ending June 30, 2020** - Receive and file.
33. **Outgoing Payment Log and City Disbursement Registers for July 24 & 31 and August 7, 2020** - Receive and file.

34. **Approval of Statement of Investment Policy for the City/Brea Successor Agency to the Brea Redevelopment Agency** - Review and approve the City of Brea/Successor Agency to the Brea Redevelopment Agency Statement of Investment Policy. There is no fiscal impact.
35. **Monthly Report of Investments for the Successor Agency to the Brea Redevelopment Agency for Period Ending June 30, 2020** - Receive and file.
36. **June Outgoing Payment Log and Successor Agency Disbursement Register for Between July 27 - 31, 2020** - Receive and file.

ADMINISTRATIVE ANNOUNCEMENTS

37. **City Manager**
38. **City Attorney**
39. **Council Requests**

COUNCIL ANNOUNCEMENTS

ADJOURNMENT

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 08/18/2020
SUBJECT: Investment Advisory Committee Annual Update

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager
Prepared by: Alicia Brenner, Senior Fiscal Analyst
Concurrence: Cindy Russell, Administrative Services Director

Attachments

IAC Update Presentation



Investment Advisory Committee

UPDATE

August 18, 2020

AGENDA

- ✓ IAC Committee Members
- ✓ Chandler Asset Management
- ✓ PARS/High Mark Capital Management

MEET THE COMMITTEE

Christine Marick.....Council Member / Chair

Rick Rios.....Treasurer

Ho-El ParkCommittee Member

Dave Penn.....Committee Member

Gary Terrazas.....Committee Member

Portfolio Managers:

Chris McCarry/Bill Dennehy.....Chandler Asset Management

Keith Stribling.....High Mark Capital Management

BACKGROUND

The Investment Advisory Committee (IAC) was established to review and make recommendations on the investment policy and investment strategies and is designed to strengthen the internal control of investment management of the City's funds.

CHANDLER ASSET MANAGEMENT

Investment Objectives

- *To first preserve principal in the overall portfolio;*
- *Secondly to provide adequate liquidity to meet operating needs;*
- *Lastly to earn a return that is commensurate with the first two objectives*

Performance Objectives

- *Achieve a rate of return over a market cycle that equals or exceeds the return on a market index of similar duration and sector allocation.*

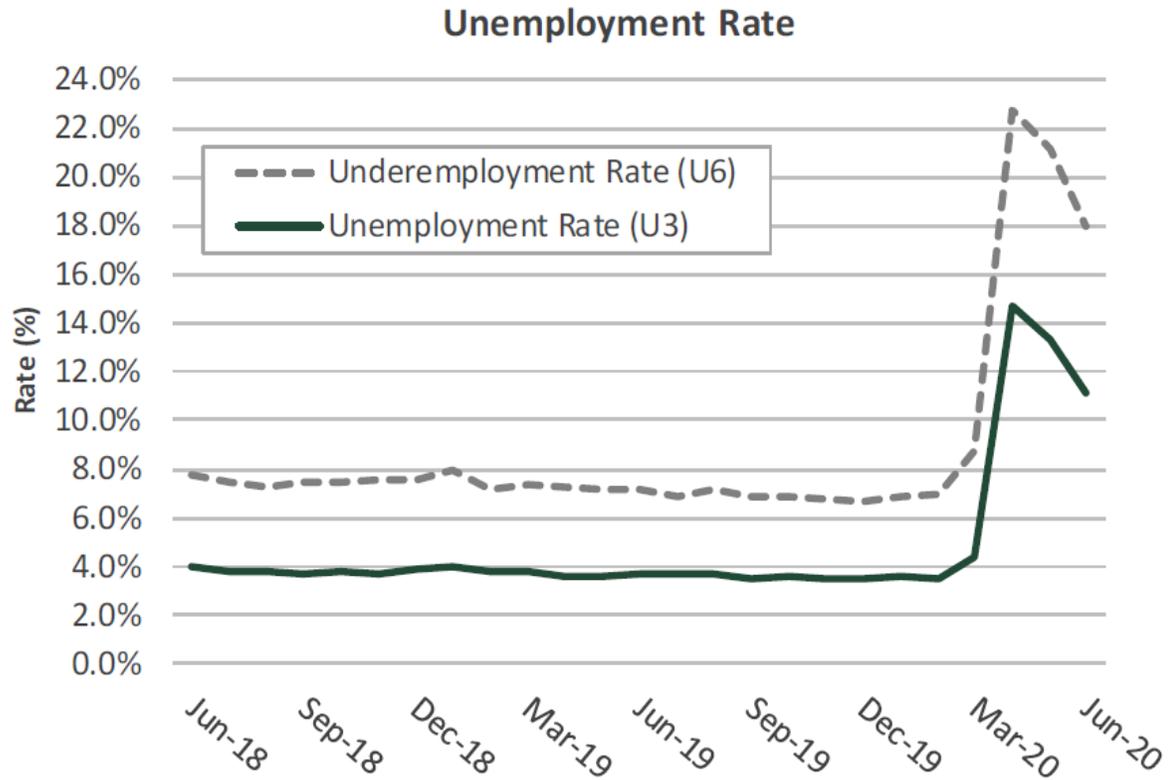
Strategy

- *In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.*

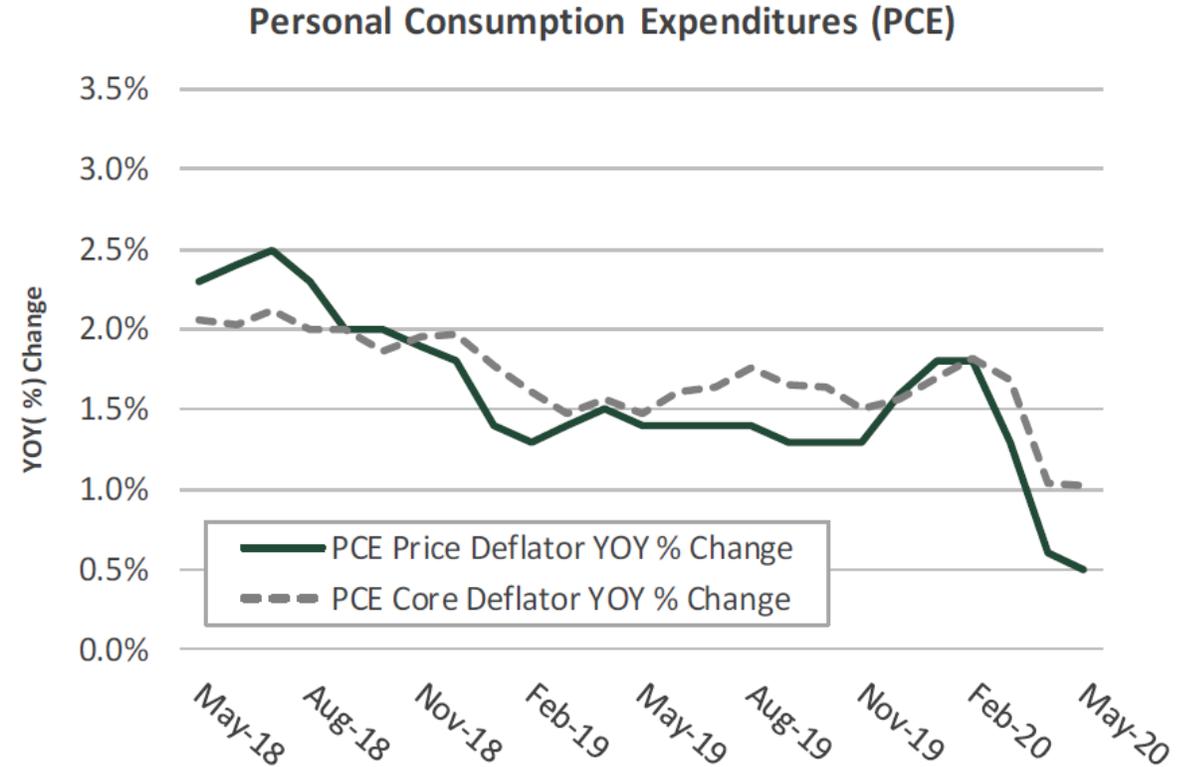
ECONOMIC UPDATE

As of June 30, 2020

UNEMPLOYMENT AND INFLATION



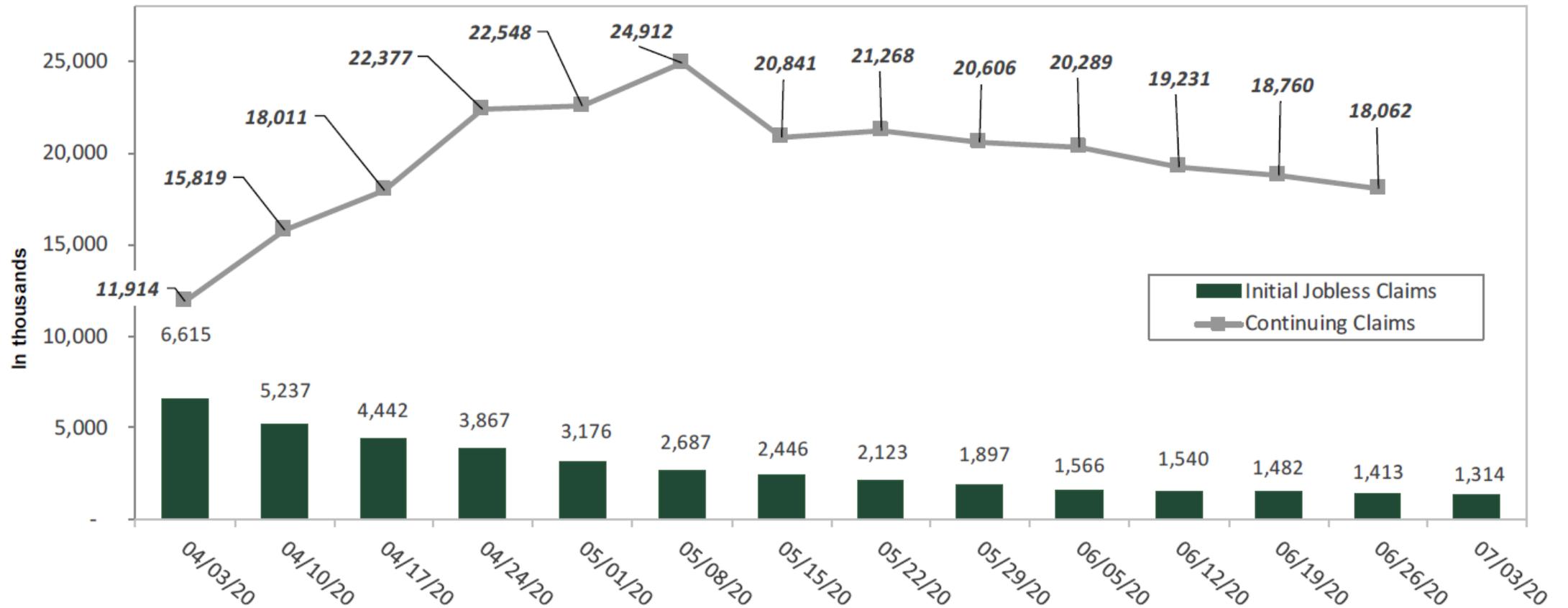
Source: US Department of Labor



Source: US Department of Commerce

UNEMPLOYMENT AND INFLATION

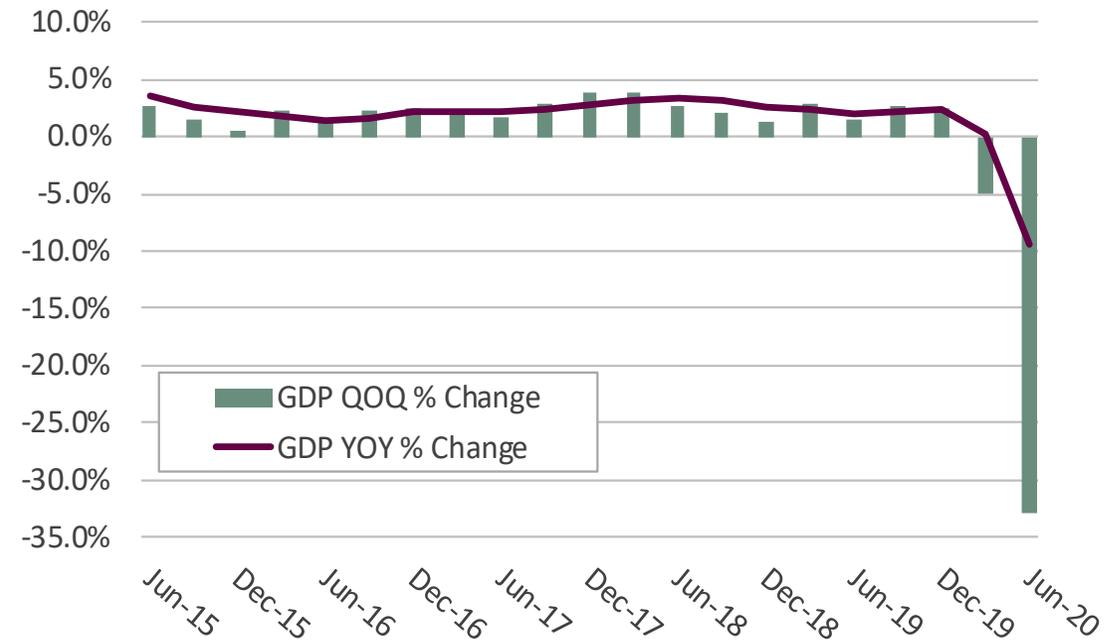
Initial Claims For Unemployment April 03, 2020 - July 03, 2020



Source: US Department of Labor

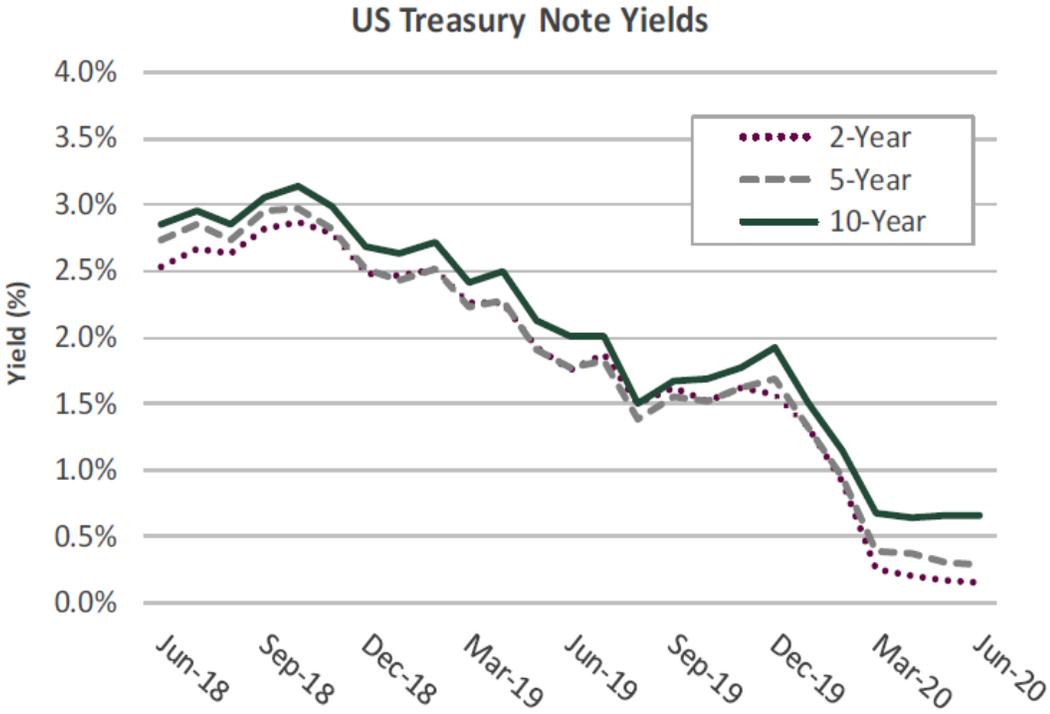
GROSS DOMESTIC PRODUCT (GDP)

Components of GDP	9/19	12/19	3/20	6/20
Personal Consumption Expenditures	1.8%	1.1%	-4.8%	-25.1%
Gross Private Domestic Investment	0.3%	-0.6%	-1.6%	-9.4%
Net Exports and Imports	0.0%	1.5%	1.1%	0.7%
Federal Government Expenditures	0.3%	0.3%	0.1%	1.2%
State and Local (Consumption and Gross Investment)	0.1%	0.2%	0.1%	-0.4%
Total	2.6%	2.4%	-5.0%	-32.9%

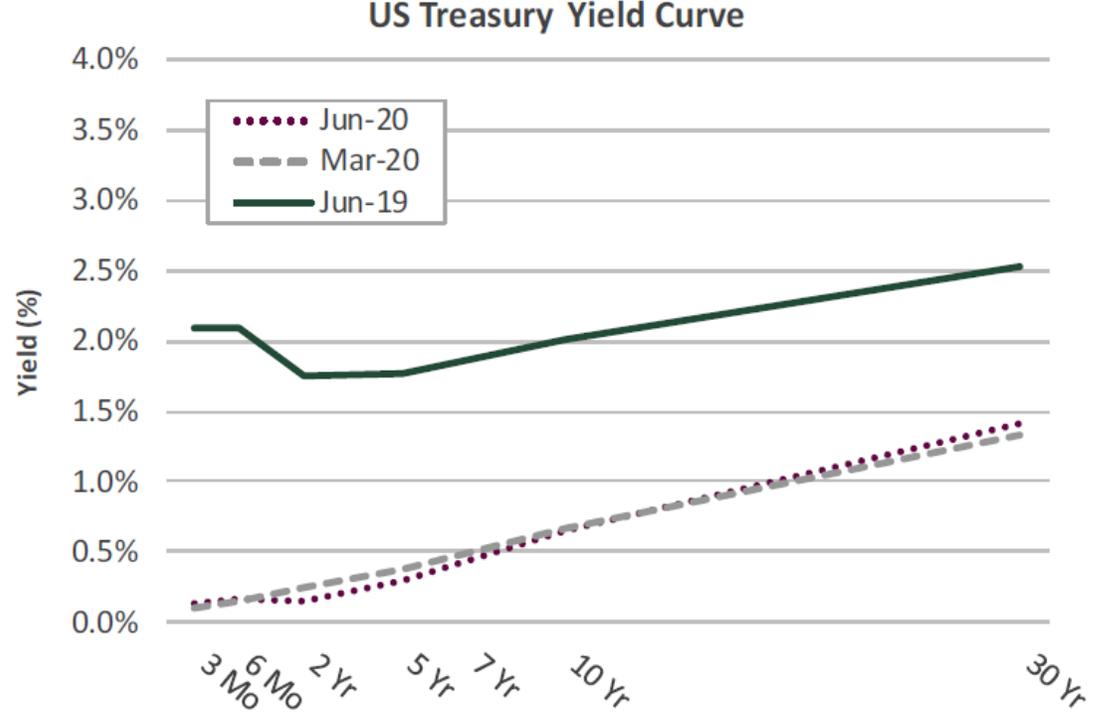


US gross domestic product (GDP) declined at an annual rate of 32.9% in the second quarter, just slightly less negative than the consensus forecast of -35.0% but the largest decline on record. This follows a 5.0% annualized decline in first quarter GDP. Personal consumption expenditures plunged 34.6% in the second quarter, following a 6.9% decline in the first quarter. The consensus forecast calls for a fairly strong rebound in consumer spending and overall economic activity in the third quarter, and a slowing pace of improvement in activity thereafter. According to the National Bureau of Economic Research, the US economy officially entered a recession in February 2020, following a 128-month economic expansion. Economic data remains weak but is showing early signs of improvement, which suggests that the recession (which is the period between the peak of economic activity and the trough) may technically already be over.

BOND YIELDS



Source: Bloomberg



Source: Bloomberg

CITY PORTFOLIO SUMMARY *as of June 30, 2020*

PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.58
Average Coupon	2.10%
Average Purchase YTM	1.95%
Average Market YTM	0.38%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.83 yrs
Average Life	2.67 yrs

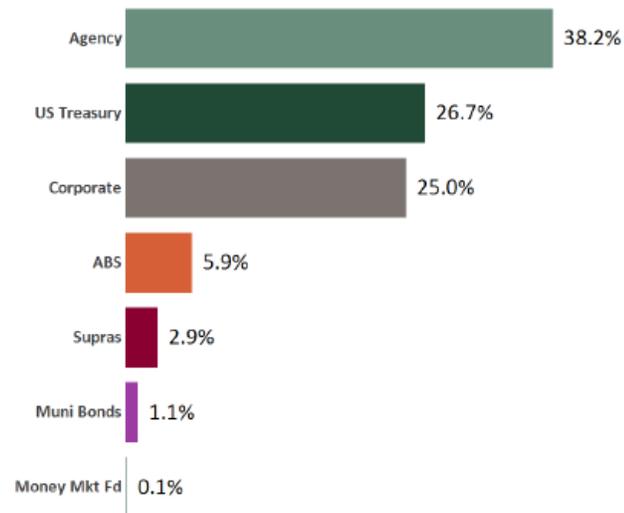
ACCOUNT SUMMARY

	Beg. Values as of 5/31/20	End Values as of 6/30/20
Market Value	88,958,035	89,205,971
Accrued Interest	441,568	435,330
Total Market Value	89,399,602	89,641,301
Income Earned	143,262	140,224
Cont/WD		0
Par	85,254,162	85,400,426
Book Value	85,711,582	85,865,675
Cost Value	85,705,431	85,875,613

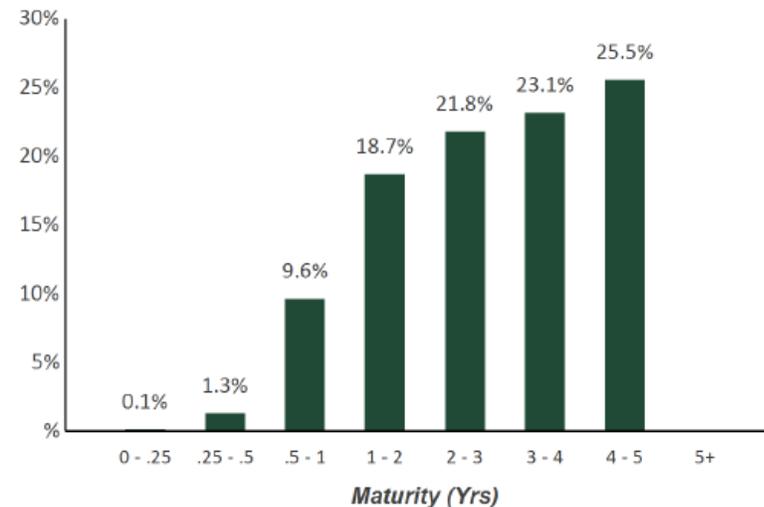
TOP ISSUERS

Government of United States	26.7%
Federal National Mortgage Assoc	18.9%
Federal Home Loan Bank	12.4%
Federal Home Loan Mortgage Corp	7.0%
Inter-American Dev Bank	2.4%
John Deere ABS	2.2%
Honda ABS	1.5%
Toronto Dominion Holdings	1.3%
Total	72.4%

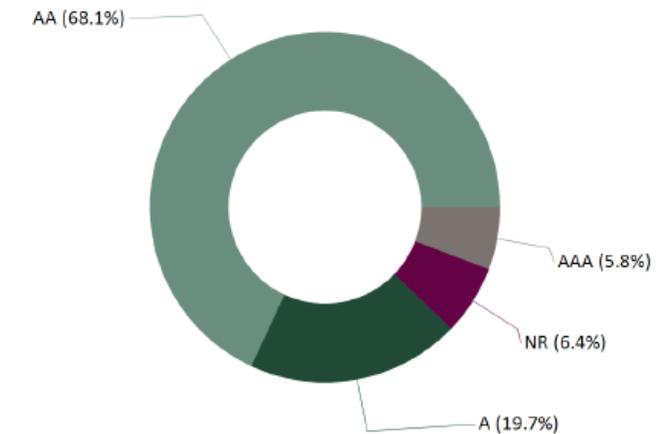
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



COMPLIANCE

Category	Standard	Comment
Treasury Issues	No limitations	<i>Complies</i>
US Agencies	25% per issuer	<i>Complies</i>
Supranationals	"AA" rated by a NRSRO; 15% maximum; 5% max per issuer	<i>Complies</i>
Municipal Securities	5% max issuer	<i>Complies</i>
Banker's Acceptances	40% maximum; 5% max issuer; 180 days max maturity	<i>Complies</i>
Commercial Paper	A-1/P-1 by S&P and Moody's; 25% maximum; 5% max per issuer; 270 days max maturity	<i>Complies</i>
Certificates of Deposit(CDs)/ Time Deposits (TDs)	5% max issuer; FDIC Insured and/or Collateralized	<i>Complies</i>
Negotiable CDs	30% maximum; 5% max per issuer	<i>Complies</i>
Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer	<i>Complies</i>
Pass Through Securities, Asset-Backed Securities (ABS), CMOs	"AA" or higher by a NRSRO; "A" rated issuer by a NRSRO; 20% maximum (combined), 10% maximum (ABS); 5% max per issuer; CMOs must pass FFIEC test	<i>Complies</i>
Money Market Funds	Highest rating by two NRSROs; 20% maximum; 5% max per fund	<i>Complies</i>
LAIF	40%; <60%, with OCIP	<i>Complies</i>
OCIP	40%; <60%, with LAIF	<i>Complies</i>
Repurchase Agreements	5% max issuer; 1 year max maturity	<i>Complies</i>
Range notes	Prohibited	<i>Complies</i>
Interest-only strips	Prohibited	<i>Complies</i>
Zero interest accruals	Prohibited	<i>Complies</i>
Agency Callable notes	5% maximum	<i>Complies</i>
Max Per Issuer	5% per issuer for all non government issuers and agencies	<i>Complies</i>
Maximum Maturity	5 years	<i>Complies</i>

On November 17, 2015, City Council approved the adoption of the PARS Post Employment Benefit Trust to address the City's unfunded pension and Other Post Employment Benefit (OPEB) obligations through a City-controlled trust.

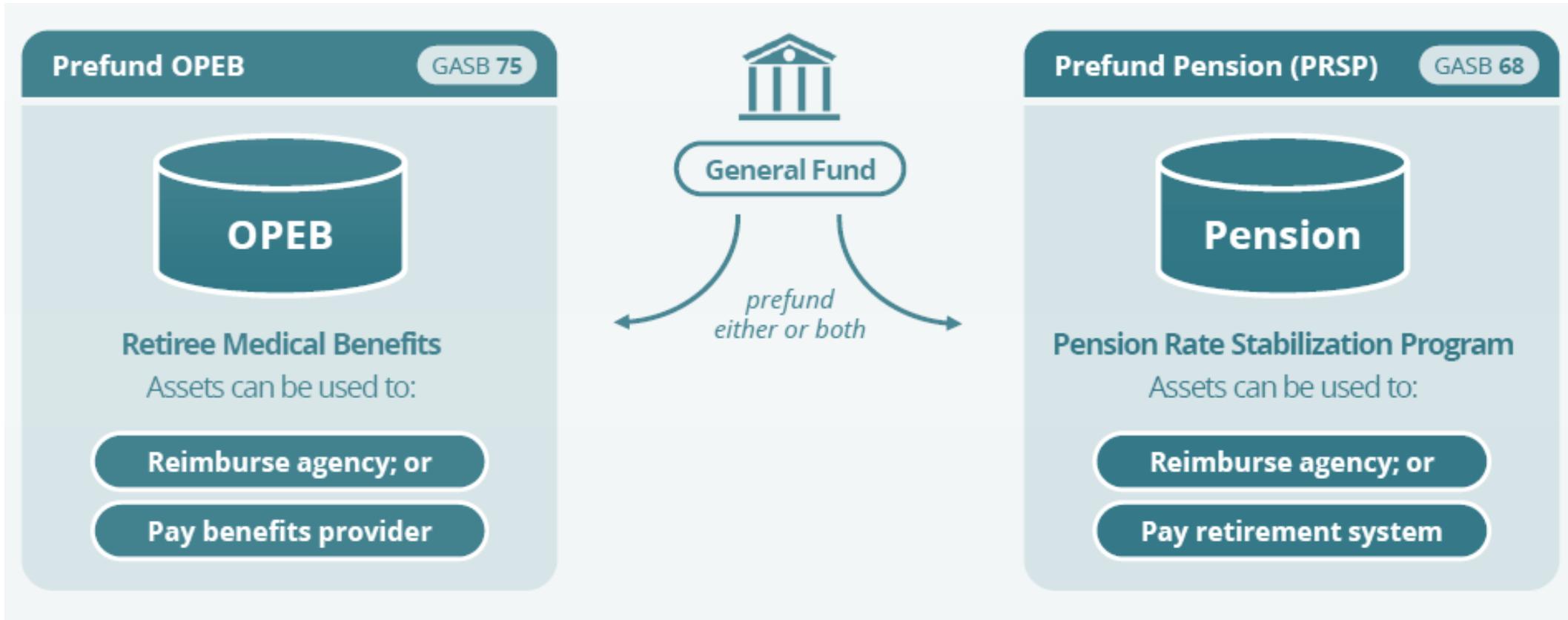
Benefits of the trusts include:

- Assets in the trust can be used to address the City's Net Pension and OPEB Liabilities; and
- Provides a funding source to help stabilize increasing CalPERS rates during challenging economic times; and
- Enables more flexibility to increase investment returns in the long run compared to the earnings from the City's General Fund.

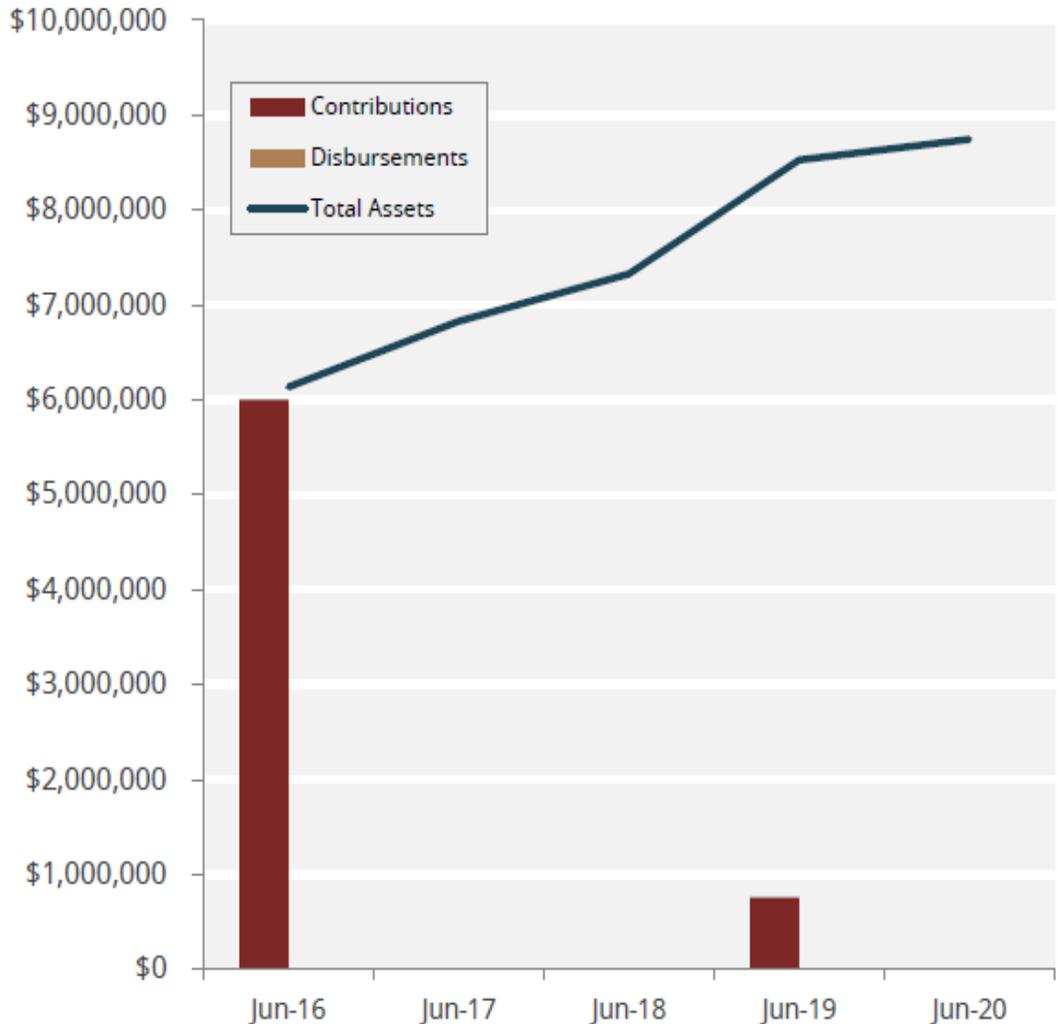
PUBLIC AGENCY RETIREMENT SERVICES | PARS

SECTION 115 TRUST ACCOUNT

TRUST STRUCTURE & BENEFITS



PARS PENSION PLAN OVERVIEW *as of June 30, 2020*



Type of Plan:	IRC Section 115 Irrevocable Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	November 17, 2015
Plan Administrator:	Bill Gallardo - City Manager
Current Investment Strategy:	Balanced HighMark PLUS (Active)-Individual Act (Allocation Target – 58.35% stocks (50-70% range), 37.64% bonds (30-50% range), 4.01% cash (0-20% range))
Initial Contribution:	February 19, 2016 – \$2,000,000
Additional Contributions:	April 22, 2016 - \$2,000,000 June 17, 2016 - \$2,000,000 June 25, 2019 – \$756,800
Balance as of June 30, 2020:	\$8,744,443
Inception to Date Return (02/01/2016)	7.96%

QUESTIONS

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: Executive Order of the Emergency Services Director to Establish Procedures for Certain Outdoor Business Operations

RECOMMENDATION

Adopt Resolution ratifying the Emergency Executive Order of the Emergency Services Director which establishes procedures for the temporary authorization of certain businesses to provide outdoor operations.

BACKGROUND/DISCUSSION

On July 7, 2020, the City Council adopted Resolution 2020-050 ratifying the Emergency Executive Order of the Emergency Services Director which establishes procedures for the temporary authorization of restaurants to provide outdoor dining services. Since then, on July 20, 2020, Governor Newsom and the California Department of Public Health issued emergency orders and guidance stating gyms and fitness centers, places of worship and cultural ceremonies, offices for non-critical infrastructure sectors, personal care services like nail salons and body waxing, hair salons and barbershops, and shopping malls may operate so long as such operations and services can be conducted entirely outdoors, or by outdoor product pick-up for sale activities.

Under these new guidelines, the City Manager acting in the capacity of the Emergency Services Director issued an Executive Order on July 27, 2020, to allow temporary regulations that will permit the above-identified business and religious entities to continue to provide service to the public while complying with social distancing protocols. Staff has updated the Temporary Use Permit for Outdoor Dining application based on these new guidelines. The new Temporary Use Permit for Outdoor Services will undergo the same process, whereby businesses will submit an application to the Planning Division, and fees associated with the TUP process will be offset with the use of CARES Act funding. The TUP for Outdoor services application shall regulate the approval of the outdoor operations of dining services, gyms and fitness centers, places of worship and cultural ceremonies, offices for non-critical infrastructure sectors, personal care services like nail salons and body waxing, hair salons and barbershops, and shopping malls, in the City of Brea.

To help support our businesses, we are excited to announce the creation of the COVID Business Liaison Team. The main goal of this team is to help disseminate information to businesses regarding our Temporary Use Permit for Outdoor Services application. The team is made up of a team of existing staff who have been re-purposed to provide this support to businesses. Costs related to this effort will also be offset with the use of CARES Act funding.

FISCAL IMPACT/SUMMARY

There are no additional fiscal implications associated with the recommended action.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Linda Tang, Management Analyst

Concurrence: Tracy Steinkruger, Community Development Director

Attachments

Resolution

Exhibit A - Executive Order

RESOLUTION NO. 2020-052

A RESOLUTION OF THE BREA CITY COUNCIL RATIFYING THE EMERGENCY EXECUTIVE ORDER OF THE EMERGENCY SERVICES DIRECTOR WHICH ESTABLISHES PROCEDURES FOR THE TEMPORARY APPROVAL OF OUTDOOR SERVICES

A. RECITALS:

(i) Pursuant to Government Code Section 8630 and Chapter 8.00 of the Brea City Code, on March 16, 2020, the City Manager acting in the capacity of the Director of Emergency Services, proclaimed the existence of a local emergency due to the COVID-19 pandemic.

(ii) On March 19, 2020, the City Council adopted Resolution No. 2020-019, ratifying the Director's proclamation of a local emergency.

(iii) Brea City Code Section 8.00.040 provides that, during emergencies, the Director of Emergency Services is empowered to make and issue rules and regulations and emergency orders on matters reasonably related to the protection of life and property as affected by such emergency; provided, however, such rules and regulations must be confirmed at the earliest practicable time by the City Council.

(iv) Resolution No. 2020-019 deems the local emergency to continue to exist until its termination is proclaimed by the City Council.

(v) On July 20, 2020, emergency orders and guidance issued by Governor Newsom and the California Department of Public Health, provide that gyms and fitness centers, places of worship and cultural ceremonies, offices for non-critical infrastructure sectors, personal care services like nail salons and body waxing, hair salons and

Reso. No. 2020-052
August 18, 2020

barbershops, and shopping malls may operate so long as such operations and services can be conducted entirely outdoors, or by outdoor product pick-up for sales activities.

(vi) Based on the foregoing Recitals, and in the interest of public health and safety and for the protection of life and property, on July 27, 2020, the City Manager, acting in the capacity of the Director of Emergency Services, issued an Executive Order establishing temporary regulations permitting and governing the outdoor operation of business and religious entities, thereby enabling these entities to continue to provide services to the public while complying with social distancing protocols.

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

B. RESOLUTION:

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

1. In The facts as set forth in the Recitals are true and correct.
2. Executive Order establishing emergency Temporary Use Permit for Outdoor Services procedures, and as described in Recital V above, issued by the City Manager/Director of Emergency Services, attached hereto as Exhibit "A", is incorporated by reference herein, and is ratified and confirmed by the City Council, as required by Section 8.00.040 of the Brea City Code. This Resolution shall take effect immediately, and shall remain in effect until the above-referenced emergency executive order is terminated by the City Manager/Director of Emergency Services, or the City Council.
3. The City Clerk shall certify to the passage and adoption of this Resolution.

Reso. No. 2020-052
August 18, 2020

APPROVED AND ADOPTED on this 18th day of August, 2020.

Marty Simonoff, Mayor

ATTEST: _____
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the 18th day of August, 2020, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAINED: COUNCILMEMBERS:

DATED: _____

Lillian Harris-Neal, City Clerk

Reso. No. 2020-052
August 18, 2020



**EXECUTIVE ORDER
EXECUTIVE ORDER OF THE DIRECTOR OF EMERGENCY
SERVICES OF THE CITY OF BREA**

WHEREAS, pursuant Government Code Section 8630 and Chapter 8.00 of the Brea City Code, on March 16, 2020, the City Manager acting in the capacity of the Director of Emergency Services, proclaimed the existence of a local emergency due to the COVID-19 pandemic; and

WHEREAS, on March 19, 2020, the City Council adopted Resolution No. 2020-019, ratifying the Director's proclamation of a local emergency; and

WHEREAS, Brea City Code Section 8.00.040 provides that the Director of Emergency Services is empowered to make and issue rules and regulations and emergency orders on matters reasonably related to the protection of life and property as affected by such emergency; provided, however, such rules and regulations must be confirmed at the earliest practicable time by the City Council; and

WHEREAS, Resolution No. 2020-019 deems the local emergency to continue to exist until its termination is proclaimed by the City Council; and

WHEREAS, on July 20, 2020, emergency orders and guidance issued by Governor Newsom and the California Department of Public Health, provide that gyms and fitness centers, places of worship and cultural ceremonies, offices for non-critical infrastructure sectors, personal care services like nail salons and body waxing, hair salons and barbershops, and shopping malls may operate so long as such operations and services can be conducted entirely outdoors, or by outdoor product pick-up for sales activities; and

WHEREAS, in the interest of public health and safety; and for the protection of life and property, the City Manager acting in the capacity of the Director of Emergency Services, has determined that it is in the best interest of the City to exercise his authority to issue temporary regulations that will permit the above-identified business and religious entities to continue to provide service to the public while complying with social distancing protocols.

IT IS HEREBY ORDERED THAT:

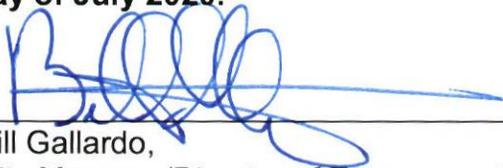
1. The emergency Temporary Use Permit for Outdoor Services procedures attached hereto as Exhibit "A" and incorporated by reference herein, shall regulate the approval of the outdoor operation of gyms and fitness centers, places of worship and cultural ceremonies, offices for non-critical infrastructure sectors, personal care services like nail salons and body waxing, hair salons and barbershops, and shopping malls, in the City of Brea.

2. This Executive Order and the emergency Temporary Use Permit for Outdoor Services procedures, adopted thereby, shall remain in effect for as long as the State or California Department of Public Health and/or County of Orange prohibit indoor operations by gyms and fitness centers, places of worship and cultural ceremonies, offices for non-critical infrastructure sectors, personal care services like nail salons and body waxing, hair salons and barbershops, and shopping malls, or until made inoperative by further action of the City Council or the Director of Emergency Services.

3. The Director of Emergency Services may suspend, revoke, or amend the emergency Temporary Use Permit for Outdoor Services procedures at any time to address any unanticipated problems or impacts.

4. This Order shall become effective immediately.

APPROVED and ADOPTED this 27th day of July 2020.



Bill Gallardo,
City Manager/Director of Emergency Services

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: Executive Order Establishing Temporary Public Safety Regulations for Indoor Entry Into City Facilities

RECOMMENDATION

Adopt Resolution establishing temporary public safety regulations for indoor entry into City facilities.

BACKGROUND/DISCUSSION

On March 16, 2020, the City Manager acting in the capacity of the Director of Emergency Services, proclaimed the existence of a local emergency due to the COVID-19 pandemic and on March 19, 2020, the City Council adopted Resolution No. 2020-019, ratifying the Director's proclamation of a local emergency which deems the local emergency to continue to exist until its termination is proclaimed by the City Council.

Brea City Code Section 8.00.040 provides that the Director of Emergency Services is empowered to make and issue rules and regulations on matters reasonably related to the protection of life and property as affected by such emergency; provided, however, such rules and regulations must be confirmed at the earliest practicable time by the City Council.

The City Manager acting in the capacity of the Director of Emergency Services has determined that, in order to more fully protect the public health and safety, it is reasonable and necessary to issue temporary safety regulations requiring pre-entrance screening of all contractors, vendors, and other visitors (collectively, "Public Visitors") to indoor areas of the Civic and Cultural Center, City Yard, Brea Community Center, and Brea Senior Center.

The Executive Order addresses information regarding:

- The Temperature Screening Process
- Respiratory Symptom Disclosure
- Confidentiality
- Matters Unaffected
- Duration
- Executive Order Effective Date

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager
Prepared by: Lillian Harris-Neal, City Clerk
Concurrence: Adam Loeser, Fire Chief

Attachments

Resolution
Exhibit A - Executive Order

RESOLUTION NO. 2020-053

A RESOLUTION OF THE BREA CITY COUNCIL RATIFYING THE EXECUTIVE ORDER OF THE EMERGENCY SERVICES DIRECTOR ESTABLISHING TEMPORARY PUBLIC SAFETY REGULATIONS FOR INDOOR ENTRY INTO CITY FACILITIES

A. RECITALS:

(i) Pursuant to Government Code Section 8630 and Chapter 8.00 of the Brea City Code, on March 16, 2020, the City Manager acting in the capacity of the Director of Emergency Services, proclaimed the existence of a local emergency due to the COVID-19 pandemic.

(ii) On March 19, 2020, the City Council adopted Resolution No. 2020-019, ratifying the Director's proclamation of a local emergency.

(iii) Brea City Code Section 8.00.040 provides that, during emergencies, the Director of Emergency Services is empowered to make and issue rules and regulations on matters reasonably related to the protection of life and property as affected by such emergency; provided, however, such rules and regulations must be confirmed at the earliest practicable time by the City Council.

(iv) Resolution No. 2020-019 deems the local emergency to continue to exist until its termination is proclaimed by the City Council.

(v) On August 13, 2020, the City Manager acting in the capacity of the Director of Emergency Services, in order to more fully protect the public health and safety and, based thereon, issued an Executive Order establishing temporary safety regulations requiring pre-entrance screening of all contractors, vendors, and other visitors (collectively, "Public Visitors") to indoor areas of the Civic and Cultural Center, City Yard, Brea

Reso. No. 2020-053
August 18, 2020

Community Center, and Brea Senior Center (each, a “City Facility”).

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

B. RESOLUTION:

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

1. In The facts as set forth in the Recitals are true and correct.
2. The Executive Order establishing temporary safety regulations requiring pre-entrance screening of all Public Visitors to City Facilities, issued by the City Manager/Director of Emergency Services and attached hereto as Exhibit “A”, is incorporated by reference herein, and is ratified and confirmed by the City Council, as required by Section 8.00.040 of the Brea City Code. This Resolution shall take effect immediately and shall remain in effect until the above-referenced emergency Executive Order is terminated by the City Manager/Director of Emergency Services, or by the City Council.
3. The City Clerk shall certify to the passage and adoption of this Resolution.

APPROVED AND ADOPTED on this 18th day of July, 2020.

Marty Simonoff, Mayor

ATTEST: _____
Lillian Harris-Neal, City Clerk

Reso. No. 2020-053
August 18, 2020

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the 18th day of July, 2020, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAINED: COUNCILMEMBERS:

DATED: _____

Lillian Harris-Neal, City Clerk



**EXECUTIVE ORDER OF THE
DIRECTOR OF EMERGENCY SERVICES OF THE CITY OF BREA**

WHEREAS, pursuant Government Code Section 8630 and Chapter 8.00 of the Brea City Code, on March 16, 2020, the City Manager acting in the capacity of the Director of Emergency Services, proclaimed the existence of a local emergency due to the COVID-19 pandemic; and

WHEREAS, on March 19, 2020, the City Council adopted Resolution No. 2020-019, ratifying the Director's proclamation of a local emergency; and

WHEREAS, Brea City Code Section 8.00.040 provides that the Director of Emergency Services is empowered to make and issue rules and regulations on matters reasonably related to the protection of life and property as affected by such emergency; provided, however, such rules and regulations must be confirmed at the earliest practicable time by the City Council; and

WHEREAS, Resolution No. 2020-019 deems the local emergency to continue to exist until its termination is proclaimed by the City Council; and

WHEREAS, the City Manager acting in the capacity of the Director of Emergency Services has determined that, in order to more fully protect the public health and safety, it is reasonable and necessary to issue temporary safety regulations requiring pre-entrance screening of all contractors, vendors, and other visitors (collectively, "Public Visitors") to indoor areas of the Civic and Cultural Center, City Yard, Brea Community Center, and Brea Senior Center (each, a "City Facility").

NOW, THEREFORE, I, Bill Gallardo, Director of Emergency Services for the City of Brea, do hereby issue this Order subject to confirmation as soon as practicable by the City Council:

IT IS HEREBY ORDERED THAT:

1. Temperature Screening. Prior to indoor entry into a City Facility, all Public Visitors shall identify themselves and be body temperature screened by a City employee, contractor, or volunteer using a touch-free forehead thermometer. If the screening shows a temperature less than 100.4° Fahrenheit, then the person may enter the City Facility; otherwise, a second body temperature screening shall be performed at least one minute later. If the second screening shows a temperature of 100.4° Fahrenheit or higher, then

the person shall not enter the City Facility and shall not attempt entry into that or any other City Facility for 24 hours.

2. Respiratory Symptom Disclosure. At the time of the temperature screening described in Section 1 above, all Public Visitors shall disclose whether they are currently experiencing any respiratory symptom (cough, shortness of breath, etc.) not attributable to any long term, pre-pandemic medical condition. Any person who discloses such a respiratory symptom shall not enter the City Facility and shall not attempt entry into that or any other City Facility for seven days.

3. Confidentiality. A record of Public Visitors who are not permitted entry into a City Facility as a result of the temporary safety regulations set forth in Sections 1 and 2 above shall be maintained as a confidential medical record, solely for purposes of administering the screening process in order to more fully protect the public health and safety during the COVID-19 pandemic.

4. Face Covering. All Public Visitors allowed indoor entry into a City Facility shall wear a face covering or mask, which covers the person's nose and mouth, at all times.

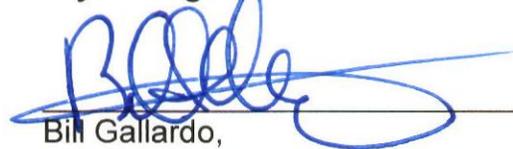
5. Matters Unaffected. Nothing in this Order shall be deemed to restrict normal communications between any member of the public and any City official or employee, by phone, email, or other means of electronic communications, in the ordinary course of City business.

6. Suspension/Modification. The Director of Emergency Services may suspend or modify this Order, as needed, to more fully provide for the public health and safety.

7. Duration. This Order shall remain in effect until made inoperative by non-ratification or other action of the City Council or until cancelled by the Director of Emergency Services.

8. Effective Date. This Order shall become effective immediately.

APPROVED and ADOPTED this 13th day of August 2020.



Bill Gallardo,
City Manager/Director of Emergency Services

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 08/18/2020
SUBJECT: July 21, 2020 City Council Regular Meeting Minutes

RECOMMENDATION

Approve.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager
Prepared by: Victoria Popescu, Deputy City Clerk
Concurrence: Lillian Harris-Neal, City Clerk

Attachments

Draft Minutes

DRAFT

BREA CITY COUNCIL SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY MEETING

MINUTES July 21, 2020

CLOSED SESSION 5:30 p.m. - Council Chamber Plaza Level

CALL TO ORDER / ROLL CALL - COUNCIL

Mayor Simonoff called the Closed Session to order at 5:01 p.m. Mayor Simonoff and Councilmembers Hupp and Marick were present in the Council Chambers; and Mayor Pro Tem Vargas and Councilmember Parker were present via teleconference.

Present: Marick, Simonoff, Hupp, Parker, Vargas

- 1. Public Comment**
None.

Closed Session may convene to consider matters of purchase / sale of real property (G. C. §54956.8), pending litigation [G.C. §54956.9(d)(1)], potential litigation [G.C. §54956.9(d)(2)(3) or (4)], liability claims (G. C. §54961) or personnel items (G.C. §54957.6). Records not available for public inspection.

- 2. Conference with City's Labor Negotiator Pursuant to Government Code §54957.6 Regarding the Brea Management Association (Non-Safety); Brea City Employees' Association (BCEA); Administrative and Professional Employees' Association (APEA); Brea Fire Association (BFA); Brea Fire Management Association (BFMA); Brea Police Association (BPA); and the Brea Police Management Association (BPMA)** - Chris Emeterio, Negotiator, Cindy Russell, Negotiator, and Mario E. Maldonado, Negotiator.

Mayor Simonoff adjourned the Closed Session at 5:53 p.m.

STUDY SESSION 5:45 p.m. - Council Chamber Plaza Level

CALL TO ORDER / ROLL CALL - COUNCIL

Mayor Simonoff called the Study Session to order at 6:02 p.m. Mayor Simonoff and Councilmembers Hupp and Marick were present in the Council Chambers; and Mayor Pro Tem Vargas and Councilmember Parker were present via teleconference.

- 3. Public Comment**
None.

4. Clarify Regular Meeting Topics

Councilmember Parker indicated that he requested to have a discussion on item 5, Discuss and Define a Policy Statement for the Use of Affordable Housing Funds; and item 8, Traffic Safety Improvements at the Intersection of Puente Street and Whittier Avenue. He also requested clarification on item 19, Annual Development Impact Fee Report for Fiscal Year Ended June 30, 2019.

City Manager Gallardo indicated that staff is in the process of updating fire and dispatch impact fees and indicated the fees will be brought before the Council at a future meeting.

Mayor Pro Tem Vargas requested clarification on item 19, Annual Development Impact Fee Report for Fiscal Year Ended June 30, 2019, as it relates to Zone 2 fees, and requested this item be continued to a future meeting.

Council concurred to continue item 19, Annual Development Impact Fee Report for Fiscal Year Ended June 30, 2019, to a future meeting.

DISCUSSION ITEMS

5. Discuss and Define a Policy Statement for the Use of Affordable Housing Funds

Councilmember Parker indicated that he previously requested further discussion on this topic in response to the question of what to do with the affordable housing funds leftover from the Redevelopment Agency and spoke about previous interest in utilizing the funds towards long-term affordable housing projects. He also expressed interest in establishing a written policy statement on the use of affordable housing funds.

Councilmember Marick concurred with Councilmember Parker and expressed interest in continuing the program with existing participants and continue through natural attrition. She spoke about moving forward on finding existing projects to convert buildings or create new buildings, noting need for affordable housing.

Councilmember Hupp suggested evaluating City-owned vacant lots, entitle them, and sell with the entitlements to developers to boost funding.

Mayor Pro Tem Vargas concurred with Councilmember Parker and requested clarification on the balance in the Affordable Housing Trust Fund. He suggested a portion of the funds be used to bring additional people into the Senior Subsidy Program for at least one (1) year.

Mayor Simonoff inquired as to who will make select the participants.

Councilmember Marick expressed concern with rental subsidies and explained artificial market inflation as a result of city rent subsidies. She indicated that affordable housing projects are costly to build as a result of restricted rents going forward, and expressed interest in maintaining funds in order to be able to build more units in the future.

City Manager Gallardo indicated that covenants restrict rents on affordable housing developments for 55 years.

Mayor Simonoff reiterated that he feels long-term affordable housing will be most beneficial to the senior community.

The Council concurred to utilize affordable housing funds towards long-term affordable housing development.

6. Designate Voting Delegate and Alternate for League of California Cities Annual Conference & Expo October 7-9, 2020 in Long Beach

Mayor Simonoff indicated he will be serving as the designated voting delegate and Councilmember Hupp will be the alternate for the League of California Cities Annual Conference and Expo.

7. Brea Golf Update (Brea Creek and Birch Hills)

Public Works Superintendent Bowlus provided a presentation to the Council and spoke about the background and history of Brea Creek and Birch Hills; Brea Creek Golf Courses improvements; Birch Hills Golf Course improvements, planned, future and underway improvements; the Birch Hills Golf Course Hole 17 realignment, revised course layout and bridge styles; permanent RFP for both courses; estimated revenues; and next steps.

Councilmember Hupp inquired as to tee spacing and visibility of the clubhouse from the first tee.

Public Works Superintendent Bowlus indicated that at the southwest corner of the first tee there may be visibility to the 13th tee and the clubhouse.

Councilmember Parker expressed concern with cart and pedestrian safety on the bridges at Birch Hills. He also requested the RFP be deferred until the first quarter of next year, in light of the COVID pandemic.

Mayor Pro Tem Vargas requested further clarification on the CARES Act funding and revenue projections as it relates to the Golf Courses. He also expressed interest in allowing the RFP to be more open to give the opportunity for interesting proposals, such as Top Golf.

Public Works Superintendent Bowlus indicated that the CARES Act provided payroll to companies that applied for the grant funding and indicated that the City assisted with supplies for the operator. He also indicated that there may be parameters in the CC&R's which could be more limiting to uses.

Administrative Services Director Russell clarified gross versus net revenue projections.

Mayor Simonoff indicated that he is in favor of moving forward with the RFP at this time.

Councilmember Hupp indicated that through her research, most City-owned golf courses are operated by outside management companies.

Council came to the consensus to move forward with issuing the RFP.

8. Traffic Safety Improvements at the Intersection of Puente Street and Whittier Avenue

Councilmember Parker indicated that he requested this item be pulled from the Consent Calendar at the previous General Session; he spoke about the history of other intersection improvements and indicated that he drives the subject site frequently; he indicated that he feels the speed humps are a hazard and spoke in opposition to restriping the roadways. He expressed interest in removing the islands and leaving the speed humps while filling the gaps.

Councilmember Hupp concurred with Councilmember Parker and indicated she feels the intersection needs to be addressed to find a long-term solution.

City Manager Gallardo spoke about the history of the Whittier extension, and indicated that the City would reach out to neighbors prior to improvements on the street.

Councilmember Marick indicated that she is in support of restriping without delay if it is a potential improvement and conducting further public engagement to address a long-term solution.

City Manager Gallardo indicated that the Traffic Committee and the City's Traffic Engineer examined the intersection and provided their recommendations to Council.

9. Single-Family Development Standards and Neighborhood Compatibility

Community Development Director Steinkruger defined masonization; highlighted the existing Single-Family Development Standards and City Code; discussed the Certificate of Compatibility process; provided an example of a recent Certificate of Compatibility approval; explained the trends of permits issued for Accessory Dwelling Units in the City; and noted staff recommendation.

Councilmember Marick indicated that she concurs with staff's recommendation for the "watch and wait" approach.

Councilmember Parker suggested putting together preliminary guidelines and having discussions while in the "watch and wait" period.

Mayor Pro Tem Vargas concurred with Councilmember Parker to continue the discussion on mansionization and expressed interest in forming a review committee for these projects.

Councilmember Marick requested clarification on what the Certificate of Compatibility process is and what the current restrictions are.

Community Development Director Steinkruger spoke about the Certificate of Compatibility process, and indicated that it takes into account existing development standards, existing neighborhood character, aesthetics and architectural design.

Mayor Simonoff concurred with Councilmember Parker and Mayor Pro Tem Vargas and requested further discussion on establishing preliminary guidelines.

Councilmember Marick expressed interest in welcoming improvements and maintaining mindfulness to not dissuade residents who may have purchased their particular home with the intention of making improvements in the future.

REPORT

10. Council Member Report/Requests

None.

Mayor Simonoff adjourned the Study Session at 6:57 p.m.

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

CALL TO ORDER/ ROLL CALL - COUNCIL

Mayor Simonoff called the General Session to order at 7:00 p.m. Mayor Simonoff and Councilmembers Hupp and Marick were present in the Council Chambers; and Mayor Pro Tem Vargas and Councilmember Parker were present via teleconference.

11. Pledge of Allegiance

Mayor Simonoff led the Pledge of Allegiance.

12. Invocation

Dan Cook, The Lighthouse Church, delivered the Invocation.

13. Report - Prior Study Session

City Manager Gallardo provided a report on the prior Study Session.

14. Matters from the Audience

Mayor Simonoff read a statement regarding a request received for Brea Police Department recordings.

Lee Squire spoke in support of the Brea Police Department.

Heidi Gallegos, CEO, Brea Chamber of Commerce, commended staff and Council for allowing outdoor seating for local restaurants and requested local officials work with State officials to come up with a restaurant recovery fund.

The following individuals provided comments via Zoom teleconference:

Geoffrey Etnire, representative for Pacific Plastics, requested that Council reconsider their prior approval of the Mercury Lane Apartments and do a Specific Plan and General Plan Amendment for the industrial area.

Stephanie Wade, Field Representative from the Office of Congressman Gilbert Cisneros, Jr., recognized the need for emergency relief efforts; and provided legislative updates regarding the bipartisan Heroes Act, extension of student loan provisions in the CARES Act, and Defense Production Act funding. She also invited constituents to join the Congressman and Secretary of State Alex Padilla for a virtual Town Hall meeting regarding upcoming election procedures and the 2020 Census.

15. Response to Public Inquiries - Mayor / City Manager

None.

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

CITY COUNCIL - CONSENT

16. July 7, 2020 City Council Regular Meeting Minutes

The City Council approved the July 7, 2020 City Council Regular Meeting Minutes.

17. Traffic Improvements at the Intersection of Puente Street and Whittier Avenue

The City Council approved the Conceptual Striping Plan for the intersection of Puente Street and Whittier Avenue; and directed the City Engineer to implement said improvements.

18. Contract Addendum with Western Golf Properties LLC at Brea Creek Golf Course

The City Council approved the addendum to extend interim contract with Western Golf Properties LLC (WGP) for maintenance and operations at Brea Creek Golf Course for a not-to-exceed monthly amount of \$51,350 for a maximum of six (6) months.

19. Annual Development Impact Fee Report for the Fiscal Year Ended June 30, 2019

This item was continued to the next Regular City Council Meeting.

20. Outgoing Payment Log and City Disbursement Registers for July 10 and 17, 2020

The City Council received and filed the Outgoing Payment Log and City Disbursement Registers for July 10 and 17, 2020.

Motion was made by Council Member Hupp, seconded by Council Member Marick to approve City Council Consent items 16-18, and 20.

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

Passed

CITY/ SUCCESSOR AGENCY - CONSENT

21. Successor Agency June Outgoing Payment Log

The City Council, as the Successor Agency, received and filed the Successor Agency June Outgoing Payment Log.

Motion was made by Mayor Pro Tem Vargas, seconded by Council Member Hupp to approve City/Successor Agency Consent item 21.

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

Passed

ADMINISTRATIVE ANNOUNCEMENTS

22. City Manager
None.

23. City Attorney
None.

24. Council Requests
None.

COUNCIL ANNOUNCEMENTS

Councilmember Hupp requested that the meeting be adjourned in memory of Rosie Tsing.

Mayor Pro Tem Vargas thanked Lee Squire for his support of the Brea Police Department.

ADJOURNMENT

Mayor Simonoff adjourned the General Session at 7:21 p.m.

Respectfully submitted,

The foregoing minutes are hereby
approved this 18th day of August, 2020.

Lillian Harris-Neal, City Clerk

Marty Simonoff, Mayor

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 08/18/2020
SUBJECT: July 23, 2020 City Council Special Meeting Minutes

RECOMMENDATION

Approve.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager
Prepared by: Victoria Popescu, Deputy City Clerk
Concurrence: Lillian Harris-Neal, City Clerk

Attachments

Draft Minutes

DRAFT

BREA CITY COUNCIL SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY MEETING

MINUTES July 23, 2020

CLOSED SESSION
10:00 a.m. - Council Chamber
Plaza Level

CALL TO ORDER / ROLL CALL - COUNCIL

Mayor Simonoff called the Closed Session to order at 10:00 a.m. Mayor Simnoff and Councilmembers Hupp and Marick were present in the Council Chambers; and Mayor Pro Tem Vargas and Councilmember Parker were present via teleconference.

Present: Marick, Simonoff, Hupp, Parker, Vargas

- 1. Public Comment**
None.

Closed Session may convene to consider matters of purchase / sale of real property (G. C. §54956.8), pending litigation [G.C.§54956.9(d)(1)], potential litigation [G.C. §54956.9(d)(2)(3) or (4)], liability claims (G. C. §54961) or personnel items (G.C.§54957.6). Records not available for public inspection.

- 2. Conference with Legal Counsel Pursuant to Government Code Section 54956.9(d)(2) - Anticipated Litigation.**

Significant Exposure to Litigation: 3 potential cases.

Facts and Circumstances: July 10, 2020 Baric & Associates Correspondence; July 19, 2020 PARRIS Correspondence; July 20, 2020 Venable LLP Correspondence.

- 3. Conference with Legal Counsel Pursuant to Government Code Section 54956.9(d)(1) - Existing Litigation.**

Name of Case: Lucas Builders, Inc. v. City of Brea (Case No. 30-2020-01147152-CU-BC-NJC)

ADJOURNMENT

Mayor Simonoff adjourned the Closed Session at 11:35 a.m.

Respectfully submitted,

The foregoing minutes are hereby
approved this 18th day of August, 2020.

Lillian Harris-Neal, City Clerk

Marty Simonoff, Mayor

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 08/18/2020
SUBJECT: August 4, 2020 City Council Regular Meeting Minutes

RECOMMENDATION

Approve.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager
Prepared by: Victoria Popescu, Deputy City Clerk
Concurrence: Lillian Harris-Neal, City Clerk

Attachments

Draft Minutes

DRAFT

BREA CITY COUNCIL SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY MEETING

MINUTES August 4, 2020

CLOSED SESSION
6:00 p.m. - Council Chambers
Plaza Level

CALL TO ORDER / ROLL CALL - COUNCIL

Mayor Simonoff called the Closed Session to order at 6:00 p.m. Mayor Simonoff and Councilmembers Hupp and Marick were present in the Council Chambers; and Mayor Pro Tem Vargas and Councilmember Parker were present via teleconference.

Present: Marick, Simonoff, Hupp, Parker, Vargas

- 1. Public Comment**
None.

Closed Session may convene to consider matters of purchase / sale of real property (G. C. §54956.8), pending litigation [G.C. §54956.9(d)(1)], potential litigation [G.C. §54956.9(d)(2)(3) or (4)], liability claims (G. C. §54961) or personnel items (G.C. §54957.6). Records not available for public inspection.

- 2. Conference with City's Labor Negotiator Pursuant to Government Code §54957.6 Regarding the Brea Management Association (Non-Safety); Brea City Employees' Association (BCEA); Administrative and Professional Employees' Association (APEA); Brea Fire Association (BFA); Brea Fire Management Association (BFMA); Brea Police Association (BPA); and the Brea Police Management Association (BPMA)** - Chris Emeterio, Negotiator, Cindy Russell, Negotiator, and Mario E. Maldonado, Negotiator.
- 3. Conference with Legal Counsel Pursuant to Government Code Section 54956.9(d)(2) - Anticipated Litigation. Significant Exposure to Litigation:** 1 potential case. Facts and Circumstances: Brea Firefighters Association FLSA Matter.
- 4. Conference with Real Property Negotiators Pursuant to Government Code §54956.8**
Property: Approximate 15-foot wide Union Pacific Railroad right of way easement between Berry Street to Palm Avenue and the Brea Canyon Channel to Berry Street in the City of Brea.
City of Brea Negotiators: Tony Olmos and Terence Boga
Negotiating Party: Union Pacific Railroad
Under Negotiation: Price and terms of payment
- 5. Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8.**
Property: Hotel Ground Lease, 900 E. Birch Street, Brea, CA (APN 319-101-43, 319-101-45 and a portion of 319-101-46) and Retail Court Ground Lease, 910 E. Birch Street, Brea, CA (portion of APN 319-101-46)
City of Brea Negotiators: City Manager Bill Gallardo, Administrative Services Director Cindy Russell
Negotiating Parties: Windsor Capital Group on behalf of Nesbitt Partners Brea Ventures, Ltd.
Under Negotiation: Price and Terms of Payment

- 6. Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8.**
Property: 101 S. Brea Parking Garage, 175 S. Madrona Parking Garage, 235 S. Orange Parking Garage and the City-owned surface parking lot located on the block bounded by Brea Blvd., Orange Avenue, Ash St., and Birch St.
City of Brea Negotiators: City Manager Bill Gallardo, Administrative Services Director Cindy Russell
Negotiating Parties: Brea Downtown Owner's Association (BDOA)
Under Negotiation: Price and Terms of Payment

ADJOURNMENT

Mayor Simonoff adjourned the Closed Session at 7:20 p.m.

Respectfully submitted,

The foregoing minutes are hereby approved this 18th day of August, 2020.

Lillian Harris-Neal, City Clerk

Marty Simonoff, Mayor

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: Amendment No. 1 with PeopleSpace for Civic & Cultural Center 3rd Floor Redesign and Furniture Purchase (CIP 7955)

RECOMMENDATION

1. Approve Amendment No. 1 with PeopleSpace in the amount not-to-exceed \$121,116 resulting in a total contract amount not-to-exceed \$503,468; and
2. Authorize City Engineer to approve change orders up to 5% of the not-to-exceed amount.

BACKGROUND/DISCUSSION

On July 16, 2019, the City Council authorized a contract in the amount of \$347,606 with PeopleSpace to commence the Civic Center 3rd Floor Redesign Project. This project has been an organizational goal for many years to accomplish the following:

1. Bring current office furniture up to date to improve both safety and the ability to reconfigure space as time goes on;
2. Design and build offices for mid-level managers currently in cubicles original to the building, in order to facilitate discretion and supervisory conversations; and
3. Bring individuals within the same department - who were, in some cases, working on separate floors - closer together for the sake of increased efficiency, collaboration, and innovation.

With the original contract, staff was able to accomplish two of the three goals by purchasing and installing all new workstations across the entire 3rd floor of the Civic Center. While all of the furniture for the 3rd floor was intended to be purchased at one time, many design choices, aside from the workstations, hadn't yet been decided, and a product price increase was set to take place in February 2020. As a result, staff proceeded with purchasing the workstations in January 2020 to lock in the lower product price. If there had not been an upcoming price increase, all items in the attached quote would have all been purchased at one time with the workstations, as originally intended.

While staff had projected the number of new workstations needed, the amount purchased increased to accommodate employees, contractors, interns, and volunteers requiring work space on the 3rd floor that were not originally planned for in the project scope. In addition, some employees required larger workstations to accommodate technical equipment, large-scale plans, and other items essential to their job function. These additions were extensions of the original scope, but were essential to provide necessary accommodations. Exhibit A contains photos depicting the new, fresh look established throughout the 3rd floor. These new workstations revive the approximately 40-year-old office furniture original to the building, bringing enhanced employee safety and the ability to reconfigure spaces as time goes on. Furthermore, the

workstations have allowed individuals from departments, some of whom were working on separate floors, closer together for the sake of increased collaboration and innovation. Employees have expressed their satisfaction with the workstations in providing increased capacity to work more collaboratively with their co-workers. The workstation installation not only completed two of the three overall project goals, but it has also accomplished the majority of the project's scope.

To continue this project, on June 16, 2020, City Council authorized a contract in the amount of \$180,805 with PeopleSpace for the purchase and installation of demountable walls for the manager offices, two small meetings rooms, and a dedicated "mother's room." For reference, Exhibit B contains photos of existing manager cubicles.

Staff is now seeking City Council approval to amend the original contract to purchase the remaining furniture. As previously indicated, this furniture was originally slated to be ordered at the same time as the workstations, but was temporarily put on hold in order for staff to focus on submitting the workstation order prior to the vendor's price increase. Now, with the workstation price increase avoided and the rest of the design decisions solidified, this order will fulfill the remaining scope of work this project set out to accomplish and will tie together the overall intended design. Staff is also requesting an additional 5% contingency should any quantities change between the time of amendment approval and product ordering. Included on this order are the following:

- Furniture for the offices being built, consistent with the modified look established by the installation of the new 3rd floor workstations;
- Panels to replace existing 40-year-old panels to enclose Police Administration's small break area, as they lack a full-functioning kitchen in their now enclosed office area;
- Conference and small meeting room tables to furnish meeting rooms being created as a result of the redesign that will facilitate private and group conversations outside of the open office environment;
- Collaborative storage tables which will support some departments' needs for additional storage, as well as serve as a location for staff to collaboratively discuss work projects, especially with the removal of visiting guest chairs in cubicles;
- Two additional small storage cabinets for two departments to maintain consistency with the new finishes;
- Functional workstation accessories, which staff has the opportunity to select from a list of universally corresponding components to offer a small customization to their space and provides increased functionality and vertical slat wall storage at workstations, especially for those that have been reduced in footprint;
- Remaining desk chairs required for staff in new workstations;
- Name plaques to replace the old style and more closely match and adhere to the new design; and
- Material to modify one workstation panel in order to better accommodate technical equipment in one department.

The completion of this order will accomplish the last goal of the 3rd Floor Redesign and Furniture Purchase project. These remaining items will bring together the complete design intended for the area. Staff is confident that the total project will be wrapped up this calendar year and will remain within budget.

COMMISSION/COMMITTEE RECOMMENDATION

At their August 11, 2020 meeting, the Finance Committee reviewed this item and requested further clarification over the amount quoted for the functional workstation accessories. As a follow-up from this discussion, staff is reporting the following information:

- The proposed workstation accessories will provide a uniformed way to increase functionality and organization within the new desks via a vertical slat wall. Accessories affixed to the slat wall are intended to provide employees with vertical storage options, especially since some workstations have been reduced in footprint from the prior workstations. Choosing accessories will also allow employees to have a small level of customization in their new spaces.
- The workstation accessories are proprietary to PeopleSpace. Accessories in the order are specifically designed to fit the slat wall affixed to each workstation.
- Staff consulted other vendor prices on similar items and found that PeopleSpace's prices are comparable, if not less, in some cases.
- PeopleSpace also uses California Multiple Award Schedule (CMAS) pricing, which provides the City with the most competitive product pricing. Furthermore, staff discussed the price presented to the Finance Committee with PeopleSpace, and the vendor agreed to an additional \$2,000 discount on the workstation accessories.

FISCAL IMPACT/SUMMARY

There are sufficient funds budgeted in CIP Project No. 7955 to fund the proposed scope of services and the overall project will be within budget.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Jenn Colacion, Management Analyst and Melissa Davis, Management Analyst

Concurrence: Chris Emeterio, Assistant City Manager, Cindy Russell, Administrative Services Director, and Tony Olmos, Public Works Director

Attachments

Exhibit A

Exhibit B

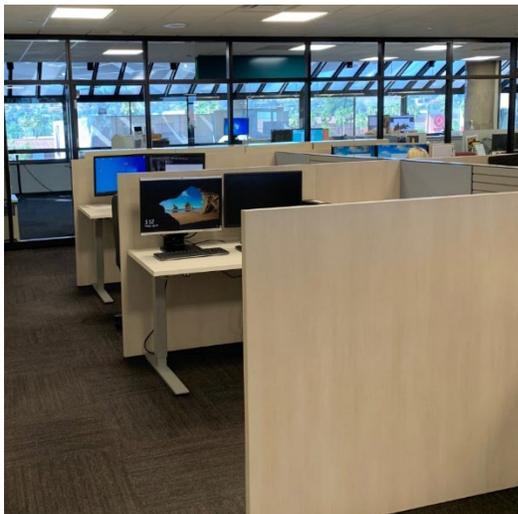
Amendment

Quote

3rd Floor Redesign & Furniture Purchase
EXHIBIT A – New 3rd Floor Established Look



Management Services Department



Engineering Division



Human Resources Division

Existing cubicles for Mid-Level Managers in need of enclosed office spaces





AMENDMENT NO. 1
to the AGREEMENT for PROFESSIONAL SERVICES
with PeopleSpace.
for Design, Furnishing and Installation Services

THIS AMENDMENT ("Amendment") is effective on *the date on which this Agreement is executed by the City of Brea, a California municipal corporation ("City"), and PeopleSpace ("CONTRACTOR")*. Contractor and City are sometimes referred to herein collectively as the "Parties" and singularly as "Party".

I. Recitals

- A. The Parties entered into an Agreement on **July 18, 2019** ("Agreement Date"), whereby CONTRACTOR agreed to **provide Design, Furnishing and Installation Services for the Civic Center 3rd floor Remodel Project** as set forth in Exhibit A ("Services") on City's behalf at the prices set forth in Exhibit A all according to the provisions and requirements as set forth in the **Agreement** all to CITY's reasonable satisfaction ("Agreement").

II. Amendment

The Parties agree to amend this Agreement as follows:

- A. **Increase the not-to-exceed aggregate amount from \$347,606.00 to \$503,468.00 plus a 5% contingency.**
- B. That all other terms and conditions as set forth in the original Agreement shall remain in effect for the duration of this Agreement.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, The parties hereto have executed this Agreement on the date executed by City. The undersigned Parties represent and warrant that they are authorized to bind their principles to the terms of this agreement.

Contractor

Business Name: PeopleSpace

Taxpayer ID#: 33-0894213

only for Public Works projects Contractor Lic.#: _____ DIR Reg#: _____

Business Type (Contractor select one) Individual/Sole Proprietor or single-member LLC;
 C Corporation; S Corporation; Partnership; Trust/estate;
 Limited Liability Company
 Other (specify) _____

Authorized Signatory Brian Airth

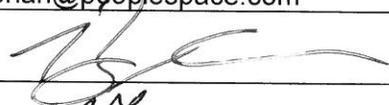
Title Chief Business Development Officer

Address, Suite# 17800 Mitchell North

City, State, Zip Irvine, CA 92614

Phone (949) 724-9444

Email brian@peoplespace.com

Signature(s):  Date: 8/12/2020
(principal)

Signature(s):  Date: 8/12/2020
(2nd Signature required if corp)

City of Brea

City of Brea, a California Municipal Corporation

Address: 1 Civic Center Circle

City, State, Zip: Brea California 92821

Printed Name: Marty Simonoff

Title: Mayor

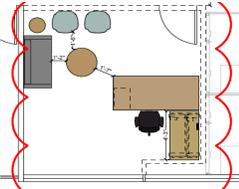
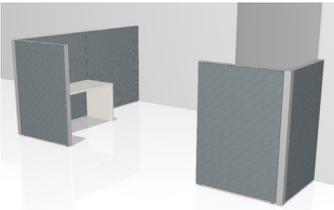
Authorized Signature: _____ Date _____

Attestation (if total contract value exceeds \$25,000 or \$200,000 for Public Works projects)

Printed Name: Lillian Harris-Neal, MMC

Title: City Clerk

Authorized Signature: _____ Date _____

Offices		Qty.	Unit	Ext. Price
	<p>Haworth Adaptable 'U' Shape Office Dimensions, Laminate Worksurfaces + Metal Locking Storage Per Plan 6.22.20 Adjustable Height Bridge Top Only (base is existing onsite) Laminate: Grade B, Landmark Wood Laminate Paint: Champagne Metallic Fabric Tackboard: Grade B, Camp - Rain</p>	4	\$ 3,450.00	\$ 13,800.00
	<p>Haworth Adaptable 'L' Shape Office Dimensions, Laminate Worksurfaces + Metal Locking Storage Per Plan 6.22.20 Adjustable Height Bridge Top Only (base is existing onsite) Laminate: Grade B, Landmark Wood Laminate Paint: Champagne Metallic Mobile Ped Fabric: Grade A, Blanket - Bindle (Seating Fabric) Fabric Tackboard: Grade B, Camp - Rain (Vertical Fabric)</p>	1	\$ 3,050.00	\$ 3,050.00
	<p>Haworth 'L' Shape Office L' Shape Desk: Dimensions, Laminate Worksurfaces + Metal Locking Storage Per Plan 6.22.20 Seating + Occasional Tables TBD (2 - 4) Upholstered Side Chairs, TBD: Grade A, TBD (1) Coffee Table, TBD: Grade A Laminate, TBD (2) Side Table, TBD: Grade A Laminate, TBD (1) 2 Seat Sofa, TBD: Grade A, TBD</p>	1	\$ 6,500.00	\$ 6,500.00
	<p>Haworth 'Master Series' Round Meeting Table 30" Round, Disc Base, Laminate Top Laminate: Grade B, Landmark Wood Laminate Painted base: Metallic Champagne</p>	5	\$ 580.00	\$ 2,900.00
	<p>Haworth 'Maari' Sled Base Side Chair Upholstered Seat, Poly Back, Sled Base Poly Shell: Black Fabric Seat: Grade A, Blanket - Bindle Painted base: Metallic Silver</p>	18	\$ 260.00	\$ 4,680.00
SUBTOTAL Offices			\$	30,930.00
PD Separation Panels		Qty.	Unit	Ext. Price
	<p>Haworth 'Compose' Non-Powered Panels 66"H Compose Panels, Per Plan 6.22.20 Non-Powered, Fabric Monolithic Tiles to the Floor Fabric: Grade B, Camp - Rain Trim Paint: Metallic Champagne ** Includes 60"W (1) Laminate Worksurface and (2) Laminate End Supports for Stability ** Laminate: Chalk ** Edgeband: Chalk</p>	1	\$ 2,560.00	\$ 2,560.00
SUBTOTAL PD Separation Panels			\$	2,560.00
Conference 1		Qty.	Unit	Ext. Price
	<p>Haworth 'Planes' Conference Table 48"D x 96"W Pebble Shape w/ Double Sided 8 Port Power Insert Power Insert Includes: (2) Receptacles + (2) Data per Side (8 Total) Laminate: Landmark Wood Laminate Paint: Metallic Champagne Power Insert Finsh: Anodized Aluminum **Maari Conference Chairs not included - Existing conference chairs will be re-used**</p>	1	\$ 2,170.00	\$ 2,170.00
SUBTOTAL Conference 1			\$	2,170.00

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Conference 2 Qty. Unit Ext. Price



Haworth 'Planes' Conference Table
48"D x 84"W Pebble Shape w/ Double Sided 8 Port Power Insert
Power Insert Includes: (2) Receptacles + (2) Data per Side (8 Total)
Laminate: Landmark Wood Laminate
Paint: Metallic Champagne
Power Insert Finish: Anodized Aluminum
Maari Conference Chairs not included - Existing conference chairs will be re-used

1 \$ 2,005.00 \$ 2,005.00

SUBTOTAL Conference 2 \$ 2,005.00

Huddle 1 Qty. Unit Ext. Price



Haworth 'Compose' Table
48" Round Laminate Table Top w/ Disc Base
Non powered
Maari Sled Base Chairs not included - Existing conference chairs will be re-used

1 \$ 685.00 \$ 685.00

SUBTOTAL Huddle 1 \$ 685.00

Huddle 2 Qty. Unit Ext. Price



Haworth 'Compose' Table
36" Round Laminate Table Top w/ Disc Base
Non powered
Maari Sled Base Chairs not included - Existing conference chairs will be re-used

1 \$ 470.00 \$ 470.00

SUBTOTAL Huddle 2 \$ 470.00

Storage 2 Qty. Unit Ext. Price



Both sides of Storage 2 are as shown

Haworth 'X Series' Storage w/ Common Top + End Panel
Common Top: 120"W x 37.5" D
(2) 3H x 42"W Lateral Files
(2) 3H x 42"W Storage Cabinets
(1) 39.5"H End Panels (for Open Seating End)
Laminate: Chalk
Paint: Metallic Champagne

1 \$ 3,075.00 \$ 3,075.00

Haworth 'Maari' Sled Base Stool
Poly Seat, Poly Back, Sled Base
Poly Shell: Black
Painted base: Metallic Silver

2 \$ 295.00 \$ 590.00

SUBTOTAL Storage 2 \$ 3,665.00

Collab 1 Qty. Unit Ext. Price



Both sides of Collab 1 are as shown

Haworth 'X Series' Storage w/ Common Top + End Panel
Common Top: 84"W x 37.5" D
(2) 3H x 42"W Lateral Files
(1) 39.5"H End Panels (for Open Seating End)

1 \$ 1,870.00 \$ 1,870.00

Haworth 'Maari' Sled Base Stool
Poly Seat, Poly Back, Sled Base
Poly Shell: Black
Painted base: Metallic Silver

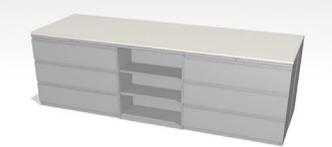
2 \$ 295.00 \$ 590.00

SUBTOTAL Collab 1 \$ 2,460.00

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Collab 2		Qty.	Unit	Ext. Price
 <p>Side 1</p>  <p>Side 2</p>	<p>Haworth 'X Series' Storage w/ Common Top Common Top: 72"W x 37.5"D Storage Side 1: (2) 3H x 36"W Storage Cabinets Storage Side 2: (2) 3H x 36"W Lateral Files Laminate: Chalk Paint: Metallic Champagne</p>	1	\$ 2,480.00	\$ 2,480.00
SUBTOTAL Collab 2			\$	2,480.00

Collab 3		Qty.	Unit	Ext. Price
 <p>Both sides of Collab 3 are as shown</p>	<p>Haworth 'X Series' Storage w/ Common Top Common Top: 90"W x 37.5"D (4) 3H x 30"W Lateral Files (2) 3H x 30"W Open Bookcases Laminate: Chalk Paint: Metallic Champagne</p>	1	\$ 3,070.00	\$ 3,070.00
SUBTOTAL Collab 3			\$	3,070.00

Collab 4		Qty.	Unit	Ext. Price
 <p>Both sides of Collab 4 are as shown</p>	<p>Haworth 'X Series' Storage w/ Common Top Common Top: 114"W x 37.5"D (4) 3H x 42"W Lateral Files (2) 3H x 30"W Open Bookcases Laminate: Chalk Paint: Metallic Champagne</p>	1	\$ 3,850.00	\$ 3,850.00
SUBTOTAL Collab 4			\$	3,850.00

MGMT1 Credenza		Qty.	Unit	Ext. Price
	<p>Haworth 'X Series' Storage w/ Common Top Common Top: 42"W X 18"D (1) 2H x 42"W Storage Cabinet Laminate: Chalk Paint: Metallic Champagne</p>	1	\$ 615.00	\$ 615.00
SUBTOTAL Collab 4			\$	615.00

Plan 3 Storage		Qty.	Unit	Ext. Price
	<p>Haworth 'X Series' Combo Storage Storage under worksurface @ Workstation 'Plan 3' (1) 2H x 30"W Combo Storage - Hinge Door (R) + BBF (L) Paint: Metallic Champagne</p>	1	\$ 650.00	\$ 650.00
SUBTOTAL Collab 4			\$	650.00

Accessories		Qty.	Unit	Ext. Price
	Haworth 'Hanging Sorter' Color: Snow	140	\$ 37.00	\$ 5,180.00
	Haworth 'Paper Tray' Landscape Color: Snow	84	\$ 16.00	\$ 1,344.00
	Haworth 'Reference Shelf' Small 10"W Color: Snow	15	\$ 38.00	\$ 570.00
	Haworth 'Mini Shelf' 4"D x 8"W Color: Snow	13	\$ 14.00	\$ 182.00
	Haworth 'Tool Cup' Color: Snow	17	\$ 14.00	\$ 238.00
	PeopleSpace 'Good Customer' Discount Thank you, we truly appreciate your business	1	\$ (2,000.00)	\$ (2,000.00)
SUBTOTAL Accessories			\$	5,514.00

Task Chairs		Qty.	Unit	Ext. Price
	Sit On It 'Vectra' Task Chair High Back, Advanced Synchro w/ Seat Depth Adjustment, Fully Adjustable (8-way) Carpet Casters, Standard Cylinder, Grade 1 Seat, Mesh Back Seat Fabric: Sugar, Licorice Mesh Back: Onyx Frame: Graphite (Same Task Chair as Phase 1)	50	\$ 495.00	\$ 24,750.00
SUBTOTAL Task Chairs			\$	24,750.00

Workstation + PO Signage		Qty.	Unit	Ext. Price
	Workstation Modular Signage, 2" x 9" Outsert, Modular Sign Tape Mount w/ Glass Mask Aluminum Window Tile Standard Aluminum End Caps, Clip on Paper Insert w/ Removeable Lens	96	\$ 28.00	\$ 2,688.00
	Office Modular Signage, 10" x 10" Outsert, Modular Sign Tap Mount w/ Glass Mask Aluminum Window Tile Standard Aluminum End Caps, Clip on Paper Insert w/ Removeable Lens	6	\$ 124.00	\$ 744.00
SUBTOTAL Workstation + PO Signage			\$	3,432.00

Gallery Panel Edgeband		Qty.	Unit	Ext. Price
	Gallery Panel Modification w/ Finished Edge Banding Edgebanding to be a close color match (might not be exact)	1	\$ 175.00	\$ 175.00
SUBTOTAL Gallery Panel Edge Band			\$	175.00

FURNITURE SUBTOTAL		\$	89,481.00
LABOR TO RECEIVE, DELIVER AND INSTALL		\$	17,865.00
<i>Knock Down Existing/Disposal Not included/Private Offices @ Weekend Labor Rate</i>			
FREIGHT		\$	650.00
ESTIMATED ORANGE COUNTY SALES TAX	7.75%	\$	8,369.69
TECHNICAL DESIGN SERVICES		\$	4,750.00
PROJECT MANAGEMENT SERVICES		\$	3,400.00
GRAND TOTAL		\$	121,115.69

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: Annual Review of Statement of Investment Policy for the City of Brea/Successor Agency to the Brea Redevelopment Agency

RECOMMENDATION

Review and approve the City of Brea/Successor Agency to the Brea Redevelopment Agency Statement of Investment Policy.

BACKGROUND/DISCUSSION

State law allows the City Council to annually adopt the Statement of Investment Policy. Thus, per the City's fiscal policies, "The City Council will review and adopt annually an investment policy as recommended by the Investment Advisory Committee." The Investment Policy serves as a guideline for the investment of City and Successor Agency funds. The Brea Investment Advisory Committee annually reviews the Statement of Investment Policy for the City of Brea and the Successor Agency to the Brea Redevelopment Agency.

The below changes and additions have been recommended by Chandler Asset Management for review and approval by the Investment Advisory Committee. Chandler Asset Management, the City's Portfolio Manager, recommends the following to update the document to be consistent with their internal practices for the upcoming year:

1. **Investment Instruments Section (Pass Thru Securities)** – Delete the language related to Collateralized Mortgage Obligations (CMOs) to be in line with recommended best practices: *"Collateralized Mortgage Obligations must pass the Federal Financial Institution Examination Council (FFIEC) liquidity test to be an eligible investment for the City."* This line is recommended to be deleted because the Federal Financial Institution Examination Council (FFIEC) liquidity test is not in line with recognized best practices and limits the City's ability to take advantage of all permissible investments consistent with California Government Code.
2. **Investment Instruments Section (Mitigating Risk in the Portfolio)** – Add language regarding the downgrade of securities to enhance the risk mitigation measure of the policy. The following sentences are recommended to be added:
 - If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken.
 - Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner.
 - If a decision is made to retain the security, the credit situation will be monitored and

reported to the City Council.

At their July 27, 2020 meeting, the Investment Advisory Committee recommended the following for Item 2 under the first bullet underneath "If a security owned by the City...:

- Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer and *Administrative Services Director within two (2) business days.*"

For ease of reference, the current Investment Policy is attached along with the red-lined version with recommended changes. In addition, a clean version with the recommended changes is also attached.

COMMISSION/COMMITTEE RECOMMENDATION

The Investment Advisory Committee reviewed this item at their July 27, 2020 Meeting and is recommended for City Council approval.

FISCAL IMPACT/SUMMARY

There is no fiscal impact from the adoption of the Statement of Investment Policy.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Faith Madrazo, Revenue & Budget Manager

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Current Investment Policy Adopted 8-20-19

Recommended 2020 Investment Policy - Redline Version

Recommended 2020 Investment Policy

City Of Brea / Successor Agency to the Brea Redevelopment Agency

FINAL

**STATEMENT OF INVESTMENT POLICY
August 20, 2019**

Purpose: This statement is intended to provide a guideline for the prudent investment of funds and to outline the policies for maximizing the efficiency of the City of Brea and Successor Agency to the Brea Redevelopment Agency ("City") cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled funds. This investment policy has been prepared so as to be in conformance with all pertinent existing laws of the State of California for General Law cities.

Objective: The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain a market rate of return without incurring undue risk to principal. The objectives of such investments are: 1) preserve capital, 2) maintain financial flexibility/liquidity, and 3) obtain a competitive rate of return on the City's investments.

Scope: This investment policy applies to the decisions and activities of the City with regard to investing the financial assets of all funds, including the following: General Fund, Special Revenue Funds, Assessment Funds, Enterprise Funds, Internal Service Funds, Capital Projects Funds, Debt Service Funds, Reserve Funds, Trust and Agency Funds, and any other funds that may be created from time to time. This policy does not apply retiree health care savings/trust/plan(s) or deferred compensation plans.

Investment Responsibility: Investment decisions of the City funds are the responsibility of the City Treasurer and/or Administrative Services Director, and shall comply with the Investment Policy of the City. These responsibilities include the authority to open accounts with banks, brokers and dealers, establish safekeeping accounts or other arrangements for the custody of securities and to execute such documents as may be necessary.

Those authorized to execute transactions for the City include the: 1) City Treasurer, 2) Administrative Services Director, 3) Revenue and Budget Manager, and 4) those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk. The City Treasurer and Administrative Services Director shall insure that an authorized person is available at all times to execute the City's investments. Investment managers, brokers and dealers are to be provided with a list of specified names of those persons authorized to execute transactions. The City Council may authorize the delegation of investments to an outside investment manager.

Reporting: The Administrative Services Director shall be responsible for reporting the status of investments to the City Council and City Manager on a monthly basis. These reports will disclose, at a minimum, the following information about the characteristics of the City's portfolio:

- A. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate.
- B. Monthly transactions for the period.
- C. A one-page summary report that shows:

1. Average maturity of the portfolio and modified duration of the portfolio;
 2. Maturity distribution of the portfolio;
 3. Average portfolio credit quality; and,
 4. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months, year to date, and since inception compared to the City's market benchmark returns for the same periods;
- D. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
- E. A statement that the City has adequate funds to meet its cash flow requirements for the next six months.

Reports are to be submitted to the City Council and City Manager by the 3rd City Council meeting following the end of the reporting month.

The Investment Advisory Committee will review the status of investments on a quarterly basis. These reports shall include the type of investment, institution, face amount, market value, book value, interest rate, date of maturity, compliance to the investment policy.

If the City has an outside Investment Manager, the Investment Manager shall periodically report on the activity and results of the funds being managed by the Investment Manager. Additionally, the Investment Manager shall notify the Investment Advisory Committee when investment portfolios demonstrate low performance, if any, which occurs between each periodic report.

Prudence: The standard of prudence to be applied by the City Treasurer, Administrative Services Director, Revenue and Budget Manager, and those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk shall be the "prudent investor" standard, as defined under Government Code Section 53600.3 which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Ethics and Conflicts of Interest: Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio. City employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Investment Instruments: Funds of the City may be invested in any instrument allowable under current legislation of the State of California (Government Code Section 53600 et sec.)

so long as the investment is appropriate and consistent with this Investment Policy taking into consideration the City's investment objectives. Investment instruments may include:

- U.S. Treasury Obligations (Bills, Notes and Bonds)
- U.S. Government Agency Securities and Instrumentality's of Government Sponsored Corporations, including a maximum of 5% in callable bonds issued by such agencies
- Banker's Acceptances
- Commercial Paper
- Repurchase Agreements (requires a master repurchase agreement to be signed and on file with the bank or broker/dealer)
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Interest Bearing Checking Accounts
- Medium Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)
- County of Orange Investment Fund (County Pool)
- Other investments that are, or may become, legal investments through the State of California Government Code.

Provisions of Government Code Section 53601 shall be adhered to at all times. This includes, but is not limited to, the following restrictions:

- Bankers Acceptances cannot exceed 40% of the portfolio nor exceed 180 days;
- Commercial Paper cannot exceed 25% of the portfolio. Commercial Paper must be rated P-1 (Moody's), A-1 (Standard & Poor's) and cannot exceed 270 days;
- Money Market Funds cannot exceed 20% of the portfolio;
- Medium Term Corporate Notes cannot exceed 30% of the portfolio and must carry a minimum A rating;
- Pass-through securities including Collateralized Mortgage Obligations cannot exceed 20% of the portfolio.
 - Collateralized Mortgage Obligations must pass the Federal Financial Institution Examination Council (FFIEC) liquidity test to be an eligible investment for the City
 - Asset Backed Securities are limited to a maximum of 10% of the portfolio at time of purchase
 - Maximum maturity of 5 years
 - Asset Backed Security must be rated AA or higher
- Supranational Securities must be rated AA or higher, cannot exceed 15% of the portfolio and no more than 5% of portfolio per issuer. The maximum maturity cannot exceed 5 years.
- Additionally, the City will use the guidelines established by the joint committee of the California Municipal Treasurers Association and the California Society of Municipal Finance Officers as the basis for investing in government investment pools.

For purposes of complying with legal investment limitations, the percentage references pertaining to the above refers to the maturity value of the portfolio at the time of purchase.

Prohibited Investments: The City shall not invest any funds in derivatives, inverse floaters, range notes, or interest- only strips that are derived from a pool of mortgages. The City shall

not invest any funds in any security that could result in a zero interest accrual if held to maturity.

Collateralization: Collateralization shall be required on two types of investments: Certificates of deposit and repurchase (and reverse repurchase) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit.

Collateral shall be held by an independent third party with whom the City has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted in accordance with the following requirements:

- A. Certificates of Deposit
 - 1. Government securities used as collateral require one hundred and ten (110) percent of market value to the face amount of the deposit
 - 2. Promissory notes secured by first trust deeds used as collateral require one hundred and fifty (150) percent of market value to the face amount of the deposit
 - 3. Irrevocable letters of Credit issued by the Federal Home Loan Bank of San Francisco require one hundred and five (105) percent of market value to the face amount of the deposit
- B. Repurchase and Reverse Repurchase Agreements
 - 1. Only U.S. Treasury securities or federal agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed one hundred and two (102) percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one (1) day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.
 - 2. The City or its trustee shall have perfected first security interest under the Uniform Commercial Code in all securities subject to a repurchase agreement.

Investment Criteria: Criteria for selecting investments and the order of priority are:

- A. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe.
- B. Liquidity

This refers to the ability to convert an investment into cash at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality when there is an occasional need for funds. The potential fluctuations in market value and the expected future availability of reasonable bids in the market are to be important considerations when selecting an investment.
- C. Yield

Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return.

Diversification: The City will diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, or individual financial institutions. In no case, without prior notification and approval from the City Council, shall the amount invested in one entity at the time of purchase exceed 5% of the total portfolio, with the following exceptions:

- U.S. Federal Government Agency Obligations of one specific entity cannot exceed 25% of the maturity value of the portfolio at the time of purchase.
- U.S. Treasury Obligations (Treasury Bills, Treasury Strips, Bonds, Notes) directly backed by the full faith and credit of the United States for payment of principal and interest shall not be subject to a maximum percentage of the portfolio.
- Approved State and County investment pools together cannot exceed 60% of the maturity value of the portfolio at the time of purchase, and no more than 40% of the maturity value at the time of purchase can be deposited in any one particular pool.

Investment Pools: The City Treasurer, Administrative Services Director and City Council have determined that use of investment pools is a practical investment option. The City will utilize guidelines established by the California Municipal Treasurers Association and California Society of Municipal Finance Officers to ensure the safety of investment pools which includes a thorough investigation of the pool/fund prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

Maturity Limitations: Every investment instrument purchased must have a term remaining to maturity of less than five years, unless the investment is for the Senior Low Cost Housing Subsidy Program, bond proceeds for the Reserve Fund, funded/capitalized interest fund; or the City Council has granted express authority to make that investment, either specifically or as part of an investment program approved by the City Council no more than three months prior to the investment. When possible, a minimum of 25% of the portfolio should be in maturities of one year or less.

Safekeeping and Custody: All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis which ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian designated

by the City and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, direct time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require authorization.

Monthly trust statements are reconciled to the Investment Reports by the City's Accountant. The City's Accountant performs reconciliation of the monthly bank statements. The periodic review of the investment portfolio, including investment types, purchase price, market values, maturity dates, and investment yields as well as conformance to the stated investment policy will be performed by the Investment Advisory Committee.

Qualified Broker/Dealers: For those investments managed directly by the City, the City shall maintain a listing of broker/dealers that are approved by the Investment Advisory Committee for investment purposes. All broker/dealers who desire to bid for investment transactions must supply the City with the following information; a completed broker/dealer questionnaire, audited financial statements, proof of National Association of Security Dealers' certification, trading resolution, proof of California registration, and certification of having read the City of Brea's investment policy.

The Investment Advisory Committee will conduct an annual review of the qualified broker/dealers. The decision to add or subtract from the authorized list of broker/dealers will be based on many factors to include, but not limited to, products offered, service levels, references, etc. No single factor will determine the Committee's final decision. A current audited financial statement is required to be on file for each broker/dealer with which the City of Brea invests. The City's authorized brokers/dealers shall provide written confirmation of having read and understood the City's investment policy and that all investments recommended by them will be suitable for the City of Brea.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

Monitoring and Adjusting the Portfolio: The City Treasurer and Administrative Services Director will routinely monitor the contents, performance and risk profile of the investment portfolio, the investment alternatives, and the relative values of competing investment instruments and will adjust the portfolio accordingly based on the approved Statement of Investment Policy on a quarterly basis. The City Council shall also bear a responsibility for monitoring the implementation of this policy and the safeguarding of the City's Treasury.

Performance Standards: The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Administrative Services Director shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the monthly report of investments. The Treasurer and Administrative Services Director shall select an appropriate, readily available index to use as a market benchmark.

Bond Funds/Arbitrage: The U.S. Tax Reform Act of 1986 requires the City to perform annual arbitrage calculations and rebate excess earnings from investments of proceeds of bond issues sold after the effective date of this law to the U.S. Treasury. This arbitrage calculation may be contracted with an outside source to provide the necessary technical assistance to comply with this regulation. Funds subject to the 1986 Tax Reform Act will be kept segregated from other funds and records will be kept in a fashion to facilitate the calculations. The City's investment position relative to the new arbitrage restrictions is to continue pursuing the maximum yield on applicable investments while ensuring the safety of capital and liquidity. It is a fiscally sound position to continue maximization of yield and to rebate excess earnings, if necessary.

Review/or Modification: The Investment Advisory Committee shall be responsible for reviewing and recommending modifications to the Statement of Investment Policy and submitting it to the City Council for approval on an annual basis. However, the City Treasurer and Administrative Services Director may, at any time, further restrict the investments approved for purchase as deemed appropriate.

Internal Controls: The City Treasurer and Administrative Services Director shall organize the investment function so that specific responsibility for the performance of duties is assigned with a clear line of authority and reporting. The functions of authorizing, executing and recording transactions, custody of investments and performing reconciliation's will be handled by separate persons to reduce the risk that anyone person is in a position to conceal errors or fraud in the normal course of duty. While no internal control system, however elaborate, can guarantee absolute assurance that the City's assets are safeguarded, it is the intent of the City's internal control system to provide reasonable assurance that management of the investment function meets the City's objectives. These internal controls shall be reviewed annually by the independent auditor who shall review and comment upon the content of this policy, the effectiveness of its implementation and applicable management controls with regard to its implementation and the safeguarding of the City's Treasury funds.

Investment Advisory Committee: An Investment Advisory Committee ("Committee") is established to review and make recommendations on the Investment Policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency and to strengthen the internal control of the management of the City's funds. The following are the duties and responsibilities of the Committee:

A. Purpose

1. To review and make recommendations on investment policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency.
2. To review the City's investments on a periodic basis and to recommend any exceptions and/or changes to the policy, to the City Council for review and approval.

B. Composition of Committee

1. City Treasurer
2. City Council Member, who serves as the Chair (selected by the City Council)
3. Administrative Services Director

4. Revenue and Budget Manager
5. Three (3) Brea Citizens (selected by the City Council with the City Treasurer as subcommittee members)

C. Functions

1. Annually (or as needed)
 - a. To review and approve Statement of Investment Policy
 - b. To review the financial condition and registrations of qualified broker/dealers (Only required when investments are managed by the City)
2. Monthly or Quarterly
 - a. To review the City's investments
 - b. To recommend any modifications to the Investment Policy
 - c. To develop and carry out the ongoing investment strategy in accordance with the Investment Policy
 - d. To provide a status report at a study session of the City Council as requested

The function of the Committee is not to inhibit the daily operation of the Administrative Services Department, but to provide policy guidelines within which to work on a day-to-day basis. By this, it is meant that each individual trade need not be approved by the Committee at the time it is transacted provided that it falls within the scope of the Statement of Investment Policy.

Disclosure: Members of the Committee shall be required to comply with the Fair Political Practices Act reporting requirements (Form 700) on an annual basis and submit filings to the City Clerk's Office.

SEGREGATION OF RESPONSIBILITIES
(External)

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	Administrative Services Director Revenue and Budget Manager
Recommend modifications to Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Review formal Statement of Investment Policy and recommend a Council action	City Treasurer Investment Advisory Committee
Adopt formal Statement of Investment Policy	City Council
Select investments	Outside Investment Manager
Execute investment transactions and fax or email completed trade information to City	Outside Investment Manager
Review transactions for compliance with investment policy	City Treasurer Administrative Services Director or Revenue and Budget Manager
Investment verification (match broker confirmation to trade information provided by outside Investment Manager to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to Administrative Services Director and City Treasurer	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director.

SEGREGATION OF RESPONSIBILITIES
(Internal)

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Recommend modifications to Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager Investment Advisory Committee
Review formal Statement of Investment Policy and recommend City Council action	Investment Advisory Committee
Annually review and adopt a formal Statement of Investment Policy	City Council
Select investments	Administrative Services Director or Revenue and Budget Manager
Approve transactions	Administrative Services Director
Execute investment transactions	Administrative Services Director
Investment verification (match broker confirmation to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to the Administrative Services Director	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director

GLOSSARY OF INVESTMENTS TERMS

AGENCIES: Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB: The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB: The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC: Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “Freddie MacFreddieMac” issues discount notes, bonds and mortgage pass-through securities.

FNMA: Like FHLB and Freddie MacFreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “Fannie MaeFannieMae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA: The Government National Mortgage Association, known as “Ginnie MaeGinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO: The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA: The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASSET BACKED SECURITIES: Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE: In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER’S ACCEPTANCE: A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

BENCHMARK: A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BROKER: A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION (CMTA): Is the professional society of active public treasurers of California counties, cities and special districts. It sets ethical standards for the treasury profession in state and local governments in California.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS (CSMFO): Is a professional association of state, county and local government finance officers in

California. CSMFO is the statewide organization serving all of California municipal finance professionals, an affiliate of the nationwide Government Finance Officers Association (GFOA).

CALLABLE: A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS): A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL: COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED BANK DEPOSIT: A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COLLATERALIZED TIME DEPOSIT: Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

PAPER: The short-term unsecured debt of corporations.

COUPON: The rate of return at which interest is paid on a bond.

CREDIT RISK: The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DEBENTURE: A bond secured only by the general credit of the issuer.

VS. PAYMENT (DVP): A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE: Any security that has principal and/or interest payments which are subject

to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (*e.g., U.S. Treasury Bills.*)

DIVERSIFICATION: Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION: The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes in interest rates.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, *e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.*

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INVERSE FLOATER: A bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes. This investment is prohibited under in the City's and Successor Agency to the Brea Redevelopment Agency Investment Policy.

FEDERALLY INSURED TIME DEPOSIT: A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

LEVERAGE: Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY: The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

POOL: Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL: A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN: The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK: The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE: The price at which a security can be traded.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES: Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION: The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MARKET: The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MONEY MARKET MUTUAL FUND: A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

MORTGAGE PASS-THROUGH SECURITIES: A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES: Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND: An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO): A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating

agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CERTIFICATE OF DEPOSIT (CD): A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PASSBOOK SAVINGS ACCOUNT: A savings account in which deposits and withdrawals are recorded in the depositor's passbook.

PASS-THROUGH SECURITY: A pool of fixed income securities backed by a package of assets (i.e. mortgages) where the holder receives the principal and interest payments.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRINCIPAL: The face value or par value of an investment.

PRUDENT INVESTOR STANDARD: Is a standard defined under State Government Code Section 53600.3 that states when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

PRUDENT PERSON (PRUDENT INVESTOR) RULE: A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT: Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to bank customers whereby securities are held by the bank in the customer's name.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND SECURITIES AND EXCHANGE COMMISSION (SEC): The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

SECURITIES AND EXCHANGE COMMISSION (SEC) RULE 15c3-1: An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

STRUCTURED NOTE: A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATURAL: A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS: All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD TO MATURITY: The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

City Of Brea / Successor Agency to the Brea Redevelopment Agency

~~FINAL~~DRAFT

STATEMENT OF INVESTMENT POLICY

August ~~18, 2020~~, 2019

Purpose: This statement is intended to provide a guideline for the prudent investment of funds and to outline the policies for maximizing the efficiency of the City of Brea and Successor Agency to the Brea Redevelopment Agency ("City") cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled funds. This investment policy has been prepared so as to be in conformance with all pertinent existing laws of the State of California for General Law cities.

Objective: The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain a market rate of return without incurring undue risk to principal. The objectives of such investments are: 1) preserve capital, 2) maintain financial flexibility/liquidity, and 3) obtain a competitive rate of return on the City's investments.

Scope: This investment policy applies to the decisions and activities of the City with regard to investing the financial assets of all funds, including the following: General Fund, Special Revenue Funds, Assessment Funds, Enterprise Funds, Internal Service Funds, Capital Projects Funds, Debt Service Funds, Reserve Funds, Trust and Agency Funds, and any other funds that may be created from time to time. This policy does not apply retiree health care savings/trust/plan(s) or deferred compensation plans.

Investment Responsibility: Investment decisions of the City funds are the responsibility of the City Treasurer and/or Administrative Services Director, and shall comply with the Investment Policy of the City. These responsibilities include the authority to open accounts with banks, brokers and dealers, establish safekeeping accounts or other arrangements for the custody of securities and to execute such documents as may be necessary.

Those authorized to execute transactions for the City include the: 1) City Treasurer, 2) Administrative Services Director, 3) Revenue and Budget Manager, and 4) those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk. The City Treasurer and Administrative Services Director shall insure that an authorized person is available at all times to execute the City's investments. Investment managers, brokers and dealers are to be provided with a list of specified names of those persons authorized to execute transactions. The City Council may authorize the delegation of investments to an outside investment manager.

Reporting: The Administrative Services Director shall be responsible for reporting the status of investments to the City Council and City Manager on a monthly basis. These reports will disclose, at a minimum, the following information about the characteristics of the City's portfolio:

- A. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate.

- B. Monthly transactions for the period.
- C. A one-page summary report that shows:
 - 1. Average maturity of the portfolio and modified duration of the portfolio;
 - 2. Maturity distribution of the portfolio;
 - 3. Average portfolio credit quality; and,
 - 4. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months, year to date, and since inception compared to the City's market benchmark returns for the same periods;
- D. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
- E. A statement that the City has adequate funds to meet its cash flow requirements for the next six months.

Reports are to be submitted to the City Council and City Manager by the 3rd City Council meeting following the end of the reporting month.

The Investment Advisory Committee will review the status of investments on a quarterly basis. These reports shall include the type of investment, institution, face amount, market value, book value, interest rate, date of maturity, compliance to the investment policy.

If the City has an outside Investment Manager, the Investment Manager shall periodically report on the activity and results of the funds being managed by the Investment Manager. Additionally, the Investment Manager shall notify the Investment Advisory Committee when investment portfolios demonstrate low performance, if any, which occurs between each periodic report.

Prudence: The standard of prudence to be applied by the City Treasurer, Administrative Services Director, Revenue and Budget Manager, and those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk shall be the "prudent investor" standard, as defined under Government Code Section 53600.3 which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Ethics and Conflicts of Interest: Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio. City employees and officers shall refrain

from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Investment Instruments: Funds of the City may be invested in any instrument allowable under current legislation of the State of California (Government Code Section 53600 et sec.) so long as the investment is appropriate and consistent with this Investment Policy taking into consideration the City's investment objectives. Investment instruments may include:

- U.S. Treasury Obligations (Bills, Notes and Bonds)
- U.S. Government Agency Securities and Instrumentality's of Government Sponsored Corporations, including a maximum of 5% in callable bonds issued by such agencies
- Banker's Acceptances
- Commercial Paper
- Repurchase Agreements (requires a master repurchase agreement to be signed and on file with the bank or broker/dealer)
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Interest Bearing Checking Accounts
- Medium Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)
- County of Orange Investment Fund (County Pool)
- Other investments that are, or may become, legal investments through the State of California Government Code.

Provisions of Government Code Section 53601 shall be adhered to at all times. This includes, but is not limited to, the following restrictions:

- Bankers Acceptances cannot exceed 40% of the portfolio nor exceed 180 days;
- Commercial Paper cannot exceed 25% of the portfolio. Commercial Paper must be rated P-1 (Moody's), A-1 (Standard & Poor's) and cannot exceed 270 days;
- Money Market Funds cannot exceed 20% of the portfolio;
- Medium Term Corporate Notes cannot exceed 30% of the portfolio and must carry a minimum A rating;
- Pass-through securities including Collateralized Mortgage Obligations cannot exceed 20% of the portfolio.
 - ~~Collateralized Mortgage Obligations must pass the Federal Financial Institution Examination Council (FFIEC) liquidity test to be an eligible investment for the City~~
 - Asset Backed Securities are limited to a maximum of 10% of the portfolio at time of purchase
 - Maximum maturity of 5 years
 - Asset Backed Security must be rated AA or higher
- Supranational Securities must be rated AA or higher, cannot exceed 15% of the portfolio and no more than 5% of portfolio per issuer. The maximum maturity cannot exceed 5 years.
- Additionally, the City will use the guidelines established by the joint committee of the

Commented [CM1]: Recommend updating the language on CMO's to be consistent with best practices and CA code

California Municipal Treasurers Association and the California Society of Municipal Finance Officers as the basis for investing in government investment pools.

For purposes of complying with legal investment limitations, the percentage references pertaining to the above refers to the maturity value of the portfolio at the time of purchase.

If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

- Any actions taken related to the downgrade by the investment manager will be communicated to the City Treasurer and the Administrative Services Director within two (2) business days.
- If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

Prohibited Investments: The City shall not invest any funds in derivatives, inverse floaters, range notes, or interest- only strips that are derived from a pool of mortgages. The City shall not invest any funds in any security that could result in a zero interest accrual if held to maturity.

Collateralization: Collateralization shall be required on two types of investments: Certificates of deposit and repurchase (and reverse repurchase) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit.

Collateral shall be held by an independent third party with whom the City has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted in accordance with the following requirements:

- A. Certificates of Deposit
 1. Government securities used as collateral require one hundred and ten (110) percent of market value to the face amount of the deposit
 2. Promissory notes secured by first trust deeds used as collateral require one hundred and fifty (150) percent of market value to the face amount of the deposit
 3. Irrevocable letters of Credit issued by the Federal Home Loan Bank of San Francisco require one hundred and five (105) percent of market value to the face amount of the deposit
- B. Repurchase and Reverse Repurchase Agreements
 1. Only U.S. Treasury securities or federal agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed one hundred and two (102) percent of the total dollar value of the money invested

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by the City for the term of the investment. For any repurchase agreement with a term of more than one (1) day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.

2. The City or its trustee shall have perfected first security interest under the Uniform Commercial Code in all securities subject to a repurchase agreement.

Investment Criteria: Criteria for selecting investments and the order of priority are:

A. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe.

B. Liquidity

This refers to the ability to convert an investment into cash at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality when there is an occasional need for funds. The potential fluctuations in market value and the expected future availability of reasonable bids in the market are to be important considerations when selecting an investment.

C. Yield

Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return.

Diversification: The City will diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, or individual financial institutions. In no case, without prior notification and approval from the City Council, shall the amount invested in one entity at the time of purchase exceed 5% of the total portfolio, with the following exceptions:

- U.S. Federal Government Agency Obligations of one specific entity cannot exceed 25% of the maturity value of the portfolio at the time of purchase.
- U.S. Treasury Obligations (Treasury Bills, Treasury Strips, Bonds, Notes) directly backed by the full faith and credit of the United States for payment of principal and interest shall not be subject to a maximum percentage of the portfolio.
- Approved State and County investment pools together cannot exceed 60% of the maturity value of the portfolio at the time of purchase, and no more than 40% of the maturity value at the time of purchase can be deposited in any one particular pool.

Investment Pools: The City Treasurer, Administrative Services Director and City Council have determined that use of investment pools is a practical investment option. The City will utilize guidelines established by the California Municipal Treasurers Association and California Society of Municipal Finance Officers to ensure the safety of investment pools which includes a thorough investigation of the pool/fund prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

Maturity Limitations: Every investment instrument purchased must have a term remaining to maturity of less than five years, unless the investment is for the Senior Low Cost Housing Subsidy Program, bond proceeds for the Reserve Fund, funded/capitalized interest fund; or the City Council has granted express authority to make that investment, either specifically or as part of an investment program approved by the City Council no more than three months prior to the investment. When possible, a minimum of 25% of the portfolio should be in maturities of one year or less.

Safekeeping and Custody: All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis which ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian designated by the City and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, direct time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require authorization.

Monthly trust statements are reconciled to the Investment Reports by the City's Accountant. The City's Accountant performs reconciliation of the monthly bank statements. The periodic review of the investment portfolio, including investment types, purchase price, market values, maturity dates, and investment yields as well as conformance to the stated investment policy will be performed by the Investment Advisory Committee.

Qualified Broker/Dealers: For those investments managed directly by the City, the City shall maintain a listing of broker/dealers that are approved by the Investment Advisory Committee for investment purposes. All broker/dealers who desire to bid for investment transactions must supply the City with the following information; a completed broker/dealer questionnaire, audited financial statements, proof of National Association of Security Dealers' certification, trading resolution, proof of California registration, and certification of having read the City of Brea's investment policy.

The Investment Advisory Committee will conduct an annual review of the qualified broker/dealers. The decision to add or subtract from the authorized list of broker/dealers will be based on many factors to include, but not limited to, products offered, service levels,

references, etc. No single factor will determine the Committee's final decision. A current audited financial statement is required to be on file for each broker/dealer with which the City of Brea invests. The City's authorized brokers/dealers shall provide written confirmation of having read and understood the City's investment policy and that all investments recommended by them will be suitable for the City of Brea.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

Monitoring and Adjusting the Portfolio: The City Treasurer and Administrative Services Director will routinely monitor the contents, performance and risk profile of the investment portfolio, the investment alternatives, and the relative values of competing investment instruments and will adjust the portfolio accordingly based on the approved Statement of Investment Policy on a quarterly basis. The City Council shall also bear a responsibility for monitoring the implementation of this policy and the safeguarding of the City's Treasury.

Performance Standards: The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Administrative Services Director shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the monthly report of investments. The Treasurer and Administrative Services Director shall select an appropriate, readily available index to use as a market benchmark.

Bond Funds/Arbitrage: The U.S. Tax Reform Act of 1986 requires the City to perform annual arbitrage calculations and rebate excess earnings from investments of proceeds of bond issues sold after the effective date of this law to the U.S. Treasury. This arbitrage calculation may be contracted with an outside source to provide the necessary technical assistance to comply with this regulation. Funds subject to the 1986 Tax Reform Act will be kept segregated from other funds and records will be kept in a fashion to facilitate the calculations. The City's investment position relative to the new arbitrage restrictions is to continue pursuing the maximum yield on applicable investments while ensuring the safety of capital and liquidity. It is a fiscally sound position to continue maximization of yield and to rebate excess earnings, if necessary.

Review/or Modification: The Investment Advisory Committee shall be responsible for reviewing and recommending modifications to the Statement of Investment Policy and submitting it to the City Council for approval on an annual basis. However, the City Treasurer and Administrative Services Director may, at any time, further restrict the investments approved for purchase as deemed appropriate.

Internal Controls: The City Treasurer and Administrative Services Director shall organize the investment function so that specific responsibility for the performance of duties is assigned with a clear line of authority and reporting. The functions of authorizing, executing and recording transactions, custody of investments and performing reconciliations will be handled by separate persons to reduce the risk that anyone person is in a position to conceal errors or fraud in the normal course of duty. While no internal control system, however elaborate, can guarantee absolute assurance that the City's assets are safeguarded, it is the intent of the City's internal control system to provide reasonable assurance that management of the investment function meets the City's objectives. These internal controls shall be reviewed annually by the independent auditor who shall review and comment upon the content of this policy, the effectiveness of its implementation and applicable management controls with regard to its implementation and the safeguarding of the City's Treasury funds.

Investment Advisory Committee: An Investment Advisory Committee ("Committee") is established to review and make recommendations on the Investment Policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency and to strengthen the internal control of the management of the City's funds. The following are the duties and responsibilities of the Committee:

- A. Purpose
 - 1. To review and make recommendations on investment policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency.
 - 2. To review the City's investments on a periodic basis and to recommend any exceptions and/or changes to the policy, to the City Council for review and approval.
- B. Composition of Committee
 - 1. City Treasurer
 - 2. City Council Member, who serves as the Chair (selected by the City Council)
 - 3. Administrative Services Director
 - 4. Revenue and Budget Manager
 - 5. Three (3) Brea Citizens (selected by the City Council with the City Treasurer as subcommittee members)
- C. Functions
 - 1. Annually (or as needed)
 - a. To review and approve Statement of Investment Policy
 - b. To review the financial condition and registrations of qualified broker/dealers (Only required when investments are managed by the City)
 - 2. Monthly or Quarterly
 - a. To review the City's investments
 - b. To recommend any modifications to the Investment Policy
 - c. To develop and carry out the ongoing investment strategy in accordance with the Investment Policy
 - d. To provide a status report at a study session of the City Council as requested

The function of the Committee is not to inhibit the daily operation of the Administrative Services Department, but to provide policy guidelines within which to work on a day-to-day basis. By this, it is meant that each individual trade need not be approved by the

Committee at the time it is transacted provided that it falls within the scope of the Statement of Investment Policy.

Disclosure: Members of the Committee shall be required to comply with the Fair Political Practices Act reporting requirements (Form 700) on an annual basis and submit filings to the City Clerk's Office.

**SEGREGATION OF RESPONSIBILITIES
(External)**

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	Administrative Services Director Revenue and Budget Manager
Recommend modifications to Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Review formal Statement of Investment Policy and recommend a Council action	City Treasurer Investment Advisory Committee
Adopt formal Statement of Investment Policy	City Council
Select investments	Outside Investment Manager
Execute investment transactions and fax or email completed trade information to City	Outside Investment Manager
Review transactions for compliance with investment policy	City Treasurer Administrative Services Director or Revenue and Budget Manager
Investment verification (match broker confirmation to trade information provided by outside Investment Manager to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to Administrative Services Director and City Treasurer	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director.

SEGREGATION OF RESPONSIBILITIES
(Internal)

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Recommend modifications to Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager Investment Advisory Committee
Review formal Statement of Investment Policy and recommend City Council action	Investment Advisory Committee
Annually review and adopt a formal Statement of Investment Policy	City Council
Select investments	Administrative Services Director or Revenue and Budget Manager
Approve transactions	Administrative Services Director
Execute investment transactions	Administrative Services Director
Investment verification (match broker confirmation to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to the Administrative Services Director	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director

GLOSSARY OF INVESTMENTS TERMS

AGENCIES: Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB: The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB: The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC: Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "Freddie MacFreddieMac" issues discount notes, bonds and mortgage pass-through securities.

FNMA: Like FHLB and Freddie MacFreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as "Fannie MaeFannieMae," issues discount notes, bonds and mortgage pass-through securities.

GNMA: The Government National Mortgage Association, known as "Ginnie MaeGinnieMae," issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO: The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA: The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASSET BACKED SECURITIES: Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE: In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER'S ACCEPTANCE: A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which "accepts" the obligation to pay the investor.

BENCHMARK: A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BROKER: A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION (CMTA): Is the professional society of active public treasurers of California counties, cities and special districts. It sets ethical standards for the treasury profession in state and local governments in California.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS (CSMFO): Is a professional association of state, county and local government finance officers in

California. CSMFO is the statewide organization serving all of California municipal finance professionals, an affiliate of the nationwide Government Finance Officers Association (GFOA).

CALLABLE: A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS): A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL: COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED BANK DEPOSIT: A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COLLATERALIZED TIME DEPOSIT: Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

PAPER: The short-term unsecured debt of corporations.

COUPON: The rate of return at which interest is paid on a bond.

CREDIT RISK: The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.
A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DEBENTURE: A bond secured only by the general credit of the issuer.

VS. PAYMENT (DVP): A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE: Any security that has principal and/or interest payments which are subject

to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g., *U.S. Treasury Bills*.)

DIVERSIFICATION: Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION: The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes in interest rates.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INVERSE FLOATER: A bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes. This investment is prohibited under in the City's and Successor Agency to the Brea Redevelopment Agency Investment Policy.

FEDERALLY INSURED TIME DEPOSIT: A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

LEVERAGE: Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY: The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

POOL: Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL: A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN: The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK: The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE: The price at which a security can be traded.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES: Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION: The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MARKET: The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MONEY MARKET MUTUAL FUND: A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

MORTGAGE PASS-THROUGH SECURITIES: A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES: Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND: An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO): A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating

agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CERTIFICATE OF DEPOSIT (CD): A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PASSBOOK SAVINGS ACCOUNT: A savings account in which deposits and withdrawals are recorded in the depositor's passbook.

PASS-THROUGH SECURITY: A pool of fixed income securities backed by a package of assets (i.e. mortgages) where the holder receives the principal and interest payments.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRINCIPAL: The face value or par value of an investment.

PRUDENT INVESTOR STANDARD: Is a standard defined under State Government Code Section 53600.3 that states when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

PRUDENT PERSON (PRUDENT INVESTOR) RULE: A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT: Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to bank customers whereby securities are held by the bank in the customer's name.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND SECURITIES AND EXCHANGE COMMISSION (SEC): The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

SECURITIES AND EXCHANGE COMMISSION (SEC) RULE 15c315c3-1: An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

STRUCTURED NOTE: A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATURAL: A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS: All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD TO MATURITY: The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

City Of Brea / Successor Agency to the Brea Redevelopment Agency

DRAFT

STATEMENT OF INVESTMENT POLICY

August 18, 2020

Purpose: This statement is intended to provide a guideline for the prudent investment of funds and to outline the policies for maximizing the efficiency of the City of Brea and Successor Agency to the Brea Redevelopment Agency ("City") cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled funds. This investment policy has been prepared so as to be in conformance with all pertinent existing laws of the State of California for General Law cities.

Objective: The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain a market rate of return without incurring undue risk to principal. The objectives of such investments are: 1) preserve capital, 2) maintain financial flexibility/liquidity, and 3) obtain a competitive rate of return on the City's investments.

Scope: This investment policy applies to the decisions and activities of the City with regard to investing the financial assets of all funds, including the following: General Fund, Special Revenue Funds, Assessment Funds, Enterprise Funds, Internal Service Funds, Capital Projects Funds, Debt Service Funds, Reserve Funds, Trust and Agency Funds, and any other funds that may be created from time to time. This policy does not apply retiree health care savings/trust/plan(s) or deferred compensation plans.

Investment Responsibility: Investment decisions of the City funds are the responsibility of the City Treasurer and/or Administrative Services Director, and shall comply with the Investment Policy of the City. These responsibilities include the authority to open accounts with banks, brokers and dealers, establish safekeeping accounts or other arrangements for the custody of securities and to execute such documents as may be necessary.

Those authorized to execute transactions for the City include the: 1) City Treasurer, 2) Administrative Services Director, 3) Revenue and Budget Manager, and 4) those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk. The City Treasurer and Administrative Services Director shall insure that an authorized person is available at all times to execute the City's investments. Investment managers, brokers and dealers are to be provided with a list of specified names of those persons authorized to execute transactions. The City Council may authorize the delegation of investments to an outside investment manager.

Reporting: The Administrative Services Director shall be responsible for reporting the status of investments to the City Council and City Manager on a monthly basis. These reports will disclose, at a minimum, the following information about the characteristics of the City's portfolio:

- A. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate.

- B. Monthly transactions for the period.
- C. A one-page summary report that shows:
 - 1. Average maturity of the portfolio and modified duration of the portfolio;
 - 2. Maturity distribution of the portfolio;
 - 3. Average portfolio credit quality; and,
 - 4. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months, year to date, and since inception compared to the City's market benchmark returns for the same periods;
- D. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
- E. A statement that the City has adequate funds to meet its cash flow requirements for the next six months.

Reports are to be submitted to the City Council and City Manager by the 3rd City Council meeting following the end of the reporting month.

The Investment Advisory Committee will review the status of investments on a quarterly basis. These reports shall include the type of investment, institution, face amount, market value, book value, interest rate, date of maturity, compliance to the investment policy.

If the City has an outside Investment Manager, the Investment Manager shall periodically report on the activity and results of the funds being managed by the Investment Manager. Additionally, the Investment Manager shall notify the Investment Advisory Committee when investment portfolios demonstrate low performance, if any, which occurs between each periodic report.

Prudence: The standard of prudence to be applied by the City Treasurer, Administrative Services Director, Revenue and Budget Manager, and those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk shall be the "prudent investor" standard, as defined under Government Code Section 53600.3 which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Ethics and Conflicts of Interest: Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio. City employees and officers shall refrain

from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Investment Instruments: Funds of the City may be invested in any instrument allowable under current legislation of the State of California (Government Code Section 53600 et sec.) so long as the investment is appropriate and consistent with this Investment Policy taking into consideration the City's investment objectives. Investment instruments may include:

- U.S. Treasury Obligations (Bills, Notes and Bonds)
- U.S. Government Agency Securities and Instrumentality's of Government Sponsored Corporations, including a maximum of 5% in callable bonds issued by such agencies
- Banker's Acceptances
- Commercial Paper
- Repurchase Agreements (requires a master repurchase agreement to be signed and on file with the bank or broker/dealer)
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Interest Bearing Checking Accounts
- Medium Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)
- County of Orange Investment Fund (County Pool)
- Other investments that are, or may become, legal investments through the State of California Government Code.

Provisions of Government Code Section 53601 shall be adhered to at all times. This includes, but is not limited to, the following restrictions:

- Bankers Acceptances cannot exceed 40% of the portfolio nor exceed 180 days;
- Commercial Paper cannot exceed 25% of the portfolio. Commercial Paper must be rated P-1 (Moody's), A-1 (Standard & Poor's) and cannot exceed 270 days;
- Money Market Funds cannot exceed 20% of the portfolio;
- Medium Term Corporate Notes cannot exceed 30% of the portfolio and must carry a minimum A rating;
- Pass-through securities including Collateralized Mortgage Obligations cannot exceed 20% of the portfolio.
 - Asset Backed Securities are limited to a maximum of 10% of the portfolio at time of purchase
 - Maximum maturity of 5 years
 - Asset Backed Security must be rated AA or higher
- Supranational Securities must be rated AA or higher, cannot exceed 15% of the portfolio and no more than 5% of portfolio per issuer. The maximum maturity cannot exceed 5 years.
- Additionally, the City will use the guidelines established by the joint committee of the California Municipal Treasurers Association and the California Society of Municipal Finance Officers as the basis for investing in government investment pools.

For purposes of complying with legal investment limitations, the percentage references pertaining to the above refers to the maturity value of the portfolio at the time of purchase.

If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

- Any actions taken related to the downgrade by the investment manager will be communicated to the City Treasurer and the Administrative Services Director within two (2) business days.
- If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

Prohibited Investments: The City shall not invest any funds in derivatives, inverse floaters, range notes, or interest- only strips that are derived from a pool of mortgages. The City shall not invest any funds in any security that could result in a zero interest accrual if held to maturity.

Collateralization: Collateralization shall be required on two types of investments: Certificates of deposit and repurchase (and reverse repurchase) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit.

Collateral shall be held by an independent third party with whom the City has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted in accordance with the following requirements:

- A. Certificates of Deposit
 1. Government securities used as collateral require one hundred and ten (110) percent of market value to the face amount of the deposit
 2. Promissory notes secured by first trust deeds used as collateral require one hundred and fifty (150) percent of market value to the face amount of the deposit
 3. Irrevocable letters of Credit issued by the Federal Home Loan Bank of San Francisco require one hundred and five (105) percent of market value to the face amount of the deposit
- B. Repurchase and Reverse Repurchase Agreements
 1. Only U.S. Treasury securities or federal agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed one hundred and two (102) percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one (1) day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions.

Market value must be calculated each time there is a substitution of collateral.

2. The City or its trustee shall have perfected first security interest under the Uniform Commercial Code in all securities subject to a repurchase agreement.

Investment Criteria: Criteria for selecting investments and the order of priority are:

A. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe.

B. Liquidity

This refers to the ability to convert an investment into cash at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality when there is an occasional need for funds. The potential fluctuations in market value and the expected future availability of reasonable bids in the market are to be important considerations when selecting an investment.

C. Yield

Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return.

Diversification: The City will diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, or individual financial institutions. In no case, without prior notification and approval from the City Council, shall the amount invested in one entity at the time of purchase exceed 5% of the total portfolio, with the following exceptions:

- U.S. Federal Government Agency Obligations of one specific entity cannot exceed 25% of the maturity value of the portfolio at the time of purchase.
- U.S. Treasury Obligations (Treasury Bills, Treasury Strips, Bonds, Notes) directly backed by the full faith and credit of the United States for payment of principal and interest shall not be subject to a maximum percentage of the portfolio.
- Approved State and County investment pools together cannot exceed 60% of the maturity value of the portfolio at the time of purchase, and no more than 40% of the maturity value at the time of purchase can be deposited in any one particular pool.

Investment Pools: The City Treasurer, Administrative Services Director and City Council have determined that use of investment pools is a practical investment option. The City will utilize guidelines established by the California Municipal Treasurers Association and California Society of Municipal Finance Officers to ensure the safety of investment pools which includes a thorough investigation of the pool/fund prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and

losses are treated.

- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

Maturity Limitations: Every investment instrument purchased must have a term remaining to maturity of less than five years, unless the investment is for the Senior Low Cost Housing Subsidy Program, bond proceeds for the Reserve Fund, funded/capitalized interest fund; or the City Council has granted express authority to make that investment, either specifically or as part of an investment program approved by the City Council no more than three months prior to the investment. When possible, a minimum of 25% of the portfolio should be in maturities of one year or less.

Safekeeping and Custody: All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis which ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian designated by the City and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, direct time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require authorization.

Monthly trust statements are reconciled to the Investment Reports by the City's Accountant. The City's Accountant performs reconciliation of the monthly bank statements. The periodic review of the investment portfolio, including investment types, purchase price, market values, maturity dates, and investment yields as well as conformance to the stated investment policy will be performed by the Investment Advisory Committee.

Qualified Broker/Dealers: For those investments managed directly by the City, the City shall maintain a listing of broker/dealers that are approved by the Investment Advisory Committee for investment purposes. All broker/dealers who desire to bid for investment transactions must supply the City with the following information; a completed broker/dealer questionnaire, audited financial statements, proof of National Association of Security Dealers' certification, trading resolution, proof of California registration, and certification of having read the City of Brea's investment policy.

The Investment Advisory Committee will conduct an annual review of the qualified broker/dealers. The decision to add or subtract from the authorized list of broker/dealers will be based on many factors to include, but not limited to, products offered, service levels, references, etc. No single factor will determine the Committee's final decision. A current audited financial statement is required to be on file for each broker/dealer with which the City of Brea invests. The City's authorized brokers/dealers shall provide written

confirmation of having read and understood the City's investment policy and that all investments recommended by them will be suitable for the City of Brea.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

Monitoring and Adjusting the Portfolio: The City Treasurer and Administrative Services Director will routinely monitor the contents, performance and risk profile of the investment portfolio, the investment alternatives, and the relative values of competing investment instruments and will adjust the portfolio accordingly based on the approved Statement of Investment Policy on a quarterly basis. The City Council shall also bear a responsibility for monitoring the implementation of this policy and the safeguarding of the City's Treasury.

Performance Standards: The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Administrative Services Director shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the monthly report of investments. The Treasurer and Administrative Services Director shall select an appropriate, readily available index to use as a market benchmark.

Bond Funds/Arbitrage: The U.S. Tax Reform Act of 1986 requires the City to perform annual arbitrage calculations and rebate excess earnings from investments of proceeds of bond issues sold after the effective date of this law to the U.S. Treasury. This arbitrage calculation may be contracted with an outside source to provide the necessary technical assistance to comply with this regulation. Funds subject to the 1986 Tax Reform Act will be kept segregated from other funds and records will be kept in a fashion to facilitate the calculations. The City's investment position relative to the new arbitrage restrictions is to continue pursuing the maximum yield on applicable investments while ensuring the safety of capital and liquidity. It is a fiscally sound position to continue maximization of yield and to rebate excess earnings, if necessary.

Review/or Modification: The Investment Advisory Committee shall be responsible for reviewing and recommending modifications to the Statement of Investment Policy and submitting it to the City Council for approval on an annual basis. However, the City Treasurer and Administrative Services Director may, at any time, further restrict the investments approved for purchase as deemed appropriate.

Internal Controls: The City Treasurer and Administrative Services Director shall organize the investment function so that specific responsibility for the performance of duties is assigned with a clear line of authority and reporting. The functions of authorizing,

executing and recording transactions, custody of investments and performing reconciliation's will be handled by separate persons to reduce the risk that anyone person is in a position to conceal errors or fraud in the normal course of duty. While no internal control system, however elaborate, can guarantee absolute assurance that the City's assets are safeguarded, it is the intent of the City's internal control system to provide reasonable assurance that management of the investment function meets the City's objectives. These internal controls shall be reviewed annually by the independent auditor who shall review and comment upon the content of this policy, the effectiveness of its implementation and applicable management controls with regard to its implementation and the safeguarding of the City's Treasury funds.

Investment Advisory Committee: An Investment Advisory Committee ("Committee") is established to review and make recommendations on the Investment Policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency and to strengthen the internal control of the management of the City's funds. The following are the duties and responsibilities of the Committee:

A. Purpose

1. To review and make recommendations on investment policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency.
2. To review the City's investments on a periodic basis and to recommend any exceptions and/or changes to the policy, to the City Council for review and approval.

B. Composition of Committee

1. City Treasurer
2. City Council Member, who serves as the Chair (selected by the City Council)
3. Administrative Services Director
4. Revenue and Budget Manager
5. Three (3) Brea Citizens (selected by the City Council with the City Treasurer as subcommittee members)

C. Functions

1. Annually (or as needed)
 - a. To review and approve Statement of Investment Policy
 - b. To review the financial condition and registrations of qualified broker/dealers (Only required when investments are managed by the City)
2. Monthly or Quarterly
 - a. To review the City's investments
 - b. To recommend any modifications to the Investment Policy
 - c. To develop and carry out the ongoing investment strategy in accordance with the Investment Policy
 - d. To provide a status report at a study session of the City Council as requested

The function of the Committee is not to inhibit the daily operation of the Administrative Services Department, but to provide policy guidelines within which to work on a day-to-day basis. By this, it is meant that each individual trade need not be approved by the Committee at the time it is transacted provided that it falls within the scope of the Statement of Investment Policy.

Disclosure: Members of the Committee shall be required to comply with the Fair Political Practices Act reporting requirements (Form 700) on an annual basis and submit filings to the City Clerk's Office.

SEGREGATION OF RESPONSIBILITIES
(External)

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	Administrative Services Director Revenue and Budget Manager
Recommend modifications to Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Review formal Statement of Investment Policy and recommend a Council action	City Treasurer Investment Advisory Committee
Adopt formal Statement of Investment Policy	City Council
Select investments	Outside Investment Manager
Execute investment transactions and fax or email completed trade information to City	Outside Investment Manager
Review transactions for compliance with investment policy	City Treasurer Administrative Services Director or Revenue and Budget Manager
Investment verification (match broker confirmation to trade information provided by outside Investment Manager to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to Administrative Services Director and City Treasurer	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director.

SEGREGATION OF RESPONSIBILITIES
(Internal)

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Recommend modifications to Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager Investment Advisory Committee
Review formal Statement of Investment Policy and recommend City Council action	Investment Advisory Committee
Annually review and adopt a formal Statement of Investment Policy	City Council
Select investments	Administrative Services Director or Revenue and Budget Manager
Approve transactions	Administrative Services Director
Execute investment transactions	Administrative Services Director
Investment verification (match broker confirmation to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to the Administrative Services Director	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director

GLOSSARY OF INVESTMENTS TERMS

AGENCIES: Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB: The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB: The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC: Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “Freddie MacFreddieMac” issues discount notes, bonds and mortgage pass-through securities.

FNMA: Like FHLB and Freddie MacFreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “Fannie MaeFannieMae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA: The Government National Mortgage Association, known as “Ginnie MaeGinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO: The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA: The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASSET BACKED SECURITIES: Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE: In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER’S ACCEPTANCE: A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

BENCHMARK: A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BROKER: A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION (CMTA): Is the professional society of active public treasurers of California counties, cities and special districts. It sets ethical standards for the treasury profession in state and local governments in California.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS (CSMFO): Is a professional association of state, county and local government finance officers in

California. CSMFO is the statewide organization serving all of California municipal finance professionals, an affiliate of the nationwide Government Finance Officers Association (GFOA).

CALLABLE: A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS): A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL: **COLLATERAL.** Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED BANK DEPOSIT: A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COLLATERALIZED TIME DEPOSIT: Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

PAPER: The short-term unsecured debt of corporations.

COUPON: The rate of return at which interest is paid on a bond.

CREDIT RISK: The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DEBENTURE: A bond secured only by the general credit of the issuer.

VS. PAYMENT (DVP): A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE: Any security that has principal and/or interest payments which are subject

to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (*e.g., U.S. Treasury Bills.*)

DIVERSIFICATION: Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION: The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes in interest rates.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, *e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.*

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INVERSE FLOATER: A bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes. This investment is prohibited under in the City's and Successor Agency to the Brea Redevelopment Agency Investment Policy.

FEDERALLY INSURED TIME DEPOSIT: A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

LEVERAGE: Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY: The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

POOL: Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL: A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN: The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK: The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE: The price at which a security can be traded.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES: Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION: The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MARKET: The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MONEY MARKET MUTUAL FUND: A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

MORTGAGE PASS-THROUGH SECURITIES: A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES: Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND: An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO): A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating

agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CERTIFICATE OF DEPOSIT (CD): A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PASSBOOK SAVINGS ACCOUNT: A savings account in which deposits and withdrawals are recorded in the depositor's passbook.

PASS-THROUGH SECURITY: A pool of fixed income securities backed by a package of assets (i.e. mortgages) where the holder receives the principal and interest payments.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRINCIPAL: The face value or par value of an investment.

PRUDENT INVESTOR STANDARD: Is a standard defined under State Government Code Section 53600.3 that states when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

PRUDENT PERSON (PRUDENT INVESTOR) RULE: A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT: Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to bank customers whereby securities are held by the bank in the customer's name.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND SECURITIES AND EXCHANGE COMMISSION (SEC): The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

SECURITIES AND EXCHANGE COMMISSION (SEC) RULE 15C315c3-1: An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

STRUCTURED NOTE: A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATURAL: A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS: All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD TO MATURITY: The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: Annual Development Impact Fee Report for the Fiscal Year Ended June 30, 2019

RECOMMENDATION

Receive and file report.

BACKGROUND/DISCUSSION

The City Council established and adopted various Development Impact Fees in 1995 to pay for necessary infrastructure improvements needed to support new development projects within Brea. These included Traffic, Water, Dispatch, and Fire Impact Fees, which were established by Ordinance Nos. 966, 967, 968, and 969 respectively. An annual review of fees occurs with the budget process, with fee updates made as governed by the terms of the applicable impact fee ordinance or resolution. Since the inception of the Impact Fee Programs in 1995, there have been several resolutions adopted by City Council, which set the fees as shown below:

- Resolution 2011-096 for Traffic Impact Fees;
- Resolution 03-15 for Water Impact Fees;
- Resolution 06-105 for Dispatch Impact Fees; and,
- Resolution 06-104 for Fire Impact Fees.

Government Code § 66006 (GC Section 66006), commonly referred to as AB-1600, which was passed into law in 1988, requires that municipalities who impose Development Impact Fees provide the following information to the public annually for each fund within 180 days after the last day of each fiscal year:

- (A) Brief description of the type of fee in the account or fund;
- (B) Amount of the fee;
- (C) Beginning and ending balances of the account of fund;
- (D) Amount of fees collected and the interest earned;
- (E) Identification of each public improvement on which fees were expended, the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees;
- (F) Identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete;
- (G) Description of each interfund transfer or loan made from the account of fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of

an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan; and,
(H) Amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

Furthermore, GC § 66006 requires the local agency to review said information not less than 15 days after the information is made available to the public at the next regularly scheduled public meeting. Therefore, staff has prepared said information within an Annual Report, which will be made available to the public (see attached Development Impact Fee Program Annual Report).

Some of the needs for capital facilities to accommodate new growth identified during past nexus studies have been addressed through the completion of capital projects and purchases of equipment and facilities. The Nexus Fee Program continues to make progress annually to complete the nexus improvements as stated within each respective study.

Traffic Impact Fee Program

As stated previously, Ordinance No. 966 established the Traffic Impact Fee Program and Resolution 95-51, as adopted by the City Council in May of 1995, approved the Traffic Nexus Studies and set the fees. The approved traffic studies identified 18 intersection and link locations in the City, which would require improvements due to the impacts of future development. The fee program identified these improvements with an estimated cost of \$44 Million. Of this \$44 Million, \$34 Million was associated with the new development impacts and allocated into four (4) Fee Districts within the City Limits. This Nexus cost was then used to set the individual impact fees for residential and commercial/office/industrial development.

In 2011, an update to the Traffic Nexus Fee Study was completed using the Brea Area Traffic Model ("BATM") which further updated the required nexus improvements with costs as associated with future development. This study concluded that 1/2 of the original nexus improvements were completed, some were redefined, and the others were deemed not required as part of the Master Plan of Highways. Therefore, this list of future improvements was updated to depict eleven (11) projects with a total Nexus cost of \$19.4 Million. The balance of the Fee Program at that time was estimated at over \$10.5 Million, whereby the new Fees were set based on the difference of approximately \$8.9 Million. In December of 2011, the City Council approved the 2011 Traffic Nexus Fee Study and adopted Resolution 2011-096, which set the new fees and consolidated the fee program districts from four to one. These Projects have been identified in the City's Capita Improvement Program.

Several of the Projects within the Traffic Nexus Fee Program, such as: the SR-57/Lambert Interchange Project and Imperial/SR-57 Interchange Project, require extensive work and coordination with Caltrans and the Orange County Transportation Authority for oversight and the regional funding share. The 2011 study estimated these improvements to cost a combined \$39.5 Million.

Water Impact Nexus Program

Ordinance No. 967 initiated the Water Nexus Fee Program and established the fees via Resolution 95-52. In 2002, the City conducted a study entitled "Water Master Plan Update", which was used to determine the need for future water infrastructure as the result of future development. Additionally a report was completed entitled "City of Brea Water Master Plan Update Recommended Water Impact Fees" which was used to update the impact fees. In March 2003, the City Council adopted Resolution 03-15 to set the Water Impact Fees into three (3) water districts. Additionally, Resolution 03-15 provided a provision to update the Water Impact

Fees annually to account for inflation using the Engineering News Record 20-City Construction Cost Index. In 2009, the Water Master Plan was updated again, which identified 11 capital projects with cost estimates for the nexus improvements for a total program cost of approximately \$5 Million.

Additional Information:

At the July 21, 2020 City Council Meeting, City Council asked for confirmation and justification for the water impact fee amount for District 2, Zone 1050. In short, the water impact fee for this zone is in fact \$85,428. The fee for this zone was last set by the 2002 Water Impact Fee Study and has been adjusted for inflation every year since then. The fee takes into account the cost of the required infrastructure that is needed to provide for the projected water demand of the area. The identified infrastructure needs include transmission water mains, proportional cost for a new reservoir and a booster pump station. The cost of this infrastructure is divided by the projected number of 1" meter equivalents. The resulting fee is much higher as compared to the other zones due to high projected infrastructure cost and relatively low number of 1" equivalent meters (45) as compared to the other zones. The low number of 1" meter equivalents is due to the limited development within the challenging terrain of this zone. The fee is updated annually using the Engineering News Record 20-City Construction Cost Index and is reported to the City Council as as part of this annual report.

Dispatch Impact Fee Program

Ordinance No. 968 established the Dispatch Impact Fee Program and Resolution No. 95-53 set the appropriate impact fees attributed to future development. In 2006, the City updated the Fire and Dispatch Impact Analysis, which provided a published study to reflect the impacts of future development. This study was incorporated into Resolution No. 06-105 that updated the impact fees, which was adopted by the City Council on December 19, 2006. In 2013, the City updated the Fire and Dispatch Impact Fee Study to reflect increases to costs since 2006. This study showed a general increase to the impact fees for both Fire and Dispatch Impact Fees, which was presented to Finance Committee on April 9, 2013.

Fire Impact Fee Program

Ordinance No. 969 established the Fire Impact Fee Program, and Resolution No. 95-54 set the appropriate impact fees attributed to future development. As stated previously, in 2006 and 2012 the City updated the Fire and Dispatch Impact Study. As with the Dispatch Impact Fees in the 2012 update, the Fire Impact Fees also increased, but due to the potential regionalization of the Dispatch Services, the study was not adopted by City Council and the fees remained the same.

FISCAL IMPACT/SUMMARY

Pursuant to GC §66066, information pertaining to the Impact Fee Program needs to be provided to the public annually within 180 days after the close of the Fiscal Year. Staff has prepared the Development Impact Fee Program Annual Report for the public to review and for City Council's review to receive and file. Traffic, Water, Dispatch, and Fire Impact Fees have realized revenues and incurred expenditures as detailed in the Annual Report for Fiscal Year Ended June 30, 2019. There is no General Fund Impact from this action.

Staff recommends filing the required Annual Report for the Fiscal Year ending on June 30, 2019 (see attached Development Impact Fee Program Annual Report).

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Ryan Chapman, P.E., Principal Civil Engineer

Concurrence: Michael Ho, P.E., Deputy Director of Public Works / City Engineer

Tony Olmos, P.E., Public Works Director

Attachments

Development Impact Fee Program Annual Report

**CITY OF BREA
DEVELOPMENT IMPACT FEE PROGRAM**

**Annual Report
Fiscal Year Ended June 30, 2019
Prepared on 7/8/20**

Pursuant to Government Code Section 66006, the following information contains information that is required to compile the annual report for Development Impact Fees. There were no refunds related to water impact fees, traffic impact fees, dispatch impact fees, or fire impact fees made pursuant to subdivision (e) and (f) of Section 66001.

Water Impact Fees (Fund 541) was established by Ordinance 967 in order to offset new development projects and its sphere-of-influence. These fees are necessary to ensure that adequate water infrastructure and facilities are provided to new development projects.

Amount of Fee

- District 1, All Zones - \$410 per 1” equivalent meter
- District 2, Zone 790 & Below - \$3,157 per 1” equivalent meter
- District 2, Zone 900 - \$23,488 per 1” equivalent meter
- District 2, Zone 1050 & Above - \$85,428 per 1” equivalent meter
- District 3, Zone 790 & Below - \$410 per 1” equivalent meter
- District 3, Zone 1000 - \$16,323 per 1” equivalent meter
- District 3, Zone 1200 - \$18,639 per 1” equivalent meter
- District 3, Zone 1400 & Above - \$17,708 per 1” equivalent meter

The beginning balance was \$ 952,485.78 and the ending balance was \$ 1,013,854.69. The fees collected were \$ 41,767.00 and the interest earned was \$ 39,220.45. There were no funds uncommitted.

For fiscal year 2018-19, \$ 19,099.31 was spent on administrative/operational costs and project expenditures of \$ 519.23.

Traffic Impact Fees (Fund 540) was established by Ordinance 966 to offset new traffic impacts and finance construction of new traffic improvements caused by new development projects within Brea, including portions of its sphere of influence when annexed into the City.

Land Use Category	Unit of Development	Fee
Low Density Residential (Up to 6 d.u. per acre)	Per dwelling unit	\$1,974
Med. Density Residential (7 to 12 d.u. per acre)	Per dwelling unit	\$1,453
High Density Residential (13 d.u. per acre & over)	Per dwelling unit	\$1,203
Gen. and MU Commercial	Per gross square foot	\$2.35
Regional Commercial	Per gross square foot	\$2.24
Office/Industrial	Per gross square foot	\$1.25
Other	Per trip end	\$89

Traffic Impact Fees (Continued)

The beginning balance in this fund was \$10,487,292.60 for the fiscal year with an ending balance of \$6,470,296.46. Per the 2011 Nexus Study, the fair share amount set aside for use on the SR-57 and Lambert Interchange project was set at \$12,650,000. Of this amount, the balance as of June 30, 2019 was \$3,144,970. The fees collected were \$66,493.75, the interest earned was \$257,520.21 and there were miscellaneous revenues of \$32,316.88. There were no funds uncommitted.

For fiscal year 2018-19, \$102,177.74 was spent on administrative/operational costs and \$4,271,149.24 was spent in project expenditures. The project expenditures are as follows:

<u>Project</u>	<u>Expenditures</u>
Project 7251 SR-57 Freeway/Lambert Rd. Interchange	\$ 4,264,244.20
Project 7278 Imperial Hwy & Berry St Intersection	\$ 6,020.89
Project 7305 Brea Boulevard Widening	\$ 3,688.21
Project 7709 Birch Street Traffic Signal Synchronization	\$ -2,804.06
Total Impact Fee Expenditures	<u>\$ 4,271,149.24</u>

Dispatch Impact Fees (Fund 543) was established by Ordinance 968 to offset new dispatch/communications impacts and finance acquisition, installation and/or construction of new dispatch/communications facilities necessitated by new development projects within Brea, including portions of its sphere of influence when annexed into the City.

Dispatch Impact Fee is \$55.00 for each dwelling unit.

The beginning balance in this fund was \$323,857.54 with an ending balance of \$18,620.85. The fees collected were \$480.00 and interest earned was \$6,657.68. There were no funds uncommitted.

For fiscal year 2018-19, \$2,374.34 was spent on administrative/operational costs and \$310,000.00 was spent in project expenditures.

Fire Impact Fee (Fund 542) was established by Ordinance 969 to fund the cost of building a fire station and purchasing new fire engines and equipment required to serve new development.

Fire Impact Fees	
Residential	
Single Family	\$1,029
Multifamily	\$731
Nonresidential	
Commercial	\$191
Office	\$267
Industrial	\$138

The beginning balance in this fund was \$543,804.03 with an ending balance of \$573,995.17. The fees collected were \$18,837.00 and the interest earned was \$22,197.34. There were no funds uncommitted.

For fiscal year 2018-19, \$ 10,843.20 was spent on administrative/operational costs.

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: Revised Maintenance Agreement with the State of California's Department of Transportation (Caltrans) for the intersection Overhead Street Name Signs on SR-90 & SR-142.

RECOMMENDATION

Approve revised Maintenance Agreement and authorize City Manager to execute future Amendment(s) to the Maintenance Agreement

BACKGROUND/DISCUSSION

In 2018 the Public Works Maintenance Division removed all City-owned overhead intersection Illuminated Street Name Signs throughout the City and replaced them with Reflectorized Street Name Signs. In an effort to keep a consistent look of the signs throughout the City of Brea, the removal of existing intersection Illuminated Street Name Signs (ISNS) and replacement with Reflectorized Street Name Signs (RSNS) on Imperial Hwy (SR-90) and on Valencia Avenue/Carbon Canyon Road (SR-142) was discussed with Caltrans. Caltrans found it acceptable and City Council approved funds for these signs as part of the FY 19-20 Capital Improvement Program. Staff has secured a permit from Caltrans for the installation. As part of the Caltrans requirements, Caltrans requires a Project Specific Maintenance Agreement between the State of California's Department of Transportation and City of Brea to perform maintenance responsibilities for the new street name signs.

On June 2, 2020, City Council approved an agreement with Caltrans to memorialize maintenance responsibilities for the signs. Subsequent to the approval, Caltrans requested to revise the Agreement to include the following items:

- Item 8 - City will perform regular maintenance as needed on signs
- Item 11.1 - Labor code compliance language
- Item 11.2 - Requirements in subcontracts language

This Agreement will replace the Agreement approved on June 2, 2020. Staff does not anticipate any further changes to the Agreement. However, to address any additional minor requests for changes from Caltrans, staff is recommending that City Manager be authorized to sign any future Amendments to streamline the process. Any proposed significant changes to the Agreement will be presented to City Council for consideration.

FISCAL IMPACT/SUMMARY

Funds are available for these new signs as part of approved CIP #7212. There is no impact to the General Fund.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Will Wenz, Street Maintenance Superintendent

Concurrence: Tony Olmos, P.E., Public Works Director

Attachments

Agreement

**PROJECT SPECIFIC MAINTENANCE AGREEMENT
FOR SR 142 & 90 IN THE CITY OF BREA**

THIS AGREEMENT is made effective this _____ day of _____, 20___, by and between the State of California, acting by and through the Department of Transportation, hereinafter referred to as "STATE" and the City of Brea; hereinafter referred to as "CITY" and collectively referred to as "PARTIES".

SECTION I

RECITALS

1. WHEREAS, Encroachment Permit Number 12-20-N-SI-0135 was issued to CITY to construct sign panels on State Route (SR)142, hereinafter referred to as "SIGN PANELS", and
2. PARTIES desire to identify CITY maintenance responsibilities for newly constructed or revised reflective street name sign panels improvements within STATE's right of way on State Route (SR) 142 & 90 as set forth Permit No. 12-20-N-SI-0135.
3. WHEREAS there is an existing Freeway Maintenance Agreement with CITY dated February 18, 2009. This agreement is not meant to replace or supersede the earlier agreement.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

SECTION II

AGREEMENT

4. Exhibit A consists of plan drawings that delineate the areas within STATE right of way which are the responsibility of the CITY to maintain in accordance with this Maintenance Agreement.
5. The cost of operating and maintaining the SIGN PANELS now in place at the locations listed in Exhibit B shall be shared as indicated in Exhibit B.
6. If there is mutual agreement on the change in the maintenance duties between PARTIES, the PARTIES can revise the Exhibit A and/or B by a mutual written-execution of each exhibit.
7. CITY will perform regular maintenance as necessary to maintain the functionality and visibility of the street name signs specified in Exhibit A
8. CITY must obtain the necessary Encroachment Permits from STATE's District __ Encroachment Permit Office prior to entering STATE right of way to perform CITY maintenance responsibilities. This permit will be issued at no cost to CITY.

9. LEGAL RELATIONS AND RESPONSIBILITIES

- 9.1. Nothing within the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this Agreement or to affect the legal liability of a PARTY to the Agreement by imposing any standard of care with respect to the operation

and maintenance of STATE highways and local facilities different from the standard of care imposed by law.

9.2. Neither CITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by, under or in connection with any work, authority or jurisdiction conferred upon STATE under this Agreement. It is understood and agreed that STATE shall fully defend, indemnify and save harmless CITY and all of their officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this Agreement.

9.3. Neither STATE nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by CITY under or in connection with any work, authority or jurisdiction conferred upon CITY under this Agreement. It is understood and agreed that CITY shall fully defend, indemnify and save harmless STATE and all of its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including section but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by CITY under this Agreement.

10. PREVAILING WAGES:

10.1. Labor Code Compliance- If the work performed on this Agreement is done under contract and falls within the Labor Code section 1720(a)(1) definition of a "public works" in that it is construction, alteration, demolition, installation, or repair; or maintenance work under Labor Code section 1771. CITY must conform to the provisions of Labor Code sections 1720 through 1815, and all applicable provisions of California Code of Regulations found in Title 8, Chapter 8, Subchapter 3, Articles 1-7. CITY agrees to include prevailing wage requirements in its contracts for public work. Work performed by CITY'S own forces is exempt from the Labor Code's Prevailing Wage requirements.

10.2. Requirements in Subcontracts - CITY shall require its contractors to include prevailing wage requirements in all subcontracts funded under this Agreement when the work to be performed by the subcontractor is a "public works" as defined in Labor Code Section 1720(a)(1) and Labor Code Section 1771. Subcontracts shall include all prevailing wage requirements set forth in CITY's contracts

11. SELF-INSURED - CITY is self insured. CITY agrees to deliver evidence of self-insured coverage providing general liability insurance, coverage of bodily injury liability and property damage liability, naming the STATE, its officers, agents and employees as the additional insured in an amount of \$1 million per occurrence and \$2 million in aggregate and \$5 million in excess. Coverage shall be evidenced by a certificate of insurance in a form satisfactory to the STATE that shall be delivered to the STATE with a signed copy of this Agreement in a form satisfactory to STATE, along with a signed copy of the Agreement.

11.1. SELF-INSURED using Contractor - If the work performed on this Project is done under contract CITY shall require its contractors to maintain in force, during the term of this

agreement, a policy of general liability insurance, including coverage of bodily injury liability and property damage liability, naming the STATE, its officers, agents and employees as the additional insured in an amount of \$1 million per occurrence and \$2 million in aggregate and \$5 million in excess. Coverage shall be evidenced by a certificate of insurance in a form satisfactory to the STATE that shall be delivered to the STATE with a signed copy of this Agreement.

12. TERMINATION - This Agreement may be terminated by timely mutual written consent by PARTIES, and CITY's failure to comply with the provisions of this Agreement may be grounds for a Notice of Termination by STATE.

13. TERM OF AGREEMENT - This Agreement shall become effective on the date first shown on its face sheet and shall remain in full force and effect until amended or terminated at any time upon mutual consent of the PARTIES or until terminated by STATE for cause.

PARTIES are empowered by Streets and Highways Code Section 114 and 130 to enter into this Agreement and have delegated to the undersigned the authority to execute this Agreement on behalf of the respective agencies and covenants to have followed all the necessary legal requirements to validly execute this Agreement.

IN WITNESS WHEREOF, the PARTIES hereto have set their hands and seals the day and year first above written.

THE CITY OF

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By: _____
Mayor/Chairmen
Initiated and Approved

TOKS OMISHAKIN
Director of Transportation

By: _____
City Manager

By: _____
Bobi Hettick
Deputy District Director
District 12 Maintenance

ATTEST:

By: _____
City Clerk

As to Form and Procedure:

By: _____
City Attorney

By: _____
Attorney
Department of Transportation

Exhibit A

CIP NO. 7212 ILLUMINATED STREET NAME SIGN REPLACEMENT AT SR-142



LOCATION MAP	N/B	E/B	S/B	W/B
1. La Floresta Dr (2 signs)	1	1	0	0
2. Nasa St (2 signs)	0	0	1	1
3. La Entrada Dr (4 sign)	1	1	1	1
4. Birch St (2 signs)	0	0	1	1
5. Rose Dr (2 signs)	1	1	0	0
6. Lambert Rd (2 signs)	0	0	1	1
7. Valencia Ave (2 signs)	1	1	0	0
8. Santa Fe Rd (2 signs)	1	1	0	0
9. Regional Park (2 signs)	0	0	1	1
10. Ruby St (3 signs)	1	1	0	1
11. Olinda Pl (3 sign)	0	1	1	1

SCOPE OF WORK

The City will replace 90 internally illuminated signs with 90 RSNS signs total, 64 signs on Imperial Highway (SR-90) and 26 signs on Carbon Canyon Rd/Valencia Ave (SR-142). The electrical supply shall be disconnected at the power source and all wires capped and left in place.

ELECTRICAL OPERATIONS NOTES

- Traffic Signal Safety Lighting shall not be interrupted during construction.
- Caltrans Electrical Operations shall be contacted at (909) 383-8476, seven days prior to lane closures for signal timing adjustments.

EXISTING ISNS



PROPOSED RSNS (SAMPLE)

All signage and reflectivity per California Manual on Uniform Traffic Control Devices (CA MUTCD) latest edition.

HIP (High Intensity Prismatic) 3M - type 4

0.04" aluminum - 5052 H38 alloy

Double Sided - Border is traffic blue, white lettering on traffic green background

12" Upper case, 9" Lower case

96" x 30" (with descending letters) - 96" x 24"



EXHIBIT B

REFLECTORIZED STREET NAME SIGN PANELS

Caltrans and City of Brea

Effective: _____

BASIS OF COST DISTRIBUTION

State-Owned and Maintained

Billed by the State

Route and PM	Location	Type of Facility	Cost Distribution	
			State	City
SR-90 PM 3.50	Puente St & Imperial Hwy	ReflectORIZED Street Name Sign Panels	0	100%
SR-90 PM 3.78	Arovista Ave & Imperial Hwy	ReflectORIZED Street Name Sign Panels	0	100%
SR-90 PM 4.00	Berry St/ Jasmine Dr & Imperial Hwy	ReflectORIZED Street Name Sign Panels	0	100%
SR-90 PM 4.35	Gateway Ctr & Imperial Hwy	ReflectORIZED Street Name Sign Panels	0	100%
SR-90 PM 4.45	Brea Blvd & Imperial Hwy	ReflectORIZED Street Name Sign Panels	0	100%
SR-90 PM 4.79	Laurel Ave & Imperial Hwy	ReflectORIZED Street Name Sign Panels	0	100%
SR-90 PM 5.00	Randolph Ave & Imperial Hwy	ReflectORIZED Street Name Sign Panels	0	100%
SR-90 PM 5.19	St College Blvd. & Imperial Hwy	ReflectORIZED Street Name Sign Panels	0	100%
SR-90 PM	Imperial Hwy & NB 57 off-ramp	ReflectORIZED Street Name Sign Panels	0	100%
SR-90 PM 5.65	Associated Rd & Imperial Hwy	ReflectORIZED Street Name Sign Panels	0	100%
SR-90 PM 5.93	Placentia Ave/ Castlegate Ln & Imperial Hwy	ReflectORIZED Street Name Sign Panels	0	100%
SR-90 PM 6.0	Shopping Center & Imperial Hwy	ReflectORIZED Street Name Sign Panels	0	100%

EXHIBIT B

Route and PM	Location	Type of Facility	Cost Distribution	
SR-90 PM 6.3	Shopping Mall Way & Imperial Hwy	Reflectorized Street Name Sign Panels	0	100%
SR-90 PM 6.58	Kraemer Blvd. & Imperial Hwy	Reflectorized Street Name Sign Panels	0	100%
SR-90 PM 6.91	Saturn St & Imperial Hwy	Reflectorized Street Name Sign Panels	0	100%
SR-90 PM 7.27	Valencia Ave & Imperial Hwy	Reflectorized Street Name Sign Panels	0	100%
SR-90 PM 7.38	La Cresenta Dr & Imperial Hwy	Reflectorized Street Name Sign Panels	0	100%
SR-90 PM 7.56	La Floresta Dr & Imperial Hwy	Reflectorized Street Name Sign Panels	0	100%
SR-142 PM .51	La Floresta Dr/ Nasa St & Valencia Ave	Reflectorized Street Name Sign Panels	0	100%
SR-142 PM .90	La Entrada & Valencia Ave	Reflectorized Street Name Sign Panels	0	100%
SR-142 PM 1.41	Birch St/ Rose Dr & Valencia Ave	Reflectorized Street Name Sign Panels	0	100%
SR-142 PM 1.81	Lambert Rd/ Carbon Canyon Rd & Valencia Ave	Reflectorized Street Name Sign Panels	0	100%
SR-142 PM 2.0	Santa Fe Rd/ Regional Park & Carbon Canyon Rd	Reflectorized Street Name Sign Panels	0	100%
SR-142 PM 4.4	Ruby Rd & Carbon Canyon Rd	Reflectorized Street Name Sign Panels	0	100%
SR-142 PM 4.4	Olinda Pl & Carbon Canyon Rd	Reflectorized Street Name Sign Panels	0	100%

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: Investment Policy Guidelines for the City of Brea's Employee Benefit Fund Pension Plan

RECOMMENDATION

Review and approve the Investment Policy Guidelines for the City of Brea's Employee Benefit Fund Pension Plan through Public Agency Retirement Services (PARS).

BACKGROUND/DISCUSSION

On November 17, 2015, the City Council approved participation within the Public Agencies Post-Employment Benefits Trust Program that established the City of Brea's Employee Benefit Fund Pension Plan ("Plan"). The Plan is administered by Public Agencies Retirement Services (PARS) to assist the City in "pre-funding" its pension obligations in an irrevocable Section 115 Trust account. Some of the benefits of participating in the program are summarized below:

- City maintains oversight of investment management and control over the risk tolerance level of the portfolio;
- Assets held in the PARS Section 115 Trust account allows for greater investment flexibility and risk diversification compared to the City's General Fund investments;
- Assets could be accessed to offset unexpected CalPERS rate increases (rate stabilization);
- Potential to improve an agency's bond rating; and
- Flexibility to access assets at any time as long as it is used to pay employer's pension obligations.

The investment strategies for these assets are defined within the City's Investment Policy Guidelines that were developed and evaluated by PARS, HighMark Capital Management (the Plan's Investment Advisory Firm) and the City's Investment Advisory Committee (IAC). The purpose of the Investment Policy Guidelines is to facilitate communication and confirm the City's investment objectives for the Plan. It also helps maintain a long-term perspective when market volatility is caused by short-term market movements. The policy also details the Plan's Trustee, the Investment Manager and the Investment Advisory Committee's roles and responsibilities.

On January 19, 2016, the City Council adopted the City's Investment Policy Guidelines for the Plan and confirmed the IAC's recommendation of selecting the "Balanced" Asset Allocation Strategy of the five strategies offered by the Plan's Investment Advisory Firm, HighMark Capital Management. This strategy provides growth of principal and income on the long term horizon.

On April 24, 2017, the Investment Advisory Committee, including PARS and HighMark Capital

Management, reviewed the Investment Policy Guidelines and recommended expanding the responsibilities of the Investment Manager to include *“Notifying City Treasurer, Administrative Services Director and Investment Advisory Committee when investment portfolios demonstrate low performance, if any, which occurs between each periodic report.”*

These changes were incorporated as part of the 2016 and 2017 annual review of the Investment Policy Guidelines. No changes are recommended as part of this annual review. The Investment Policy Guidelines is included as Attachment A. At this time, there are no changes recommended for the 2020 annual review.

COMMISSION/COMMITTEE RECOMMENDATION

On July 27, 2020, the Investment Advisory Committee reviewed the Investment Policy Guidelines and recommended for City Council approval.

FISCAL IMPACT/SUMMARY

There is no fiscal impact for approving the Investment Policy Guidelines.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Attachment A - Investment Policy Guidelines



Investment Policy Guidelines

FINAL

City of Brea

Employee Benefits Fund Pension Plan

August 2020



Investment Policy Guidelines

Scope and Purpose

The purpose of these Investment Policy Guidelines is to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies applicable to the investment portfolio identified below and obtained from the Plan Sponsor;
- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's investment needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers;
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

Key Plan Sponsor Account Information as of August 2020

Plan Sponsor: City of Brea
Governance: Investment Advisory Committee for the City of Brea
Plan Name ("Plan"): City of Brea Employee Benefit Fund Pension Plan

Trustee: US Bank
Contact: Sue Hughes, 949-224-7209
Susan.Hughes@usbank.com

Type of Account: Pension Plan

Investment Manager: US Bank, as discretionary trustee, has delegated investment management responsibilities to HighMark Capital Management, Inc. ("Investment Manager"), an SEC-registered investment adviser
Contact: Keith Stribling, CFA, 949-553-2591
Keith.stribling@highmarkcapital.com

Investment Authority: Except as otherwise noted, the Trustee, US Bank, has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser. Investment Manager has full investment discretion over the managed assets in the account. Investment Manager is authorized to purchase, sell, exchange, invest, reinvest and manage the designated assets held in the account, all in accordance with account's investment objectives, without prior approval or subsequent approval of any other party(ies).

Investment Objectives and Constraints

The goal of the Plan's investment program is to provide a reasonable level of growth which, will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should seek to earn a return in excess of its policy benchmark over the life of the Plan.
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a strategic perspective of the capital markets.

Investment Time Horizon: Long-term

Anticipated Cash Flows: Assets in the Plan will seek to mitigate the impact of future rate increases from CalPERS. Typically increases in rates come with a one-year advance warning, however this Plan may transfer assets to CalPERS at any time.

Investment Objective: The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth herein. The investment objective the Plan Sponsor has selected is the **Balanced Objective**, which has a dual goal to seek growth of income and principal.

Risk Tolerance: *Balanced*
The account's risk tolerance has been rated moderate, which demonstrates that the account can accept price fluctuations to pursue its investment objectives.

Strategic Asset Allocation: The asset allocation ranges for this objective are listed below:

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	30%-50%	50%-70%
Policy: 5%	Policy: 35%	Policy: 60%

Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The Investment Manager will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with your objectives.

Security Guidelines:

Equities

With the exception of limitations and constraints described above, Investment Manager may allocate assets of the equity portion of the account among various market capitalizations (large, mid, small) and investment styles (value, growth). Further, Investment Manager may allocate assets among domestic, international developed and emerging market equity securities.

Total Equities	50%-70%
<i>Equity Style</i>	<i>Range</i>
Domestic Large Cap Equity	20%-50%
Domestic Mid Cap Equity	0%-15%
Domestic Small Cap Equity	0%-20%
International Equity (incl. Emerging Markets)	0%-20%
Real Estate Investment Trust (REIT)	0%-10%

Fixed Income

In the fixed income portion of the account, Investment Manager may allocate assets among various sectors and industries, as well as varying maturities and credit quality that are consistent with the overall goals and objectives of the portfolio.

Total Fixed Income	30%-50%
--------------------	---------

Eligible Investments

- Debt obligations of the U.S. Government, its agencies, and Government Sponsored Enterprises
- Mortgage-Backed Securities (MBS)
- Asset Backed Securities (ABS)
- Collateralized Mortgage Obligations (CMO)
- Commercial Mortgage-Backed Securities (CMBS)

- Corporate debt securities issued by U.S. or foreign entities including, but not limited to, limited partnerships, equipment trust certificates and enhanced equipment trust certificates

Quality

The portfolio will maintain a minimum weighted average quality of A- at all times. Individual securities shall have a minimum quality rating of Baa3 by Moody's or BBB- by Standard & Poor's (S&P).

Duration

The manager will maintain the portfolio duration within +/- 25% of the benchmark duration at all times.

Diversification

- Any individual issuer position size is to be less than 10% of the portfolio assets at time of purchase, with the exception of securities issued or guaranteed by the U.S. Government, its agencies, and Government Sponsored Enterprises
- High Yield will be managed with funds and/or ETF's at less than 5% of the total portfolio.

Performance Benchmarks:

The performance of the total Plan shall be measured over a three and five-year periods. These periods are considered sufficient to accommodate the market cycles experienced with investments. The performance shall be compared to the return of the total portfolio blended benchmark shown below.

Total Portfolio Blended Benchmark

32.00%	S&P500 Index
6.00%	Russell Mid Cap Index
9.00%	Russell 2000 Index
4.00%	MSCI Emerging Market Index
7.00%	MSCI EAFE Index
2.00%	Wilshire REIT
27.00%	BC US Aggregate Index
6.75%	ML 1-3 Year US Corp/Gov't
1.25%	US High Yield Master II
5.00%	Citi 1Mth T-Bill

Asset Class/Style Benchmarks

Over a market cycle, the long-term objective for each investment strategy is to add value to a market benchmark. The following are the benchmarks used to monitor each investment strategy:

Large Cap Equity	S&P 500 Index
Growth	S&P 500 Growth Index
Value	S&P 500 Value Index
Mid Cap Equity	Russell Mid Cap Index
Growth	Russell Mid Cap Growth
Value	Russell Mid Cap Value
Small Cap Equity	Russell 2000 Index
Growth	Russell 2000 Growth
Value	Russell 2000 Value
REITs	Wilshire REIT
International Equity	MSCI EAFE
Investment Grade Bonds	Barclays US Aggregate

Security Selection

Investment Manager may utilize a full range of investment vehicles when constructing the investment portfolio, including but not limited to individual securities, mutual funds, and exchange-traded funds. In addition, to the extent permissible, Investment Manager is authorized to invest in shares of mutual funds in which the Investment Manager serves as advisor or sub-adviser.

Investment Limitations:

The following investment transactions are prohibited:

- Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
- Venture Capital
- Short sales*
- Purchases of Letter Stock, Private Placements, or direct payments
- Leveraged Transactions*
- Commodities Transactions Puts, calls, straddles, or other option strategies*
- Purchases of real estate, with the exception of REITs
- Individual high yield or below investment grade rated bonds (high yield will be managed with funds and/or ETF's)
- Derivatives, with exception of ETFs*

**Permissible in diversified mutual funds and exchange-traded funds*

Duties and Responsibilities

Responsibilities of Plan Sponsor

The Investment Advisory Committee of the City of Brea is responsible for:

- Confirming in writing the accuracy of this Investment Policy Guidelines.
- Advising Trustee and Investment Manager of any change in the plan/account's financial situation, funding status, or cash flows, which could possibly necessitate a change to the account's overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to the overall investment objective and goals for the account.

The City Treasurer and Administrative Services Director is responsible for:

- Monitoring and supervising all service vendors and investment options, including investment managers.
- Avoiding prohibited transactions and conflicts of interest.
- Providing quarterly investment reports to the City Council.

Responsibilities of Trustee

The plan Trustee is responsible for:

- Valuing the holdings.
- Collecting all income and dividends owed to the Plan.
- Settling all transactions (buy-sell orders).

Responsibilities of Investment Manager

The Investment Manager is responsible for:

- Assisting the Investment Advisory Committee with the development and maintenance of this Investment Policy Guidelines annually.
- Meeting with Investment Advisory Committee semi-annually to review portfolio structure, holdings, and performance.
- Meeting with City Council annually to review portfolio structure, holdings, and performance.
- Providing quarterly investment reports to the Investment Advisory Committee.
- Designing, recommending and implementing an appropriate asset allocation consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
- Researching and monitoring investment advisers and investment vehicles.
- Purchasing, selling, and reinvesting in securities held in the account.
- Monitoring the performance of all selected assets.
- Notify Investment Advisory Committee when investment portfolios demonstrate low performance, if any, which occurs between each periodic report.
- Voting proxies, if applicable.
- Recommending changes to any of the above.
- Periodically reviewing the suitability of the investments, being available to meet with the committee at least once each year, and being available at such other times within reason at your request.
- Informing the committee if changes occur in personnel that are responsible for portfolio management or research.

Acknowledgement and Acceptance

I/We being the Plan Sponsor with responsibility for the account(s) held on behalf of the Plan Sponsor specified below, designate Investment Manager as having the investment discretion and management responsibility indicated in relation to all assets of the Plan or specified Account. If such designation is set forth in the Plan/trust, I/We hereby confirm such designation as Investment Manager.

I have read the Investment Policy Guidelines, and confirm the accuracy of it, including the terms and conditions under which the assets in this account are to be held, managed, and disposed of by Investment Manager. This Investment Policy Guidelines supersedes all previous versions of an Investment Policy Guidelines or investment objective instructions that may have been executed for this account.

_____ Date: _____
Plan Sponsor: City of Brea

J. Keith Stribling

 Digitally signed by J. Keith Stribling
Date: 2020.07.28 12:20:59 -07'00'

_____ Date: _____
Investment Manager: Keith Stribling, CFA, Senior Portfolio Manager, (949) 553-2591

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: Investment Policy Guidelines for the City of Brea's Other Post Employment Benefits (OPEB) Trust Fund

RECOMMENDATION

Review and approve the Investment Guidelines for the City's Other Post Employment Benefits (OPEB) Trust Fund through Public Agency Retirement Services (PARS).

BACKGROUND/DISCUSSION

At their May 5, 2020 meeting, the City Council approved the Investment Guidelines as presented for the City's OPEB Trust Program ("Plan") following the Investment Advisory Committee's recommendation of a Moderate Investment Objective. The below chart summarizes the Strategic Asset Allocation for the Moderate Investment Objective:

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	40%-60%	40%-60%
Policy: 5%	Policy: 45%	Policy: 50%

The goal of the Plan's investment program, as identified in the Investment Guidelines, is to provide a reasonable level of growth which will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should seek to earn a return in excess of its policy benchmark over the life of the Plan;
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a strategic perspective of the capital markets.

The purpose of the guidelines are to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies applicable to

the investment portfolio identified below and obtained from the Plan Sponsor;

- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's investment needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers; and
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

No changes are recommended as part of this review and attached is the Investment Policy Guidelines provided as Attachment A. Future annual reviews will be aligned with other investment policy/guideline updates.

COMMISSION/COMMITTEE RECOMMENDATION

On July 27, 2020, the Investment Advisory Committee reviewed the Investment Policy Guidelines and recommended for City Council approval.

FISCAL IMPACT/SUMMARY

There is no fiscal impact for approving the Investment Policy Guidelines.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Attachment A - Investment Policy Guidelines



Investment Policy Guidelines

FINAL

City of Brea

OPEB

August 2020



Investment Policy Guidelines

Scope and Purpose

The purpose of these Investment Policy Guidelines is to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies applicable to the investment portfolio identified below and obtained from the Plan Sponsor;
- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's investment needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers;
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

Key Plan Sponsor Account Information as of August 2020

Plan Sponsor:	City of Brea
Governance:	Investment Advisory Committee for the City of Brea
Plan Name ("Plan"):	City of Brea OPEB plan
Trustee:	US Bank Contact: Sue Hughes, 949-224-7209 Susan.Hughes@usbank.com
Type of Account:	<i>Other Post Employment Benefit (OPEB) Plan</i>
Investment Manager:	US Bank, as discretionary trustee, has delegated investment management responsibilities to HighMark Capital Management, Inc. ("Investment Manager"), an SEC-registered investment adviser Contact: Keith Stribling, CFA, 949-553-2591 Keith.stribling@highmarkcapital.com

Investment Authority: Except as otherwise noted, the Trustee, US Bank, has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser. Investment Manager has full investment discretion over the managed assets in the account. Investment Manager is authorized to purchase, sell, exchange, invest, reinvest and manage the designated assets held in the account, all in accordance with account's investment objectives, without prior approval or subsequent approval of any other party(ies).

Investment Objectives and Constraints

The goal of the Plan's investment program is to provide a reasonable level of growth which, will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should seek to earn a return in excess of its policy benchmark over the life of the Plan.
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a strategic perspective of the capital markets.

Investment Time Horizon: Long-term

Anticipated Cash Flows: An amount equal to one hundred percent (100%) of the annual OPEB obligations up to the annual required contribution is anticipated to be deposited upfront in July of each year with disbursements to be made monthly to pay ongoing OPEB obligations.

Target Rate of Return: 3.87%

Investment Objective: **Moderate Objective:** The primary objective is to generate a reasonable level of growth. The investment objective the Plan Sponsor has selected is the **Moderate Objective**, which has a dual goal to seek growth of income and principal.

Risk Tolerance: **Moderate**
The account's risk tolerance has been rated moderate, which demonstrates that the account can accept price fluctuations to pursue its investment objectives.

Portfolio Type: **Highmark Plus (active strategy)**

Strategic Asset Allocation: The asset allocation ranges for this objective are listed below:

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	40%-60%	40%-60%
Policy: 5%	Policy: 45%	Policy: 50%

Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The Investment Manager will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with your objectives.

Security Guidelines:

Equities

With the exception of limitations and constraints described above, Investment Manager may allocate assets of the equity portion of the account among various market capitalizations (large, mid, small) and investment styles (value, growth). Further, Investment Manager may allocate assets among domestic, international developed and emerging market equity securities.

Total Equities	40%-60%
<i>Equity Style</i>	<i>Range</i>
Domestic Large Cap Equity	15%-45%
Domestic Mid Cap Equity	0%-10%
Domestic Small Cap Equity	0%-15%
International Equity (incl. Emerging Markets)	0%-15%
Real Estate Investment Trust (REIT)	0%-15%

Fixed Income

In the fixed income portion of the account, Investment Manager may allocate assets among various sectors and industries, as well as varying maturities and credit quality that are consistent with the overall goals and objectives of the portfolio.

Total Fixed Income	40%-60%
<i>Fixed Income Style</i>	<i>Range</i>
Long-term bonds (maturities >7 years)	0%-25%
Intermediate-term bonds (maturities 3-7 years)	25%-60%
Short-Term bonds (maturities <3 years)	0%-25%
High Yield bonds	0%-10%

Performance Benchmarks:

The performance of the total Plan shall be measured over a three and five-year periods. These periods are considered sufficient to accommodate the market cycles experienced with investments. The performance shall be compared to the return of the total portfolio blended benchmark shown below.

Total Portfolio Blended Benchmark

26.50%	S&P500 Index
5.00%	Russell Mid Cap Index
7.50%	Russell 2000 Index
3.25%	MSCI Emerging Market Index
6.00%	MSCI EAFE Index
1.75%	Wilshire REIT
33.50%	Barclays Capital US Aggregate Index
10.00%	ML 1-3 Year US Corp/Gov't
1.50%	US High Yield Master II
5.00%	Citi 1Mth T-Bill

Asset Class/Style Benchmarks

Over a market cycle, the long-term objective for each investment strategy is to add value to a market benchmark. The following are the benchmarks used to monitor each investment strategy:

Large Cap Equity	S&P 500 Index
Growth	S&P 500 Growth Index
Value	S&P 500 Value Index
Mid Cap Equity	Russell Mid Cap Index
Growth	Russell Mid Cap Growth
Value	Russell Mid Cap Value
Small Cap Equity	Russell 2000 Index
Growth	Russell 2000 Growth
Value	Russell 2000 Value
REITs	Wilshire REIT
International Equity	MSCI EAFE
Investment Grade Bonds	Barclays US Aggregate

Security Selection

Investment Manager may utilize a full range of investment vehicles when constructing the investment portfolio, including but not limited to individual securities, mutual funds, and exchange-traded funds. In addition, to the extent permissible, Investment Manager is authorized to invest in shares of mutual funds in which the Investment Manager serves as advisor or sub-adviser.

Investment Limitations:

The following investment transactions are prohibited:

- Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
- Venture Capital
- Short sales*
- Purchases of Letter Stock, Private Placements, or direct payments
- Leveraged Transactions*
- Commodities Transactions Puts, calls, straddles, or other option strategies*
- Purchases of real estate, with the exception of REITs
- Individual high yield or below investment grade rated bonds (high yield will be managed with funds and/or ETF's)
- Derivatives, with exception of ETFs*

**Permissible in diversified mutual funds and exchange-traded funds*

Duties and Responsibilities

Responsibilities of Plan Sponsor

The Investment Advisory Committee of the City of Brea is responsible for: Confirming in writing the accuracy of this Investment Policy Guidelines.

- Advising Trustee and Investment Manager of any change in the plan/account's financial situation, funding status, or cash flows, which could possibly necessitate a change to the account's overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to the overall investment objective and goals for the account.

The City Treasurer and Administrative Services Director is responsible for:

- Monitoring and supervising all service vendors and investment options, including investment managers.
- Avoiding prohibited transactions and conflicts of interest.
- Providing quarterly investment reports to the City Council.

Responsibilities of Trustee

The plan Trustee is responsible for:

- Valuing the holdings.
- Collecting all income and dividends owed to the Plan.
- Settling all transactions (buy-sell orders).

Responsibilities of Investment Manager

The Investment Manager is responsible for:

- Assisting the Investment Advisory Committee with the development and maintenance of this Investment Policy Guidelines annually.
- Meeting with Investment Advisory Committee annually to review portfolio structure, holdings, and performance.
- Meeting with City Council annually to review portfolio structure, holdings, and performance.
- Providing quarterly investment reports to the Investment Advisory Committee.

- Designing, recommending and implementing an appropriate asset allocation consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
- Researching and monitoring investment advisers and investment vehicles.
- Purchasing, selling, and reinvesting in securities held in the account.
- Monitoring the performance of all selected assets.
- Voting proxies, if applicable.
- Recommending changes to any of the above.
- Periodically reviewing the suitability of the investments, being available to meet with the committee at least once each year, and being available at such other times within reason at your request.
- Informing the committee if changes occur in personnel that are responsible for portfolio management or research.

Acknowledgement and Acceptance

I/We being the Plan Sponsor with responsibility for the account(s) held on behalf of the Plan Sponsor specified below, designate Investment Manager as having the investment discretion and management responsibility indicated in relation to all assets of the Plan or specified Account. If such designation is set forth in the Plan/trust, I/We hereby confirm such designation as Investment Manager.

I have read the Investment Policy Guidelines, and confirm the accuracy of it, including the terms and conditions under which the assets in this account are to be held, managed, and disposed of by Investment Manager. This Investment Policy Guidelines supersedes all previous versions of an Investment Policy Guidelines or investment objective instructions that may have been executed for this account.

_____ Date: _____
 Plan Sponsor: City of Brea

J. Keith Stribling  Digitally signed by J. Keith Stribling
 Date: 2020.07.28 12:24:24 -07'00' _____ Date: _____
 Investment Manager: Keith Stribling, CFA, Senior Portfolio Manager, (949) 553-2591

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 08/18/2020
SUBJECT: Software/Hardware Maintenance Support and Online Subscription Service Agreements

RECOMMENDATION

1. Authorize the Purchasing Agent to approve renewal agreements with various support services providers for the life of the computer software or hardware and for online software subscription services; and
2. Authorize the Purchasing Agent to issue purchase orders for these renewal agreements that do not to exceed available budget appropriations.

BACKGROUND/DISCUSSION

To help ensure the functionality of Brea’s network infrastructure, servers, and personal computers, the City uses computer hardware/software maintenance and support agreements and online vendor-hosted software subscription services for required updates, technical support, and software customizations.

Currently, there are three agreements that exceed the Purchasing Agent's \$25,000 approval authority. These agreements have fixed annual increases and are not subject to negotiation.

Vendor	Description
Motorola Solutions	CAD/RMS software for the police dispatch and record management system; Current support cost of \$87,000
County of Orange	800 Mhz public safety radio backbone system; Current support cost of \$94,244
Central Square	City's financial software system; Current support cost of \$89,000

Staff requests that Council authorize the Purchasing Agent to approve the one year renewal of the existing software/hardware maintenance support and online service agreements without having to return to the City Council for approval of each agreement that exceeds \$25,000. The Purchasing Agent will continue to submit periodic reports to the Finance Committee of any agreements approved under this authorization.

Any award recommendations of new software systems and the initial software support agreements that exceed the formal procurement threshold, will continue to be presented to the City Council for their review and consideration.

COMMISSION/COMMITTEE RECOMMENDATION

The Finance Committee reviewed staff's recommendation at their August 11, 2020 meeting and it was recommended for City Council approval.

FISCAL IMPACT/SUMMARY

The City Council adopted Fiscal Year 2020-21 Budget has sufficient funding available for these purchases. There is no additional fiscal impact based on this action.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Neil Groom, Procurement and Contracts Administrator

Concurrence: Cindy Russell, Administrative Services Director and

Randy Hornsby, IT Manager

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: Reimbursement Agreement with Western Golf Properties (WGP) for Brea Creek Golf and Birch Hills Golf Courses

RECOMMENDATION

Approve reimbursement agreement with Western Golf Properties

BACKGROUND/DISCUSSION

In September 2019, the City Council awarded a contract to WGP to manage the Brea Creek Golf Course (BCGC) on an interim basis until a permanent operator could be identified through a Request for Proposal (RFP) process. In early 2020, the City and Imperial Golf mutually agreed to terminate the contract for maintenance and operations of Birch Hills Golf Course (BHGC). Since the permanent contract for BCGC had not been awarded, City Council directed staff to modify the RFP to include selection of a permanent operator to manage both courses. In the interim, WGP was awarded a contract to also manage BHGC, effective July 2020. A revised RFP for permanent management and operations of both courses will be issued in the coming months.

BCGC closed mid-March 2020 as a result of the required closure of non-essential businesses due to COVID-19. WGP was successful in receiving payroll assistance through the Federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) prior to the course reopening in late April. The payroll assistance allowed WGP to give the City a credit on the monthly management cost and provided an opportunity to make improvements at the course. As part of this partnership, WGP would use additional labor from WGP's other properties/businesses not currently allowed to open while the City provided the supplies for the projects. The projects included painting the interior and exterior of the clubhouse and deck, adding a new drop ceiling, installing new carpet in the clubhouse, trimming palm trees, installing new windows at clubhouse and adding screening around the maintenance building. The City-provided supplies for the projects totaled \$31,200.

Other interior improvements to the BCGC clubhouse included new restaurant equipment, an electronic menu board, tables, chairs, cabinets and countertops. WGP completed these improvements in good faith since they did not use any CARES funding and were entirely funded by WGP. The cost of these materials and equipment was \$49,970.

At BHGC, Imperial Golf removed most of their equipment and materials before leaving the property that included, but was not limited to, patio furniture, kitchen equipment and clubhouse fixtures. WGP is in the process of replacing these items at their cost to make the golf course

fully functional. These costs are estimated at approximately \$100,000 and will be verified by actual receipts.

The RFP will require the permanent operator to cover the estimated \$150,000 in expenses for both courses not covered by CARES funding. The reimbursement agreement will allow WGP to be reimbursed for these expenses in the event they are not awarded the permanent operator contract. Since the selected operator will be required to pay for these expenses, there will be no net cost to the City.

COMMISSION/COMMITTEE RECOMMENDATION

The Finance Committee reviewed this item at their meeting on August 11, 2020 and recommended it for City Council approval.

FISCAL IMPACT/SUMMARY

The City will reimburse Western Golf Properties for expenses incurred at Brea Creek and Birch Hills Golf courses if WGP is not awarded the permanent operator contract for both courses. Any reimbursement will be recouped through the permanent operator RFP.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager
Prepared by: Bill Bowlus, Public Works Superintendent
Concurrence: Tony Olmos, Director of Public Works

Attachments

Agreement

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement (“Agreement”) is dated August 18, 2020 for reference purposes and is executed by the City of Brea, a California municipal corporation (“City”), and Western Golf Properties, LLC, a California limited liability company (“Western”).

A. Recitals.

(i) City has contracted with Western for short-term golf course management services at the Birch Hills golf course and Brea Creek golf course.

(ii) Western has proposed to construct and install certain improvements at the Brea Creek golf course using funds received through the federal Coronavirus Aid, Relief, and Economic Security Act, as set forth in Exhibit “A” attached hereto and incorporated by reference herein (“Brea Creek Improvements”). The cost of the Brea Creek Improvements is estimated to be Forty-Nine Thousand, Nine-Hundred Seventy Dollars and Seventy-Eight Cents (\$49,970.78), not including labor.

(iii) Western has proposed to construct and install certain improvements at the Birch Hills golf course using funds also received through the federal Coronavirus Aid, Relief, and Economic Security Act, as set forth in Exhibit “B” attached hereto and incorporated by reference herein (“Birch Hills Improvements”). The cost of the Birch Hills Improvements is estimated to be One-Hundred Thousand Dollars (\$100,000), not including labor.

(iv) The City intends to issue a request for proposals (“RFP”) for a single five-year golf course management services agreement (“Five-Year Contract”) that covers the Brea Creek and Birch Hill golf courses, and Western intends to compete in such procurement.

(v) The parties are executing this Agreement to set forth terms and conditions under which Western may be reimbursed by the City for out-of-pocket expenditures to purchase equipment and materials for the Brea Creek Improvements and Birch Hills Improvements (collectively, “Improvements”) in the event the City does not award Western the Five-Year Contract.

B. Agreement.

NOW, THEREFORE, the City and Western agree as follows:

1. Prior to July 31, 2020, Western will undertake and complete the Improvements. The Improvements generally include new tables and chairs, counter tops, restaurant equipment, and other items related to actual operation of the golf courses, all as more fully described in Exhibits A and B hereto.

2. Western will construct the Improvements pursuant to the concept plans shared with the City. Western’s installation and construction of the Improvements shall be in accordance with all applicable laws. Western shall maintain complete records and receipts detailing its actual costs to purchase the equipment and materials required for the Improvements. The records shall be maintained for not less than four years and may be inspected at any time by the City during normal

business hours and upon not less than two business days' prior notice. Upon satisfactory completion, all of the Improvements shall become the sole property of the City.

3. Upon completion of the Improvements, Western shall provide evidence satisfactory to the City that all suppliers and contractors providing goods and/or services have been fully paid. Western shall indemnify, defend and pay reasonable attorneys' fees and costs, and hold the City, its elected officials, officers, employees, and agents free and harmless with respect to any and all claims, losses, and liabilities, including stop notices, arising out of or in connection with, the installation and/or construction of the Improvements by Western, its contractors, or anyone acting on Western's behalf, to the maximum extent permitted by law. If any of the work necessary to complete the Improvements constitutes a public work as defined under Labor Code Section 1720, et seq., then as to that work, Western will pay and cause all of its contractors to pay, prevailing wages, and the defense and indemnity provided in this Section 3 shall include the obligation to defend and indemnify the City for claims related to any failure to pay prevailing wages.

4. At no time will the cost of labor to install and construct the Improvements be paid for, in whole or in part, or directly or indirectly (i) with public funds of any kind; or (ii) through the conveyance of any public benefit; or (iii) by way of the City's forbearance or waiver of any debt or payment of any fee owed by Western to the City.

5. The parties acknowledge that this Agreement does not limit the City's discretion with respect to the RFP or the award of the Five-Year Contract. Nothing in this Agreement shall be construed as creating any preference for, or entitlement of, Western to be awarded the Five-Year Contract. Western hereby releases, in advance, the City and the City's elected officials, officers, employees and agents, from any and all claims and liabilities, to the maximum extent permitted by law, arising out of any failure or refusal of the City to award Western the Five-Year Contract.

6. In the event Western has satisfactorily completed the Improvements and is not awarded the Five-Year Contract, then the City shall reimburse Western for the actual cost of the equipment and materials used in the installation and construction of the Improvements, up to the not-to-exceed amounts specified in Exhibits A and B. Under no circumstances will such reimbursement include the cost of any labor incurred by Western in connection with the installation and construction of the Improvements. Any reimbursement amount otherwise payable to Western pursuant to this Agreement, shall be offset by any outstanding claims or amounts payable by Western to the City at the time the required reimbursement is to be made. Payment shall be delivered within 60 days of the award of the Five-Year Contract.

7. If the City awards the Five-Year Contract to Western, then Western shall not be entitled to any reimbursement for the Improvements.

8. If the City does not award Western the Five-Year Contract, then this Agreement shall expire upon the City's delivery of the reimbursement payment specified in Section 6 above. If the City awards Western the Five-Year Contract, then this Agreement shall expire upon execution of the Five-Year Contract.

9. This Agreement constitutes the entire Agreement between City and Western with respect to reimbursement for the Improvements. No representation or promise not expressly set forth herein, shall be binding or have any force or effect.

10. Any notices permitted or authorized herein shall be personally delivered or sent by certified mail, to the addresses set forth below:

City of Brea
1 Civic Center Circle
Brea, California 92821
Attention: City Manager

Western Golf Properties, LLC
1 Spectrum Pointe Drive, Suite 310
Lake Forest, California 92630
Attention: Bobby Heath

11. The provisions of this Agreement shall be construed under the laws of the State of California. Venue for any legal action arising out of this Agreement shall be the Superior Court of the County of Orange, California, or the United States District Court, Central District.

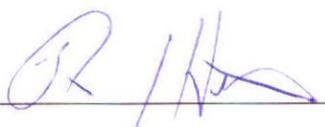
12. Each of the undersigned hereby represents that he or she has authority to execute this Agreement and to bind his or her respective party.

In recognition of the obligations set forth in this Agreement, the parties have executed this Agreement as of the date first set forth above.

City of Brea

Western Golf Properties, LLC

By: _____

By:  _____

Marty Simonoff, Mayor

By:  _____

EXHIBIT A - BREA CREEK IMPROVEMENTS

Tables and Chairs:	\$ 7,500.00
Digital Menu Board:	\$ 600.00
Restaurant Equipment:	\$26,670.78
Cabinets/Countertops:	\$15,200.00

Note: All amounts are “not-to-exceed”

EXHIBIT B- BIRCH HILLS IMPROVEMENTS

Note: All amounts are “not-to-exceed”

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 08/18/2020
SUBJECT: Annual Vehicle and Equipment Purchase Plan for Fiscal Year 2020-21

RECOMMENDATION

Authorize the Purchasing Agent to issue purchase orders in an amount not-to-exceed \$321,000 for various City vehicles and equipment as described in the Annual Vehicle Replacement Plan for Fiscal Year 2020-21.

BACKGROUND/DISCUSSION

Each fiscal year, the vehicles used by various City departments are assessed to determine whether it is best to continue maintenance, retire, replace, or add new units. The determining factors include excessive mileage, unit hours, age and normal life expectancy, maintenance costs and history, and safety and environmental impacts. The attached equipment list indicates the replacements that were approved in the new fiscal year budget. This list provides the equipment descriptions, quantities, estimated costs, and departments where they will be assigned. The Purchasing Division will solicit bids for the listed equipment per the formal bidding requirements of the Brea Municipal Code, or utilize competitively bid national cooperative agreements or piggyback contracts, whichever provides the best available pricing and is in the best interests of the City.

Staff requests that Council authorize the Purchasing Agent to issue purchase orders immediately after completing the best available pricing analysis, without the need to return to City Council for approval of the individual awards, in order to ensure the needed equipment is replaced in a timely fashion and without interruption in service; to meet manufacturer production cutoff dates; to take advantage of incentives and discounts; and to expedite the purchase of these items. Should any of the listed equipment be limited to a single source, the Purchasing Agent will verify and document the reasons for the sole source procurement prior to award.

To help facilitate operational and budgetary requirements, staff requests that Council authorize the Fleet Supervisor and Purchasing Agent to make changes in the type and quantity of the listed equipment, subject to budget appropriations and the not-to-exceed amount requested.

COMMISSION/COMMITTEE RECOMMENDATION

The Finance Committee reviewed this item at their meeting on August 11, 2020 and recommended it for City Council approval.

FISCAL IMPACT/SUMMARY

The City Council adopted Fiscal Year 2020-21 Budget and has sufficient funding available for the requested not-to exceed amount for these purchases in the Public Works Department, Equipment Maintenance Division, expenditure account: Mobile Equipment (480-51-5161-4641).

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Alex Escobar, Fleet Supervisor

Concurrence: Tony Olmos, P.E Public Works Director

Attachments

Vehicle & Equipment Replacement Schedule

VEHICLE & EQUIPMENT REPLACEMENT SCHEDULE
Fiscal Year 2020-21

<i>Item #</i>	<i>Dept</i>	<i>Division</i>	<i>Description</i>	<i>Unit #</i>	<i>Vehicle</i>	<i>Accessories</i>	<i>Total</i>
1	Police	Traffic	3/4 Ton Pickup	25001	\$ 50,000	\$ 15,000	\$ 65,000
2	Police	Detective	SUV/Sedan	1501	\$ 32,000	\$ 10,000	\$ 42,000
3	Police	Detective	SUV/Sedan	1515	\$ 32,000	\$ 10,000	\$ 42,000
4	Police	K9	UV Interceptor	1220	\$ 40,000	\$ 20,000	\$ 60,000
5	Police	Patrol	UV Interceptor	1528	\$ 37,000	\$ 15,000	\$ 52,000
<i>Item #</i>	<i>Dept</i>	<i>Division</i>	<i>Description</i>	<i>Unit #</i>	<i>Vehicle</i>	<i>Accessories</i>	<i>Total</i>
6	Public Works	Water	1/2 Ton Pickup	24002	\$ 26,000	\$ 4,000	\$ 30,000
7	Public Works	Streets	1/2 Ton Pickup	1008	\$ 26,000	\$ 4,000	\$ 30,000
			480-5161-4641		\$ 243,000	\$ 78,000	\$ 321,000

After Market accessories are for required equipment to properly outfit the vehicles being purchased. Some items are reused from existing equipment and some are newly purchased equipment. The final outfitting may occur a few months after the new vehicles arrive due to acquisition of new parts and scheduling retirement of existing vehicles.

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: Professional Services Agreement with AP Triton Consulting, LLC to Assist Brea and Fullerton Fire Departments with an Emergency Medical Services System Valuation Study and Recruitment of Emergency Ambulance Transport Service and Billing Subcontractors

RECOMMENDATION

1. Accept the proposal and authorize the City Manager to execute an agreement with AP Triton Consulting, LLC (AP Triton) to assist the Brea and Fullerton Fire Departments with an Emergency Medical Services system valuation study, and recruitment of an emergency ambulance transport services subcontractor, as well as a billing subcontractor in an amount not-to-exceed \$131,000, plus change orders up to 10% of the contract price (\$13,100) for a total not-to-exceed amount of \$144,100; and,
2. Authorize the City Manager to enter into an Agreement with the City of Fullerton to reimburse the City of Brea for 75% of all costs incurred; and,
3. Increase General Fund Estimated Revenues by \$131,825 and appropriate \$144,100 from General Fund Reserves for a net impact to the General Fund Reserves of \$12,275.

BACKGROUND/DISCUSSION

The City of Brea Fire Department currently utilizes Emergency Ambulance Services (EAS) to provide emergency ambulance transport services. Staff is currently exploring options for ways to maximize efficiencies, including cost recovery, by joint bidding out emergency ambulance transport services with the City of Fullerton Fire Department.

Brea and Fullerton Fire Departments contracted with AP Triton in 2016 to conduct an Emergency Medical Services (EMS) Study analyzing the cities' current practices and recommendations for a public/private partnership related to emergency ambulance transport services. AP Triton is a nationwide-emergency medical consulting firm specializing in maximizing revenues to states, counties, cities, and districts through their delivery of pre-hospital emergency medical services and have assisted with similar processes with other local cities such as Anaheim, Fountain Valley, and Fullerton, to name a few.

AP Triton's current proposal for services include three phases, 1) an EMS system valuation study for both Brea and Fullerton, 2) assist the two cities with a joint, public/private emergency ambulance transport services subcontractor Request for Proposal (RFP) and 3) assist the two cities with a joint EMS billing subcontractor RFP.

Brea has agreed to take the lead in entering into a contract with AP Triton and serving as the Project Manager for general matters involving the consultant agreement. Brea shall pay 100% of each approved AP Triton invoice, and Fullerton shall reimburse Brea for its share of the project costs as outlined below. Brea and Fullerton Fire Departments will share the costs associated with the phases mentioned above based upon each city's transport volume, which equates to a 25/75 percent split as follows:

- 2019 EMS transports from Fullerton: 6,613 (75% share)
- 2019 EMS transports from Brea: 2,209 (25% share)

The attached Agreements 1) between Brea and AP Triton, and 2) between Brea and Fullerton, are placeholders and subject to final negotiations.

Below outlines the details of AP Triton's proposal.

Phase 1 - EMS System Valuation Study

- Review and update the cost/revenue analysis that was done in 2016 (including an assessment of the region's insured and non-insured payer mix categories relative to cities/counties with similar populations and demographics) for various delivery models.
- Recommend a path forward, compile data into a report for the two departments, and develop presentations for the departments, City Councils, citizens, etc.

Cost: \$36,000 (discounted to take into account the previous work that was done in 2016)

Phase 2 - Ambulance Services Subcontractor RFP

- Develop and assist with the issuance of an RFP to solicit private providers.
- Assist in reviewing the responses, development of scoring sheets for the interview process, establish a review/interview panel, and assist in developing a contract.

Cost: \$85,000

Phase 3 - Ambulance Billing Subcontractor RFP

- Develop and assist with the issuance of an RFP to solicit private providers.
- Assist in reviewing the responses, development of scoring sheets for the interview process, establish a review/interview panel, and assist in developing a contract.

Cost: \$10,000

The total cost of the services listed above is \$131,000. The costs listed above do not include travel which may be required. Any travel costs shall be pre-approved by Brea and Fullerton Fire Departments and invoiced separately at actual costs. Staff is recommending an amount not-to-exceed 10% of the total contract amount or \$13,100 be authorized for any travel costs approved or other contingencies for a total contract amount not-to-exceed \$144,100.

The total cost for Phase 1 of \$39,600 (\$36,000 plus a \$3,600 contingency) will be shared based

on the 25/75 percent split between the City of Brea and City of Fullerton Fire Departments. Brea's portion of \$9,900 will be funded by the General Fund Reserves.

The total cost for Phases 2 and 3 of \$104,500 (\$95,000, plus \$9,500 contingency), will also be shared based on the 25/75 percent split between the City of Brea and City of Fullerton Fire Departments. Brea's portion of \$26,125 will be funded by the General Fund Reserves. However, it is important to note that it is anticipated that the contract costs associated with these two phases (exclusive of any travel or other out-of-pocket costs) of \$23,750 will be reimbursed from the successful bidder(s) and deposited back into the General Fund Reserve for a net impact of \$2,375.

COMMISSION/COMMITTEE RECOMMENDATION

The Finance Committee reviewed this item at its meeting on August 11, 2020 and requested further discussion at Study Session on August 18, 2020.

FISCAL IMPACT/SUMMARY

It is recommended that Brea take the lead on the project and enter into an agreement with AP Triton for an Emergency Medical Services System Valuation Study and recruitment of an emergency ambulance transport service and billing subcontractors for contract amount of \$131,000, plus up to 10% of the contract amount for travel or other costs for a total not-to-exceed amount of \$144,100.

Fullerton's share of the cost is \$98,250, plus up to \$9,825 for a total of \$108,075 which will be reimbursed to Brea. Additionally, it is anticipated that Brea would be reimbursed for the cost of services for Phases 2 and 3 from the successful bidder(s) in the RFP processes. As such Brea would receive an additional reimbursement of \$23,750 from the successful bidder(s) for its share of the RFP process cost, for a total reimbursement of \$131,825, resulting in a net General Fund Impact to Brea of \$12,275.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Marie Dao, Management Analyst, Community Development Department

Concurrence: Adam Loeser, Fire Chief

Attachments

Agreement

PROFESSIONAL SERVICES AGREEMENT

For EMS System Valuation Study, and
Development of RFPs for Ambulance & Billing Subconsultant (“Services”).

This Agreement is dated August 11, 2020 for reference purposes and is executed by the **City of Brea**, a California municipal corporation (“City”) and **AP Triton Consulting, LLC**, (“Consultant”).

RECITALS

A. City requested a proposal pertaining to the performance of EMS System Valuation Study, and Development of RFPs for Ambulance & Billing Subconsultant.

B. Consultant has submitted a proposal dated July 13, 2020 for the performance of such services (“Proposal”). A full, true and correct copy of such proposal is attached as Exhibit A.

C. The parties have executed this Agreement to provide for Consultant’s performance of such services on City’s behalf.

NOW, THEREFORE, the parties agree as follows:

1. Definitions: The following definitions shall apply to the following terms, except where the context of this Agreement otherwise requires:

(a) Documents: All City-required documents, reports, studies, exhibits, and the like as set forth in the Proposal.

(b) Presentations: Oral and written presentations as in the Proposal.

(c) Services: Such professional services necessary to be performed by Consultant to complete the required Services, prepare and provide required Documents and Presentations, and attend any required meetings as set forth in the Proposal.

(d) Proposal: July 13, 2020 dated proposal from Consultant, which contains the Scope of Services and the Fee Schedule, is attached hereto as Exhibit A.

(e) Base Amount: \$131,000.00 is the fixed fee amount.

(f) Contingency Amount: \$13,100.00 is the maximum amount for all City-requested additional services and authorized expenses as set forth in the Proposal.

(g) Contract Not-to-Exceed Amount: \$144,100.00 is the maximum amount for the Base Amount and Contingency Amount combined.

2. Term:

This Agreement is effective as of date last signed and shall remain in full force and effect until the Project is considered complete, unless terminated pursuant to Section 7 below.

3. Consultant Responsibilities:

(a) Consultant shall undertake and complete the Project in accordance with Exhibits A and applicable laws, all to the reasonable satisfaction of City.

(b) Consultant shall supply copies of all documents including all supplemental technical documents, in accordance with Exhibit A to the City within the time specified in the Project schedule as prepared by the Consultant and accepted by the City. City may thereafter review and forward to Consultant comments regarding such documents and Consultant shall thereafter make such revisions to such documents as are deemed necessary. City shall receive revised documents in such form and in the quantities determined necessary by City.

(c) Consultant shall, at its sole cost and expense, secure and hire such other persons as may, in the opinion of Consultant, be necessary to comply with the terms of this Agreement. In the event any such other persons are retained by Consultant, Consultant warrants that such persons shall be fully qualified to perform the services. Consultant further agrees that no subconsultant shall be retained by Consultant except as may otherwise be set forth in Exhibit A and upon the prior written approval of City.

4. City Responsibilities: City shall provide to Consultant:

(a) Information and assistance as set forth in Exhibit A.

(b) Photographically reproducible copies of maps and other information, if available, which Consultant considers necessary in order to complete the Tasks.

(c) Such information as is generally available from City files applicable to the Tasks to complete the Project.

(d) Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be Consultant's responsibility to make all initial contact with respect to the gathering of such information.

5. Compensation:

(a) City shall pay Consultant pursuant to the provisions of Exhibit A for services performed pursuant to this Agreement a maximum sum of **\$131,000.00** plus a contingency of **\$13,100.00**. The aggregate sum shall cover the costs of all staff time and all other direct and indirect costs or fees, including the work of employees and subconsultants to Consultant, except as may otherwise be set forth in Exhibit A. City must receive written request from Consultant to use any of the contingency amount prior to performing any work that is outside the project scope as defined in Exhibit A. It will be City's sole discretion to authorize the use of the contingency funds and City must give this authorization to Consultant in writing prior to the commencement of such work. Any work performed outside the project scope as defined in Exhibit A that has not received prior written approval by City is assumed to have been performed in support of the Project and included within the not-to-exceed Agreement amount.

(b) Payments to Consultant shall be made by City in accordance with the invoices submitted by Consultant, on a monthly basis, and such invoices shall be paid within a reasonable time after receipt by City. All charges shall be in accordance with Consultant's proposal either with respect to hourly rates, time and materials, or lump sum amounts for individual tasks, as approved, in writing, by City.

(c) Consultant agrees that, in no event, shall City be required to pay to Consultant any sum in excess of 95% of the maximum payable hereunder prior to receipt by City of all final documents. Final payment shall be made not later than 60 days after presentation of final documents and acceptance by City.

(d) Additional services: Payments for additional services, requested in writing by City and not included in Consultant's proposal, shall be paid on a reimbursement basis in accordance with the fee schedule set forth in Exhibit A. Charges for additional services shall be invoiced on a monthly basis and shall be paid by City within a reasonable time after invoices are received by City.

(e) Rate Changes: The fee schedule in Exhibit A shall not be revised during the term of the Contract (including any extension periods) without prior approval by the City Council.

6. Ownership of Documents:

(a) Unless otherwise agreed upon in writing, all concepts, ideas, reports, documents, plans, specifications, and/or other original written material, including any original images, photographs, video files, digital files, and/or other media created or developed for the City by Consultant in the performance of this Agreement, including any and all known and unknown intellectual and/or proprietary rights arising from their creation (collectively, "Work Product") shall be considered to be "works made for hire" for the benefit of City. All Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of City without restriction or limitation upon their use, duplication or dissemination by City upon final payment being made. Any use of the Work Product by City outside of the scope of this Agreement, shall be at City's risk. CONSULTANT shall not obtain or attempt to obtain copyright or other protection as to any of the Work Product.

(b) Consultant hereby assigns to City all ownership rights, including any and all known and unknown intellectual property rights, to the Work Product that are not otherwise vested in the City pursuant to subsection above.

(c) Consultant warrants and represents that it has secured all necessary licenses, consents or approvals to use any instrumentality, thing or component as to which any intellectual property right exists, including computer software, used in the rendering of the Services and the production of all Work Product produced under this Agreement, and that City has full legal title to and the right to reproduce the Work Product. Consultant shall defend, indemnify and hold City, and its elected officials, officers, employees, servants, attorneys, designated volunteers, and agents serving as independent Consultants in the role of City officials, harmless from any loss, claim or liability in any way related to a claim that City's use of any of the Work Product is violating federal, state or local laws, or any contractual provisions, or any laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in products or inventions. Consultant shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the Services and Work Product produced under this Agreement. In the event the use of any of the Work Product or other deliverables hereunder by City is held to constitute an infringement and the use of any of the same is enjoined, Consultant, at its expense, shall: (a) secure for City the right to continue using the Work Product and other deliverables by suspension of any injunction, or by procuring a license or licenses for City; or (b) modify the Work Product and other deliverables so that they become non-infringing while remaining in compliance with the requirements of this Agreement. This covenant shall survive the termination of this Agreement.

7. Indemnification:

(a) Consultant and City agree that City, its elected officials, officers, employees, agents and volunteers should, to the fullest extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other cost arising out of, pertaining to or relating to the negligence, recklessness or willful misconduct in performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to the City.

(b) For Design Professional Services. If Consultant's Services hereunder include the performance of design professional services by a "design professional", (as defined below), then to the extent permitted by law, Consultant shall, at its sole cost and expense, indemnify and hold the City and other Indemnitees, and each of them, harmless with respect to

any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants and other professionals, and all costs associated therewith, and reimbursement of attorneys' fees and costs of defense, to the extent arising out of, pertaining to, or relating to, in whole or in part, the negligence, recklessness, or willful misconduct of the Consultant, and/or its officers, agents, employees, servants, subconsultants, Consultants or their officers, agents, employees, servants, Consultants or subconsultants (or any entity or individual for whom the Consultant shall bear legal liability) in the performance of design professional services under this Agreement. **Notwithstanding the foregoing and as required by Civil Code Section 2782.8(a), in no event shall the cost to defend the Indemnitees that is charged to Consultant pursuant to this subsection, exceed Consultant's proportionate percentage of fault.**

(c) For purposes of subsection (b) above, and in accordance with Civil Code Section 2782.8(a), "design professional" means only the following and only while performing professional design services: (i) an individual licensed as an architect pursuant to Business and Professions Code Section 5500, et seq., and a business entity offering architectural services in accordance with that Code section; (ii) an individual licensed as a landscape architect pursuant to Business and Professions Code Section 5615, et seq., and a business entity offering landscape architectural services in accordance with that Code section; (iii) an individual registered as a professional engineer pursuant to Business and Professions Code Section 6700, et seq., and a business entity offering professional engineering services in accordance with that Code section; and (iv) an individual licensed as a professional land surveyor pursuant to Business and Professions Code Section 8700, et seq., and a business entity offering professional land surveying services in accordance with that Code section.

(d) For Other Than Design-Professional Services. To the fullest extent permitted by law, Consultant shall defend (with counsel reasonably approved by City), indemnify and hold the City, its elected and appointed officials, officers, attorneys, agents, employees, servants, designated volunteers, successors, assigns and those City agents serving as independent Consultants in the role of City officials (collectively "Indemnitees") free and harmless with respect to any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages, stop notices and/or injury of any kind, in law or equity, to property or persons, including bodily injury, wrongful death, personal injury and property damage, in any manner arising out of, pertaining to, or incidental to any acts, errors, omissions, or willful misconduct of Consultant, its owners, officials, officers, employees, servants, subconsultants, consultants or agents in connection with the performance of the Consultant's Services, and/or this Agreement, including, without limitation, the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, or by the City or any of the other Indemnitees.

(e) Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. The indemnification obligations set forth herein are binding on the successors, assigns or heirs of Consultant and shall survive the termination of this Agreement or this section.

(f) These Indemnification provisions are independent of and shall not in any way be limited by the Insurance Requirements of this Agreement. City approval of the Insurance contracts required by this Agreement does not in any way relieve the Consultant from liability under this Section.

8. PERS Compliance and Indemnification:

(a) General Requirements. The Parties acknowledge that City is a local agency member of PERS, and as such has certain pension reporting and contribution obligations

to PERS on behalf of qualifying employees. Consultant agrees that, in providing its employees and any other personnel to City to perform any work or other Services under this Agreement, Consultant shall assure compliance with the Public Employees' Retirement Law, commencing at Government Code § 20000, the regulations of PERS, and the Public Employees' Pension Reform Act of 2013, as amended. Without limitation to the foregoing, Consultant shall assure compliance with regard to personnel who have active or inactive membership in PERS and to those who are retired annuitants and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause City to be in violation of the applicable retirement laws and regulations.

(b) Indemnification. To the maximum extent permitted by law, Consultant shall defend, indemnify and hold harmless City, its elected officials, officers, employees, agents and volunteers from any and all liabilities, damages, claims, costs and expenses of any nature to the extent arising from, caused by, or relating to Consultant's violation of any provision of this Section.

9. Insurance Requirements:

(a) Summary: Insurance coverages shall comply with requirements set forth herein.

- (1) Rating Requirements. A /VII minimum.
- (2) Commercial General Liability (CGL) + (PCO)
 - (i) \$2,000,000 minimum per occurrence.
 - (ii) Additional Insured Endorsement. Required.
 - (iii) Waiver of Subrogation. Required.
- (3) Automobile Liability Insurance (ALI) (any auto)
 - (i) \$2,000,000 minimum per occurrence.
 - (ii) Additional Insured Endorsement. Required.
 - (iii) Waiver of Subrogation. Required.
 - (iv) Exception. Not required if no vehicles used except for deliveries.
- (4) Workers' Compensation (WC) and Employer's Liability (ELI)
 - (i) Statutory limits for Worker's Compensation.
 - (ii) \$1,000,000 minimum per accident for bodily injury or disease.
 - (iii) Additional Insured Endorsement. Not Required.
 - (iv) Waiver of Subrogation. Required.
 - (v) Exception. Not required if no employees used for these Services.
- (5) Professional Liability Insurance (PLI)
 - (i) \$1,000,000 minimum per claim; \$2,000,000 aggregate.
 - (ii) Additional Insured Endorsement. Not Required.
 - (iii) Waiver of Subrogation. Not Required.

(b) General Requirements

(1) City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. If the existing policies do not meet the Insurance Requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

(2) Without limiting the Consultant's indemnity obligations hereunder, Consultant shall procure and maintain in full force and effect for the Term of this Agreement, the following policies of insurance.

(3) For all insurance required by this Agreement, if a general aggregate limit applies, either the general aggregate limit shall apply separately to the Services or the general aggregate limit shall be twice the required occurrence limit.

(4) If the Consultant maintains broader coverage and/or higher limits than the minimums required herein, City requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant.

(c) Coverages

(1) Commercial General Liability (CGL)

(i) CGL affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01, including products and completed operations, property damage, bodily injury, and personal & advertising injury.

(ii) Limits shall be no less than \$2,000,000 per occurrence.

(2) Products-Completed Operations (PCO)

(i) Consultant shall procure and submit to City evidence of insurance for a period of at least ten (10) years from the time that all work under this Contract is completed.

(3) Automobile Liability Insurance (ALI)

(i) ALI with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) for each accident for bodily injury and property damage with limit no less than \$1,000,000 per occurrence.

(ii) If Consultant does not own any vehicles, Consultant may satisfy this requirement by providing the following:

(a) A personal automobile liability policy for the Consultant's own vehicle, if Consultant is a one-person operation; and

(b) A non-owned & hired auto liability endorsement to the commercial general liability policy if the Consultant may lease, hire, rent, borrow, or use vehicles of others (e.g., employee-owned vehicles).

(4) Workers' Compensation (WC)

(i) Workers' Compensation as required by the State of California with statutory limits, and Employer's Liability Insurance with a limit of not less than \$1,000,000 per accident for bodily injury or disease.

(ii) Self-Employment Affidavit or Declaration, signed under the penalty of perjury, if Consultant has no employees who will be performing work on behalf of City, Consultant must provide:

(a) A signed Self-Employment Affidavit Letter or a signed Declaration that Consultant is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Consultant will comply with such provisions before commencing the performance of the work of this contract; and

(b) A certification that Consultant does not employ any individual(s) in the course and scope of business operations.

(d) Professional Liability Insurance (PLI)

(1) Covered Professional Services shall specifically include all work to be performed under this contract and delete any exclusion that may potentially affect the work to be performed.

(2) Limits shall be no less than \$1,000,000 per claim; \$2,000,000 aggregate

(e) Endorsements

Insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to City for approval. The insurance policies shall contain or be endorsed to contain, the following provisions:

(1) Commercial General Liability

(i) Additional Insured. City, its elected officials, officers, employees, volunteers, boards, and representatives shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations.

(ii) Additional Insured Endorsements shall not:

(a) Be limited to "Ongoing Operations"

(b) Exclude "Contractual Liability"

(c) Restrict coverage to the "Sole" liability of Consultant

(d) Exclude "Third-Party-Over Actions"

(e) Contain any other exclusion contrary to the Contract

(iii) Additional Insured Endorsements shall be at least as broad as ISO Form(s) CG 20 10 11 85; or CG 2010 and CG 20 37.

(iv) Primary Insurance. This insurance shall be primary and any other insurance whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement shall be in excess of and shall not contribute with this insurance. Coverage shall be at least as broad as ISO CG 20 01 04 13.

(2) Auto Liability

(i) Additional Insured. City, its elected officials, officers, employees, volunteers, boards, agents and representatives) shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Consultant.

(ii) Primary Insurance. This insurance shall be primary and any other insurance whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement shall be in excess of and shall not contribute with this insurance.

(3) Workers' Compensation. A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

(f) Insurance Obligations of Consultant. The Insurance obligations under this Agreement shall be: (1) all the Insurance coverage and/or limits carried by or available to Consultant; or (2) the minimum Insurance coverage requirements and/or limits shown in this agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to City. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the obligations of the Consultant under this agreement.

(g) Notice of Cancellation. Required insurance policies shall not be cancelled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon City except ten (10) days shall be allowed for non-payment of premium.

(h) Waiver of Subrogation. Required insurance coverages (except professional liability) shall not prohibit Consultant from waiving the right of subrogation prior to a loss. Consultant shall waive all rights of subrogation against the indemnified parties and policies shall contain or be endorsed to contain such a provision. This provision applies regardless of whether City has received a waiver of subrogation endorsement from the insurer.

(i) Evidence of Insurance. All policies, endorsements, certificates, and/or binders shall be subject to approval by City as to form and content. These requirements are subject to amendment or waiver only if so approved in writing by City. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. Certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing such insurance coverage has been renewed or extended shall be filed with City. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with City evidence of insurance showing the required insurance has been reinstated or has been provided through another insurance company or companies.

(j) Deductible or Self-Insured Retention. Any deductible or self-insured retention must be approved in writing by City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention. City may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration and defense expenses within the retention.

(k) Contractual Liability. The coverage provided shall apply to the obligations assumed by the Consultant under the indemnity provisions of this Contract.

(l) Failure to Maintain Coverage. Consultant agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to City. City shall have the right to withhold any payment due until Consultant has fully complied with the insurance provisions of this Contract. In the event that the Consultant's operations are suspended for failure to maintain required insurance coverage, the Consultant shall not be entitled to an extension of time for

completion of the Work because of production lost during suspension.

(m) Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing by City.

(n) Claims Made Policies. If coverage, including coverage for Construction Defect claims, is written on a claims-made basis, the retroactive date on such insurance and all subsequent insurance shall coincide or precede the effective date of the initial Consultant's Agreement with City and an extended reporting period shall be provided for a period of at least 5 years from termination or expiration of this Contract.

(o) Insurance for subconsultants. Consultant shall be responsible for causing subconsultants to obtain same types and limits of insurance in compliance with the terms of this Contract, including adding City as an Additional Insured, providing Primary and Non-Contributory coverage and Waiver of Subrogation to subconsultant's policies. Commercial General Liability Additional Insured Endorsement shall be on a form at least as broad as CG 20 38 04 13.

10. Termination: If Consultant breaches this Agreement and fails to cure such breach within seven days of written notice, then City may immediately terminate this Agreement for cause. City may terminate this Agreement for convenience upon 15 days prior written notice to Consultant. Consultant shall not be compensated for any work performed after City's issuance of a Notice of Termination. Consultant shall provide to City any and all documents, whether in draft or final form, prepared by Consultant as of the date of termination. Consultant may not terminate this Agreement except for cause.

11. Assignment: No assignment of this Agreement or of any part or obligation of performance hereunder shall be made, either in whole or in part, by Consultant without the prior written consent of City.

12. Damages: In the event that Consultant fails to submit to City the completed project, together with all documents and supplemental material required hereunder, in public hearing form to the reasonable satisfaction of City, within the time set forth herein, or as may be extended by written consent of the parties, Consultant shall pay to City, as liquidated damages and not as a penalty, the sum of N/A dollars (\$000.00) per day for each day Consultant is in default unless the default is caused by City or by acts of God, acts of the public enemy, fire, floods, epidemics, or quarantine restrictions. Consultant acknowledges that such sum represents a reasonable endeavor by the parties to estimate a fair compensation for the foreseeable losses that might result from such a default in performance by Consultant.

13. Independent Consultant:

(a) Consultant is retained as an independent Consultant and is not an employee of City. No employee or agent of Consultant is or shall become an employee of City. The work to be performed shall be in accordance with the Scope of Services described in this Agreement, subject to such directions and amendments from City as herein provided.

(b) All work and other Services provided pursuant to this Agreement shall be performed by Consultant or by Consultant's employees or other personnel under Consultant's supervision, and Consultant and all of Consultant's personnel shall possess the qualifications, permits, and licenses required by State and local law to perform the Services, including, without limitation, a City of Brea business license as required by the Brea City Code. Consultant will determine the means, methods, and details by which Consultant's personnel will perform the

Services. Consultant shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the Services and compliance with the customary professional standards.

(c) All of Consultant's employees and other personnel performing any of the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant and Consultant's personnel shall not supervise any of City's employees; and City's employees shall not supervise Consultant's personnel. Consultant's personnel shall not wear or display any City uniform, badge, identification number, or other information identifying such individual as an employee of City; and Consultant's personnel shall not use any City e-mail address or City telephone number in the performance of any of the Services under this Agreement. Consultant shall acquire and maintain at its sole cost and expense such vehicles, equipment and supplies as Consultant's personnel require to perform any of the Services required by this Agreement. Consultant shall perform all Services off of City premises at locations of Consultant's choice, except as otherwise may from time to time be necessary in order for Consultant's personnel to receive projects from City, review plans on file at City, pick up or deliver any work product related to Consultant's performance of any Services under this Agreement, or as may be necessary to inspect or visit City locations and/or private property to perform such Services. City may make a computer available to Consultant from time to time for Consultant's personnel to obtain information about or to check on the status of projects pertaining to the Services under this Agreement.

(d) Consultant shall be responsible for and pay all wages, salaries, benefits and other amounts due to Consultant's personnel in connection with their performance of any Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Notwithstanding any other agency, State, or federal policy, rule, regulation, statute or ordinance to the contrary, Consultant and its officers, employees, agents, and subconsultants providing any of the Services under this Agreement shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit or any incident of employment by City, including but not limited to, eligibility to enroll in, or reinstate to membership in, the California Public Employees Retirement System ("PERS") or any other retirement program, as an employee of City, and entitlement to any contribution to be paid by City for employer contributions or employee contributions for PERS benefits or any other retirement benefits.

(e) To the maximum extent permitted by law, Consultant shall indemnify, defend and hold harmless the City, its elected officials, officers employees, agents and volunteers, from any and all liabilities, damages, claims, costs and expenses of any nature to the extent arising from, caused by, or relating to Consultant's violation of any provision of this Section I.L, or any of Consultant's personnel practices. In addition to all other remedies at law, City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification obligation arising under this Section. The duty of indemnification set forth in this Section is in addition to all other indemnification provisions of this Agreement.

14. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of California.

15. Attorneys' Fees: In the event any legal proceeding is instituted to enforce any term or provision of the Agreement, the prevailing party shall be entitled to recover attorneys' fees and costs from the opposing party in an amount determined by the court to be reasonable.

16. Exhibits: The attached Exhibit A is incorporated into this Agreement by reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of an Exhibit, the provisions of this Agreement shall prevail.

17. Entire Agreement: This Agreement supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter herein. Each party to this Agreement acknowledges that no representation by any party which is not embodied herein nor any other agreement, statement, or promise not contained in this Agreement shall be valid and binding. Any modification of this Agreement shall be effective only if it is in writing signed by both parties.

18. Notices and Designate Representatives: Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail or facsimile before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail or facsimile after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from time to time, designate in writing. The below named individuals, furthermore, shall be those persons primarily responsible for the performance by the parties under this Agreement:

CITY REPRESENTATIVE

Adam Loser

Fire Chief

1 Civic Center Circle

Brea, CA 92821

AdamL@CityofBrea.net

(714) 853-3348

CONSULTANT REPRESENTATIVE

Kurt P. Henke

Principal/Managing Partner

1851 Hertiage Lane, Suite 138

Sacramento CA 95815

KHenke@aptriton.com

(707) 266-4309

[SIGNATURES ON FOLLOWING PAGE]

TO EXECUTE THIS AGREEMENT, the parties have caused their duly authorized representatives to sign below. Digital Signatures are acceptable if they conform to all requirements of California Government Code Section 16.5.

AP Triton Consulting, LLC

Kurt P Henke Digitally signed by Kurt P Henke
Date: 2020.08.12 08:46:48 -07'00'

Manager

not required

Manager

[Pursuant to California Corporations Code Section 17703.01(d), both signature lines must be executed unless the articles of incorporation state that the firm is managed by only one manager.]

City of Brea

Bill Gallardo, City Manager

Attest:

Lillian Harris-Neal, MMC, City Clerk

EXHIBIT A
Scope of Services and Fee Schedule

(attached)

PROPOSAL

*EMS System Valuation Study,
Ambulance Services Subcontractor RFP,
and Billing Subcontractor RFP
for
Brea and Fullerton Fire Departments*

by
AP Triton Consulting, LLC

July 13, 2020



AP TRITON
VISION · INNOVATION · SOLUTIONS

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments

TABLE OF CONTENTS

<u>Section</u>		<u>Page</u>
Section 1	Description of Proposed Services	1 - 4
Section 2	Implementation Plan and Schedule <ul style="list-style-type: none">▪ Work Plan▪ Project Schedule	5
Section 3	AP Triton Consulting, LLC Project Team <ul style="list-style-type: none">▪ Project Team Bios	6 - 7
Section 4	Relevant Project Experience <ul style="list-style-type: none">▪ Relevant Project Experiences▪ Client List	8 - 12
Section 5	Cost Proposal	13

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments

Section 1 – Description of Proposed Services

Phase I – System Valuation

1. Review the cost/revenue analysis that was done in 2016 for Brea Fire Department (including an assessment of the region’s insured and non-insured payer mix categories relative to cities/counties with similar populations and demographics) for various service delivery models, including, but not limited to, the following options:
 - a. Brea and Fullerton Fire Departments providing ambulance transport by contracting through one or more private suppliers;
 - b. Partnership (shared services) between Brea and Fullerton Fire Departments and private and/or public ambulance provider(s)
 - c. Brea and Fullerton Fire Departments providing 100% of the ambulance transport.
2. Recommend a path forward, including timelines, to implement recommended service delivery model and assignments of Brea and Fullerton Fire Departments personnel for areas of responsibility.
3. Compile all data into a rough draft for submission to the Brea and Fullerton Fire Departments for review with AP Triton Consulting, after which a final report will be issued.
4. Present final report to the governing boards for Brea and Fullerton Fire Departments, if desired.
5. Develop up to three comprehensive PowerPoint presentations for use in educating and informing the various Brea and Fullerton Fire Departments’ stakeholder groups of the ambulance transport delivery method most likely to meet the needs of the Department and the community. This will include an overview of all the options considered. Potential presentations include:
 - City Council - covering delivery method comparisons, cost, revenue, initial investment, impacts to stakeholders, long term program benefits, and the Affordable Care Act

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Brea and Fullerton Fire Departments

- Labor group(s) - focusing on pay, benefits, schedules, uniforms, chain of command, and interaction between Department employees and private employees
- Citizens – reviewing impacts to the taxpayer and incumbent workforce issues
- Other fire agencies, local EMS agency, and affected jurisdictions, as needed

Phase 2 – Ambulance Services Subcontractor RFP

1. AP Triton shall develop a draft request for proposal which will be used for solicitation to private providers. We will then work with the City of Brea's and Fullerton's Purchasing and Legal departments to create a final RFP for ambulance services.
2. AP Triton will assist the City / Fire Department staffs in the issuance of the RFP and serve as the single point of contact for any technical questions that the potential respondents may have. Any legal and/or purchasing questions shall be referred to those departments within the City of Brea and the City of Fullerton.
3. AP Triton shall assist the Brea and Fullerton City / Fire Department staffs in reviewing the responses to ensure all meet the minimum qualifications required by the RFP.
4. AP Triton shall assist the Brea and Fullerton Fire Departments in the design and development of scoring sheets to be utilized in the interview process. We shall also assist in designing and developing an appropriate appeals process in accordance with Brea's and Fullerton's policies and procedures.
5. AP Triton will assist the City / Fire Department staffs in establishing a review/interview panel to evaluate those respondents who meet the minimum qualifications.
6. AP Triton shall serve as consultants and facilitators of the actual interview process.
7. After the first round of interviews is completed, if needed, AP Triton will assist in drafting clarifying, follow-up questions that shall be disbursed to all respondents. Upon receipt of their written responses to the questions within the established timeline, all respondents will be invited back for a second round of interviews to ensure and objective selection.

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments

8. Once the successful respondent has been selected and notified, AP Triton shall assist the City / Fire Department staffs in developing a contract with the successful sub-contractor for the provision of ambulance services. The successful negotiation of said sub-contractor will have to be reviewed and meet the approval of the City of Brea's and the City of Fullerton's legal departments.

Phase 3 – Ambulance Billing Subcontractor RFP

1. AP Triton shall develop a draft request for proposal which will be used for solicitation to private providers and work with the City of Brea's and City of Fullerton's Purchasing and Legal departments to create a final RFP for ambulance billing services.
2. AP Triton will assist the Brea and Fullerton Fire Departments in the issuance of the RFP and serve as the single point of contact for any technical questions that the potential respondents may have. Any legal and/or purchasing questions shall be referred to the appropriate departments within the City of Brea/Brea Fire Department and City of Fullerton/Fullerton Fire Department
3. AP Triton shall assist the City / Fire Department staffs in the review of responses to ensure all meet the minimum qualifications required by the RFP.
4. AP Triton shall assist the City / Fire Department staffs in the design and development of scoring sheets to be utilized in the interview process. We shall also assist in designing and developing an appropriate appeals process in accordance with Brea's and Fullerton's policies and procedures.
5. AP Triton shall assist the City / Fire Department staffs in establishing a review / interview panel to evaluate those respondents who meet the minimum qualifications.
6. AP Triton shall serve as consultants and facilitators of the actual interview process.
7. If needed, after the first round of interviews is completed, AP Triton will assist in drafting clarifying, follow-up questions that shall be disbursed to all respondents. Upon receipt of their written responses to the questions within the established timeline, all respondents will be invited back for a second round of interviews to ensure and objective selection.

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments

8. Once the successful respondent has been selected and notified, AP Triton shall assist the City / Fire Department staffs in developing a contract with the successful sub-contractor for the provision of billing services. The successful negotiation of said sub-contractor will have to be reviewed and meet the approval of the City / Fire Departments' Legal Departments.

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments

Section 2 – Implementation Plan and Schedule

Work Plan

AP Triton will begin by meeting with Brea and Fullerton Fire Departments' teams to review the study's scope and ensure that the proposed Work Plan and project schedule are mutually agreeable. Throughout the duration of the project, AP Triton will monitor progress and the timely completion of tasks, including providing monthly status reports and oral communications.

AP Triton practices the rule of transparency with all clients. Brea and Fullerton Fire Departments' project manager(s) will hear from AP Triton in a timely manner via phone and/or email to ensure there are no surprises or unanswered questions.

Project Schedule

AP Triton is prepared to start the project at time of contract award and has no commitments or potential commitments which may impact our ability to perform this Agreement.

It is estimated that Phase I – System Valuation will take approximately 30 days to complete. This is barring any unforeseen delays and dependent upon the ability of Brea and Fullerton Fire Departments and applicable parties to provide all information and data required in a timely manner.

It is estimated that Phase 2 – Ambulance Subcontractor RFP will take between four and six months. Compliance with this timeline is barring any unforeseen delays and dependent on timely collaboration with the City's procurement and legal divisions.

It is estimated that Phase 3 – Ambulance Billing Subcontractor RFP will take no more than four months. Compliance with this timeline again is barring any unforeseen delays and dependent on timely collaboration with the City's procurement and legal divisions.

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments

Section 3 – AP Triton Consulting, LLC Project Team



Kurt P. Henke, Principal

Kurt P. Henke has over thirty-four years of experience in the fire service. He has held the ranks of Firefighter through Fire Chief. Prior to becoming the Fire Chief of the state's seventh largest fire department, Kurt served as Union President of one the state's largest labor groups, serving multiple Cities and Districts. In addition, he was the Chairman of the California Metropolitan Fire Chiefs, was an Executive Board member of the California Fire Chiefs Association from 2011 through 2014, and was named the 2013 California Fire Chief of the Year.

After becoming Fire Chief, Kurt expanded the first responder paramedic and ALS services of his department, all while experiencing one of the worst economic down turns in recent history. He expanded the department's ambulance program into a revenue generating enterprise, bridging several financial shortfalls and making it the third largest fire-based ambulance system in California. Kurt identified, developed, and initiated State legislation to facilitate cost recovery for Ground Emergency Medical Transport (GEMT), which has generated hundreds of millions of dollars statewide to the California Fire Service ambulance providers. During his tenure, Kurt is also known for re-constituting relationships between all levels of governance and the private sector. These reciprocal, trust-based relationships increased collaborative opportunities locally and regionally for the District and statewide for the Fire Service as a whole. Upon his retirement from the Fire Service in October 2014, he formed AP Triton Consulting, LLC, with his business partner, Scott Clough. AP Triton Consulting, LLC is a nation-wide emergency medical services consulting firm which specializes in maximizing revenue to states, counties, cities, and districts through their delivery of pre-hospital emergency medical services.

Kurt is currently the case manager for the anti-trust litigation filed by the California Fire Chiefs Association which endeavors to protect public sector (201) ambulance providers in the state of California.

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments



Scott A. Clough, Principal

A thirty-three year member of California's fire service, Scott started his career as a hand crew member in southern California and worked his way through the ranks. He has held the ranks of Firefighter/ Paramedic, Captain, Battalion Chief, and Chief of EMS. His last position held was that of Assistant Chief assigned to the Office of the Fire Chief with one of the largest fire departments in California.

Scott is most noted for his work in creating California's GEMT program, where he currently functions as the Public Sector Program Manager. While working as the Chief of EMS for his agency, he restructured his department's ambulance and EMS delivery system from the fire service norm of "breakeven at best" to one of revenue generation that put his department on par with the best private ambulance systems in the country, helping to establish it as the third largest fire-based ambulance system in California. His "run it like a business" strategy for EMS has earned him recognition by the California State Firefighters Association (CSFA) and California Fire Chiefs Association. Scott serves as the EMS Chair for CSFA and as an EMS advisor to California Fire Chiefs Association, California Metro Chiefs, and the League of California Cities. Scott has been a noted speaker to the California Ambulance Association, Nevada Fire Chiefs, Utah Fire Chiefs, California Fire & EMS Disaster (CFED) Conference, League of Cities, and the Fire District Association of California, and has written articles on EMS and cost recovery for several publications.

Upon retirement from the fire service, he formed AP Triton Consulting, LLC with his business partner, Kurt Henke. AP Triton Consulting, LLC is a nation-wide emergency medical services consulting firm which specializes in maximizing revenue to states, counties, cities, and districts through their delivery of pre-hospital emergency medical services. Scott is the lead negotiator for the California Fire Chiefs Association in expanding the current GEMT program. Currently Scott is involved in establishing the same programs in Oregon, Washington, Missouri, Kansas, Nebraska, and Alaska. He is considered the premiere expert in these reimbursement programs.

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments

Section 4 – Relevant Project Experiences

The following is a sampling of the projects that AP Triton Consulting has worked on.

Contra Costa County Fire Protection District - Ambulance Service Feasibility Study

AP Triton conducted a fire-based Ambulance Feasibility Study for the Contra Costa County Fire Protection District (population over 1 million). The study foundation was developed by determining what the current and past insured and uninsured payer mixes were. These payer mixes were all inclusive which, together with other demographic information, allowed AP Triton to determine the maximum value of the system. The study then analyzed the Federal Reimbursement programs available and provided estimates for both GEMT (Ground Emergency Medical Transport) and IGT (Intergovernmental Transfer) programs. Several options were proposed for consideration by the Fire District, and the Public-Private Partnership (contractor/subcontractor) option was chosen. AP Triton then provided services to select the private (subcontractor) partner and managed the response to the County-wide RFP for Ambulance service. Contra Costa County Fire was awarded the contract for ambulance service through a competitive bid process. They have increased their response time compliance from a level of 89-90% under the former provider to an average of 96% across all response zones. Further, their ambulance transport system, which was historically under questionable sustainability, now turns a \$10 million profit annually and has amassed a reserve of \$19 million. AP Triton Consulting is currently on a maintenance and system retainer agreement through March 2021 to assist the Contra Costa County Fire Department in operating its ambulance transport system.

Alameda County Fire Protection District - Ambulance Service Feasibility Study

AP Triton conducted a fire-based Ambulance Feasibility Study for the Alameda County Fire Protection District (population over 1.5 million). After considering the options provided, an RFP was developed to recruit a private sector contractor.

City of Anaheim Fire and Rescue - Ambulance Subcontracting Feasibility Study and Ambulance Subcontract RFP Process

AP Triton conducted a fire-based Ambulance Subcontracting Feasibility Study for the City of Anaheim Fire and Rescue (population: 352,500). This included a comprehensive analysis of the value of the City of Anaheim's ambulance service area. A subcontracting ambulance model was developed, inclusive of all subcontractor estimates, billing costs, and overhead recommendations. Working with the City of Anaheim's Purchasing and Legal Departments, a Request for Proposal (RFP) was created for ambulance billing services. AP Triton assisted the City with the issuance of the RFP, served as the single point of contact for technical questions that the respondents had, and assisted City staff in the review of responses to ensure that all met the minimum qualifications required by the RFP. In addition, AP Triton assisted the City of Anaheim in the design of scoring sheets, established a review/interview panel, and served as consultants and facilitators of the interview process. Once the successful respondent was selected, AP Triton assisted the City of Anaheim in developing a contract that was then reviewed and approved by the City of Anaheim's legal department.

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments

City of Costa Mesa Fire Department - Ambulance Service Feasibility Study

AP Triton conducted a fire-based Ambulance Feasibility Study for the City of Costa Mesa Fire Department (population 112,000). The study foundation was developed by determining what the current and past insured and uninsured payer mixes were. These payer mixes were all inclusive which, together with other demographic information, allowed us to determine the maximum value of the system. The study then analyzed the Federal Reimbursement programs available and provided estimates for both GEMT and IGT programs. This study provided several options for the Department to consider; the Public-Private Partnership (contractor/subcontractor) model was chosen. AP Triton then assisted in the successful negotiations with the chosen private (subcontractor) partner.

San Bernardino County Fire Protection District - EMS Valuation / Assessment Study

AP Triton Consulting conducted an assessment of the financial structure of the San Bernardino County ambulance system to determine which areas could be subject to competitive bid, the value of the system, the resources needed to provide services to those areas, the cost to implement those services, the time needed to secure equipment, the continued operating costs, and the ability to provide additional services to enhance system delivery.

California Fire Chiefs Association

On behalf of the California Fire Chiefs Association, AP Triton serves as Project Manager for legal issues, such as 201 rights, anti-trust, and underground regulations, and as Lead Negotiator on all GEMT and IGT programs with the State of California Health and Human Services and Centers for Medicare and Medicaid Services (CMS).

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments

Client List

AP Triton Consulting, LLC has had the privilege to work with:

- *Aberdeen Fire Department (Washington)*
- City of Alameda Fire Department
- Alameda County Fire Protection District
- *Alaska Fire Chiefs Association*
- Albany Fire Department
- Anaheim Fire and Rescue
- Benecia Fire Department
- Berkeley Fire Department
- *Bethel Fire Department (Alaska)*
- *Big Indie Bliss, Inc. (New York)*
- Bodega Bay Fire Department
- Brea Fire Department
- California Fire Chiefs Association
- California Metro Chiefs Association
- Carlsbad Fire Department
- *Carroll County Ambulance District (Missouri)*
- *Central Jackson County Fire Protection District (Missouri)*
- *Central Pierce Fire Protection (Washington)*
- *Chariton County Ambulance District (Missouri)*
- Chico Fire Department
- Chula Vista Fire Department
- *Central Kitsap Fire and Rescue (Washington)*
- Citygate Associates
- City of Colton/Loma Linda Fire Department
- Contra Costa County Fire Protection District
- City of Costa Mesa Fire Department
- Cosumnes Fire Department
- *Cowlitz 2 Fire and Rescue (Washington)*
- *Davidson Kempner Capital Management*
- *DeKalb County Fire Rescue (Georgia)*
- City of Downey Fire Department
- Dixon Fire Department
- *Douglas Okanogan County Fire Department #15 (Washington)*
- El Dorado Hills Fire Department
- Englander, Knabe, and Allen
- EPIC Entertainment (Uccont1, LLC)
- Exeter District Ambulance
- *Eugene / Springfield Fire Department (Oregon)*
- *Eureka Fire Protection District (Missouri)*
- Fairfield Fire Department

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments

- *Fort Myers Fire Department (Florida)*
- Fountain Valley Fire Department
- City of Fresno Fire Department
- Fullerton Fire Department
- *Gig Harbor Fire / Pierce County Fire Department #5 (Washington)*
- *Grand River Regional Ambulance District (Missouri)*
- *Gray's Harbor Fire District #4 / Lake Quinault Volunteer Fire Department (Washington)*
- *Gray's Harbor Fire District #5 (Washington)*
- *Hawaii Fire Chiefs Association*
- Hermosa Beach Fire Department
- Huntington Beach Fire Department
- *Idaho Fire Chiefs Association*
- *International Association of Fire Chiefs*
- *Iowa Fire Chiefs Association*
- *Kansas Fire Chiefs Association*
- *Kennewick Fire and Ambulance (Washington)*
- Kern County Fire Department
- Laguna Beach Fire Department
- *Lake Ozark Fire Protection District (Missouri)*
- League of California Cities
- *City of Lincoln Fire and Rescue Department (Nebraska)*
- *Linn County Ambulance District (Missouri)*
- Lompoc Fire Department
- City of Long Beach Fire Department
- Los Angeles County Fire Department
- Manhattan Beach Fire Department
- Matrix Consulting Group
- *City of Milwaukee Fire Department (Wisconsin)*
- *Missouri Association of Fire Chiefs*
- Montecito Fire Protection District
- NBS Government Finance Group
- National City Fire Department
- *Nebraska Fire Chiefs Association*
- *North Bend Fire Department (Oregon)*
- *North Kansas City Fire Department (Missouri)*
- *Ocean Shores Fire Department (Washington)*
- Ontario Fire Department
- *Oregon Fire Chiefs Association*
- Orange County Fire Authority
- *Orting Valley Fire Protection District (Washington)*
- Oxnard Fire Department
- *Pasco Fire Department (Washington)*
- *Pendleton Fire Department (Oregon)*
- Piedmont Fire Department

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments

- *Pleasant Hill Fire Protection District (Missouri)*
- Public Agency Risk Sharing Authority of California (PARSAC)
- Russian River IAFF Local 3051
- Sacramento Metropolitan Fire Protection District
- City of Salinas Fire Department
- San Bernardino County Fire Department
- San Diego County Fire Chiefs Association
- San Diego Fire Department
- City of San Jose Fire Department
- San Ramon Valley Fire Protection District
- Santa Barbara County Fire Chiefs Association
- City of Santa Cruz Fire Department
- Santa Cruz County Fire Chiefs Association
- City of Santa Monica Fire Department
- *Skagit County Department of Emergency Medical Services (Washington)*
- Solano County Fire Chiefs Association
- Sonoma County Fire Chiefs Association
- Sonoma County Fire District
- Sonoma Valley Fire Department
- Stockton Fire Department
- *City of Sunnyside Fire Department (Washington)*
- *Tacoma Fire Department (Washington)*
- *Tualatin Valley Fire and Rescue (Oregon)*
- Ukiah Valley Fire Authority
- *Umatilla Fire Department (Oregon)*
- *Utah Fire Chiefs Association*
- Vacaville Fire Department
- Valley Center Fire Protection District
- Ventura County Fire Department
- *Washington Fire Chiefs Association*
- Watsonville Fire Department

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments

Section 5 – Cost Proposal

Phase 1 – System Valuation

Brea and Fullerton Fire Departments will be invoiced \$36,000 in three installments*

- \$15,000 due upon initiation of valuation process
- \$15,000 due upon delivery of draft report
- \$ 6,000 due upon delivery of final report

*cost proposed for this phase is discounted to take into account the previous work that was done for Brea and Fullerton Fire Departments.

Phase 2 – Ambulance Subcontractor RFP

Brea and Fullerton Fire Departments will be invoiced \$85,000 in 2 installments

- \$ 42,500 due upon initiation of RFP process
- \$ 42,500 due upon completion of RFP response

Phase 3 – Ambulance Billing Subcontractor RFP

Brea and Fullerton Fire Departments will be invoiced \$10,000 in 2 installments

- \$ 5,000 due upon initiation of RFP process
- \$ 5,000 due upon completion of RFP response

All costs except those in Phase 1 will be placed as reimbursable to Brea and Fullerton Fire Departments from the successful bidder(s) in the RFP processes.

The above costs do not include travel. Travel shall be pre-approved by Brea and Fullerton Fire Departments and expenses (airfare, hotel, ground transportation, etc.) shall be invoiced separately at actual costs. Mileage will be billed at the current IRS reimbursement rate.

Any additional costs (i.e., legal counsel, GIS services, graphic design, printing) shall be borne by Brea and Fullerton Fire Departments.

The cost of any changes to this proposal will be priced individually, and agreed to in writing by both parties, before additional work is performed.

This proposal is good for a period of up to ninety days from the date of the proposal.

AP Triton Consulting, LLC
EMS System Valuation Study, Ambulance & Billing Subcontractor RFPs
Brea and Fullerton Fire Departments

I, Kurt P. Henke, as Principal and Managing Partner, am duly authorized to bind AP Triton LLC and execute any agreements on behalf of this firm.



Kurt P. Henke
Principal / Managing Partner

Mailing Address

AP Triton LLC
1851 Heritage Lane, Suite 138
Sacramento CA 95815

Office Phone

916.692.5510

Project Managers

Kurt Henke, Principal / Managing Partner

Email: khenke@aptriton.com

Cell Phone: 707.266.4309

Scott Clough, Principal

Email: sclough@aptriton.com

Cell Phone: 916.207.9075

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: Authorization for the Issuance of 2020 Water Revenue Refunding Bonds to Refinance Outstanding Water Revenue Bonds and Engage Professional Services

RECOMMENDATION

Adopt the Resolution approving the institution of proceedings to refinance the outstanding 2014 Water Revenues Bonds of the Brea Community Benefit Financing Authority and engage professional services.

BACKGROUND/DISCUSSION

In 2014, the City of Brea through the Brea Community Benefit Financing Authority, issued the following Bonds to finance the acquisition of water rights for the benefit of the City's Water System:

- \$18,555,000 (original principal amount) 2014 Water Revenue Bonds, (the "2014 Bonds"), of which \$16,595,000 remain outstanding and will be refunded;

Staff is recommending refunding the 2014 Bonds (the "Refunded Bonds") by issuing 2020 Water Revenue Refunding Bonds (the "2020 Bonds") under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Refunding Bond Law"). The 2020 Bonds will be secured by a pledge of and payable from "Net Revenues", which consist of certain revenues of the Water System less operations and maintenance costs. The 2020 Bonds will be on parity with the outstanding 2019 Water Revenue Refunding Bonds.

It is projected that the refinancing of the outstanding bonds will produce an average annual reduction in bond payments of \$70,725 based on current market conditions, subject to change. The term of the 2020 Bonds would remain the same as the 2014 Bonds and the calculation of the net present value savings factors in the costs to issue the 2020 Bonds. The City's local Debt Policy requires a threshold of at least 3% net present value savings to be met in order to refund bonds. The proposed refunding results in a net present value savings of 7.79% of the outstanding bond amount.

The adoption of the Resolution authorizes staff to undertake the necessary actions for the proposed refunding of the 2014 Bonds; approves professional services related to the refunding and directs City officials to execute related documents as needed. The City's bond issuance team has been in place for many years and staff recommends these firms to continue providing

those services for this refunding issue. The Resolution authorizes the following firms to participate in the transaction and the City Manager to execute agreements as necessary:

- Financial Advisory - Fieldman, Rolapp & Associates
- Bond Counsel - Jones Hall, A Professional Law Corporation
- Disclosure Counsel - Richards, Waterson Gershon
- Underwriter - Stifel, Nicolaus & Company
- Trustee and Escrow Bank - Bank of New York Mellon Trust, N.A.

The next steps will be to prepare required legal and financing documents and secure an underlying credit rating from Standard & Poor's. The final step will be for the City Council to consider a resolution approving the Preliminary Official Statement (bond offering document) and other related bond documents for the 2020 Refunding Bonds. Based on the current schedule, staff anticipates this City Council consideration of the final authorization for issuance of the bonds would be scheduled for a September or October City Council meeting.

Below is a table summarizing the detail of the 2014 Bonds to be refunded and the anticipated savings:

Refunding Statistics	2014 Water Revenue Bonds
Amount of Refunded Bonds	\$16,595,000
Call Date	07/01/2024 @100
Rating	"AA"
Refunding Type	Taxable Advance
Final Maturity	07/01/2044
Amount of Refunding Bonds	\$19,935,000
True Interest Cost	2.58%
Average Annual Savings	\$70,725
Total Gross Savings	\$1,697,395
Net Present Value Savings	\$1,292,625
% NPV Savings of Refunded Bonds	7.79%

COMMISSION/COMMITTEE RECOMMENDATION

Finance Committee recommended approval of the Resolution at its meeting on August 11, 2020

FISCAL IMPACT/SUMMARY

The City has a total of \$16,595,000 in outstanding 2014 Water Bonds. Staff is recommending that the City refinance the outstanding 2014 Water Bonds as taxable bonds to do an advance refunding and reduce the average annual bond payments by \$70,725. These are estimated savings based on current market conditions and are subject to change. The estimated average annual savings will be realized by the City's Water Enterprise Fund over the 24 years remaining on these bonds. There is no impact to the General Fund.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Cindy Russell, Administrative Services Director

Attachments

Resolution

RESOLUTION NO. 2020-054

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA APPROVING INSTITUTION OF PROCEEDINGS TO REFINANCE OUTSTANDING 2014 WATER REVENUE BONDS OF THE BREA COMMUNITY BENEFIT FINANCING AUTHORITY, AND ENGAGING PROFESSIONAL SERVICES RELATING THERETO

WHEREAS, the City of Brea (the “City”) owns and operates a public enterprise for the supply, treatment and distribution of water (the “Water System”), and in order to finance improvements to the Water System the Brea Community Benefit Financing Authority (the “Authority”) has previously issued its Brea Community Benefit Financing Authority 2014 Water Revenue Bonds in the aggregate original principal amount of \$18,555,000 (“2014 Authority Bonds”), which are secured by installment payments made by the City under an Installment Sale Agreement dated as of August 1, 2014 (the “2014 Installment Sale Agreement”), between the Authority and the City; and

WHEREAS, the 2014 Bonds are subject to redemption, and the installment payment obligations of the City under the 2014 Installment Sale Agreement are subject to prepayment, on July 1, 2024 and on any date thereafter; and

WHEREAS, the City is authorized to issue its revenue bonds (the “Refunding Water Revenue Bonds”) for the purpose of refinancing the installment payments of the City under the 2014 Installment Sale Agreement, and thereby refinancing the 2014 Authority Bonds, for the purpose of realizing debt service savings to the City; and

WHEREAS, under applicable federal tax law the Refunding Water Revenue Bonds will be issued on a federally taxable basis; and

WHEREAS, the City Council has considered a financing plan for such purposes and

Reso. No. 2020-054
August 18, 2020

wishes at this time to authorize and direct City staff to implement such financing plan and to engage the necessary professional services therefor;

RESOLUTION:

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

Section 1. Authorization to Proceed with Refunding Plan. The City Council hereby authorizes and directs the City Manager, the Administrative Services Director and other officers and staff of the City to initiate proceedings for the issuance of Refunding Water Revenue Bonds under the applicable provisions California law, for the purpose of refinancing the 2014 Authority Bonds and the related installment payment obligations of the City. Such officers and staff shall cause the necessary documentation relating to the issuance and sale of the Refunding Water Revenue Bonds to be prepared and presented to the City Council for its consideration at a future meeting of the City Council.

Section 2. Engagement of Professional Services. In connection with the issuance and sale of the Refunding Water Revenue Bonds, the City Council hereby designates the following professional firms to participate the transaction: (a) Fieldman, Rolapp & Associates as financial advisor; (b) Jones Hall, A Professional Law Corporation, as bond counsel; (c) Richards, Watson and Gershon as disclosure counsel; (d) The Bank of New York Mellon Trust, N.A., as trustee and escrow bank; and (e) Stifel, Nicolaus & Company, Incorporated, as underwriter. The City Manager is hereby authorized and directed to execute agreements for said services with Fieldman, Rolapp & Associates and Jones Hall, A Professional Law Corporation, in the respective forms on file with the City Clerk. The other firms mentioned in this Section 2 are either already under contract to the

Reso. No. 2020-054
August 18, 2020

City for their respective services or will enter into agreements with the City to be approved in connection with the final authorization of the Refunding Water Revenue Bonds.

Section 3. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

APPROVED AND ADOPTED on this 18th day of July, 2020.

Marty Simonoff, Mayor

ATTEST: _____
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea, held on the 18th day of July, 2020, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAINED: COUNCILMEMBERS:

DATED: _____

Lillian Harris-Neal, City Clerk

Reso. No. 2020-054
August 18, 2020

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: Monthly Report of Investments for the City of Brea for Period Ending June 30, 2020

RECOMMENDATION

Receive and file.

BACKGROUND/DISCUSSION

The Monthly Report of Investments is in accordance with Government Code Section 53607 and contains information on the investment activities for the month of June. Cash for day-to-day activities is deposited in the demand and interest-bearing checking accounts. The Local Agency Investment Fund (LAIF) is used for short term investment and functions like a savings account.

The City's managed investment portfolio is for longer-term investments which are managed through Chandler Asset Management. Together, the short and long-term investment accounts represent the City's investment portfolio. Attachment A includes a Portfolio Summary, Holdings Report, Book Value Report and Compliance with Investment Policy Statement prepared by Chandler Asset Management for the invested funds. The book value is the cost plus or minus amortization/accretion.

As of June 30, 2020, the total market value of the managed investment portfolio, including accrued interest, was \$89,641,300.74 as compared to \$89,399,602.21 at May 31, 2020. The weighted average investment yield for June 2020 was 1.95%, which was slightly lower than the prior month. The City's Local Agency Investment Fund (LAIF) had a total market value, including accrued interest of \$24,955,675.61 at June 30, 2020. This brings the total value of the City's investment portfolio as of June 30, 2020 to \$114,596,976.35 as compared to \$114,330,692.25 at May 31, 2020.

Restricted cash and investments are held in the post-employment benefits trust account administered by PARS (PARS account) and managed by HighMark Capital and the City's various bond reserve accounts which are managed by Chandler Asset Management.

Attachment A includes a monthly statement from US Bank for the PARS account as well as a portfolio report from Chandler Asset Management for each bond reserve account that is invested. As of June 30, 2020, the market value of the PARS account, including short-term cash and accrued interest was \$8,744,442.59 as compared to \$8,577,044.26 from the prior month. All other restricted cash investments (bond reserve accounts), including short-term cash and accrued interest was \$3,315,055.10 in comparison to \$1,957,379.66 from the prior month.

All City investments are GASB rated No. 1, where the custodian (The Bank of New York Mellon Trust Company, N.A.) acts as an agent of the City, and is not a counter party to the investment

transaction, and all securities are held in the name of the City of Brea. The custodial account at Bank of New York and account records with Chandler Asset Management have been reconciled to par value for the month. The City of Brea has sufficient cash flow to meet its expected expenditures for the next six months.

COMMISSION/COMMITTEE RECOMMENDATION

On July 27, 2020, the Investment Advisory Committee reviewed the Monthly Report of Investments and recommended that the City Council receive and file.

FISCAL IMPACT/SUMMARY

During the month of June, the total value of the City's investment portfolio increased by \$266,284.10. This is primarily due to receipt of sales tax during the month. The City's PARS account increased by \$167,398.33 due to market rate adjustments. The City's bond reserve accounts increased by \$1,357,675.44 due to an anticipated debt service payment for the 2019 Water Revenue Bonds that are due to the bond holders on July 1, 2020.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Attachment A

City of Brea
Cash and Investment Information
 June 30, 2020

		Cost Value	Market Value*
Demand and Interest-Bearing Checking Accounts	Citizen's Bank	\$ 5,541,568.40	\$ 5,541,568.40
Local Agency Investment Fund	LAIF	\$ 24,898,505.50	\$ 24,955,675.61
Managed Investment Portfolio - CHANDLER	Chandler	\$ 85,875,613.22	\$ 89,641,300.74
PARS Post-Employment Benefits Trust**	US Bank	\$ 8,136,833.70	\$ 8,744,442.59
<u>Fiscal Agent Cash & Investments**</u>			
2010 Lease Revenue Bonds	Chandler/BNY	\$ 303,564.04	\$ 308,948.78
2014 Downtown Brea Public Improvements CFD Bonds	Chandler/BNY	\$ 164,398.06	\$ 164,398.06
2014 Water Revenue Bonds	Chandler/BNY	\$ 775,635.22	\$ 775,635.22
2017 Brea Plaza Public Improvements CFD Bonds (CFD 2008-2)	Chandler/BNY	\$ 669,553.90	\$ 708,660.63
2019 Olinda Ranch Public Improvements Bonds (CFD 1997-1)	Chandler/BNY	\$ 62.41	\$ 62.41
2019 Water Revenue Bonds	Chandler/BNY	\$ 1,357,350.00	\$ 1,357,350.00
Sub-total - Fiscal Agent Cash & Investments		\$ 3,270,563.63	\$ 3,315,055.10
Report Grand Total		\$ 127,723,084.45	\$ 132,198,042.44

* Includes accrued interest on invested funds

** Reserve Fund

City of Brea
Cash and Investment Information
 June 30, 2020

Fiscal Agent Cash & Investments Detail		Cost Value	Market Value
10129	2010 Lease Revenue Bonds - CHANDLER	\$ 269,853.48	\$ 275,238.22
	Short-Term Treasury Funds - BNY	\$ 33,710.56	\$ 33,710.56
	Sub-total	\$ 303,564.04	\$ 308,948.78
	2014 Downtown Brea Public Improvements CFD Bonds - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 164,398.06	\$ 164,398.06
	Sub-total	\$ 164,398.06	\$ 164,398.06
	2014 Water Revenue Bonds - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 775,635.22	\$ 775,635.22
	Sub-total	\$ 775,635.22	\$ 775,635.22
10600	2017 Brea Plaza Public Improvements CFD Bonds (CFD 2008-2) - CHANDLER	\$ 658,544.61	\$ 697,651.34
	Short-Term Treasury Funds - BNY	\$ 11,009.29	\$ 11,009.29
	Sub-total	\$ 669,553.90	\$ 708,660.63
	2019 Olinda Ranch Public Improvements Bonds (CFD 1997-1) - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 62.41	\$ 62.41
	Sub-total	\$ 62.41	\$ 62.41
	2019 Water Revenue Bonds - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 1,357,350.00	\$ 1,357,350.00
	Sub-total	\$ 1,357,350.00	\$ 1,357,350.00
Report Grand Total		\$ 3,270,563.63	\$ 3,315,055.10



PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.00
Average Coupon	1.15%
Average Purchase YTM	1.15%
Average Market YTM	1.15%
Average S&P/Moody Rating	NR/NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

ACCOUNT SUMMARY

	Beg. Values as of 5/31/20	End Values as of 6/30/20
Market Value	24,898,506	24,898,506
Accrued Interest	32,585	57,170
Total Market Value	24,931,090	24,955,676
Income Earned	15,390	24,586
Cont/WD		0
Par	24,898,506	24,898,506
Book Value	24,898,506	24,898,506
Cost Value	24,898,506	24,898,506

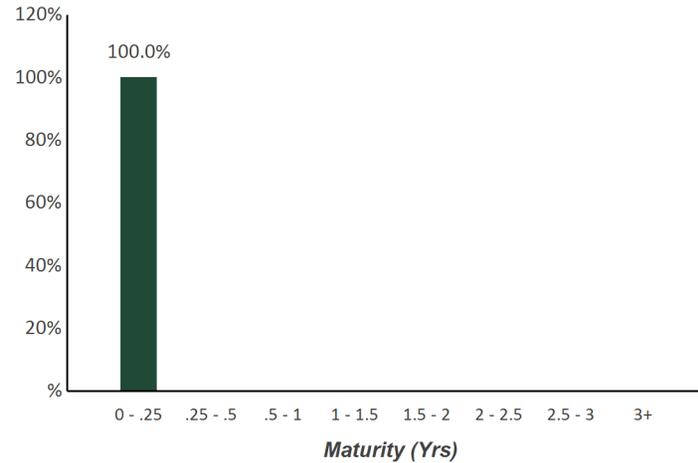
TOP ISSUERS

Local Agency Investment Fund	100.0%
Total	100.0%

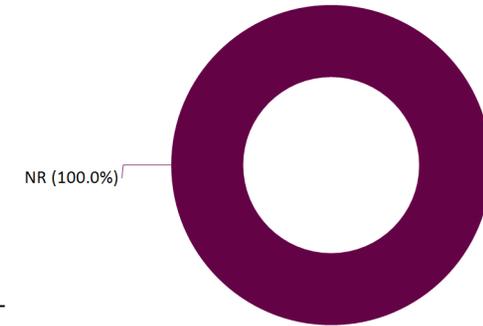
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	2/28/2012
City of Brea Laif	0.10%	0.36%	0.87%	2.08%	2.26%	1.96%	1.40%	N/A	N/A

Holdings Report

As of June 30, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	24,898,505.50	Various 1.15%	24,898,505.50 24,898,505.50	1.00 1.15%	24,898,505.50 57,170.11	100.00% 0.00	NR / NR NR	0.00 0.00
Total LAIF		24,898,505.50	1.15%	24,898,505.50	1.15%	57,170.11	0.00	NR	0.00
TOTAL PORTFOLIO		24,898,505.50	1.15%	24,898,505.50	1.15%	57,170.11	0.00	NR	0.00
TOTAL MARKET VALUE PLUS ACCRUED						24,955,675.61			



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.58
Average Coupon	2.10%
Average Purchase YTM	1.95%
Average Market YTM	0.38%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.83 yrs
Average Life	2.67 yrs

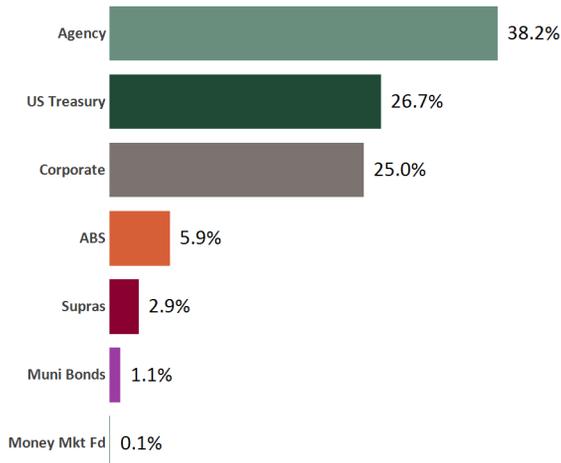
ACCOUNT SUMMARY

	Beg. Values as of 5/31/20	End Values as of 6/30/20
Market Value	88,958,035	89,205,971
Accrued Interest	441,568	435,330
Total Market Value	89,399,602	89,641,301
Income Earned	143,262	140,224
Cont/WD		0
Par	85,254,162	85,400,426
Book Value	85,711,582	85,865,675
Cost Value	85,705,431	85,875,613

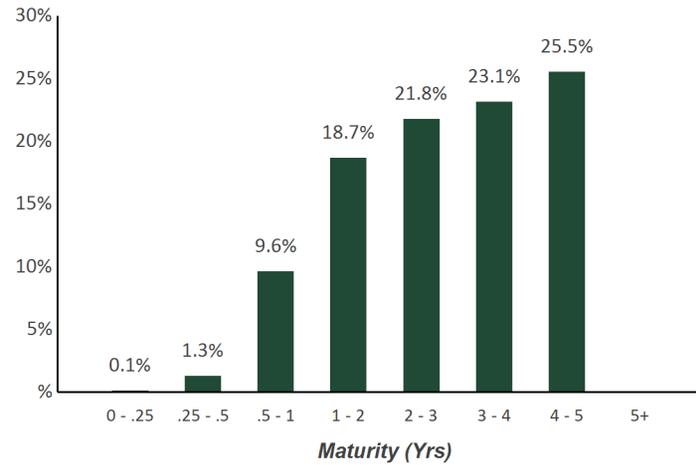
TOP ISSUERS

Government of United States	26.7%
Federal National Mortgage Assoc	18.9%
Federal Home Loan Bank	12.4%
Federal Home Loan Mortgage Corp	7.0%
Inter-American Dev Bank	2.4%
John Deere ABS	2.2%
Honda ABS	1.5%
Toronto Dominion Holdings	1.3%
Total	72.4%

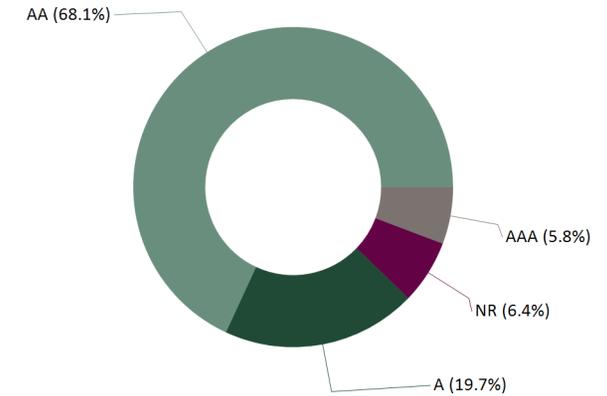
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	4/30/1996	
City of Brea	0.27%	1.43%	3.88%	5.37%	5.12%	3.36%	2.52%	2.10%	3.92%	
ICE BAML 1-5 Yr US Treasury/Agency Index*	0.06%	0.30%	4.06%	5.21%	5.04%	3.22%	2.30%	1.83%	3.57%	
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.14%	0.75%	4.06%	5.32%	5.16%	3.32%	2.42%	1.99%	N/A	

*ICE BAML 1-Yr US Treasury Bill Index to 9/30/01,

Statement of Compliance

As of June 30, 2020

ATTACHMENT A



City of Brea

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

Category	Standard	Comment
Treasury Issues	No limitations	Complies
US Agencies	25% per issuer	Complies
Supranationals	"AA" rated by a NRSRO; 15% maximum; 5% max per issuer	Complies
Municipal Securities	5% max issuer	Complies
Banker's Acceptances	40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by S&P and Moody's; 25% maximum; 5% max per issuer; 270 days max maturity	Complies
Certificates of Deposit(CDs)/ Time Deposits (TDs)	5% max issuer; FDIC Insured and/or Collateralized	Complies
Negotiable CDs	30% maximum; 5% max per issuer	Complies
Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer	Complies
Pass Through Securities, Asset-Backed Securities (ABS), CMOs	"AA" or higher by a NRSRO; "A" rated issuer by a NRSRO; 20% maximum (combined), 10% maximum (ABS); 5% max per issuer; CMOs must pass FFIEC test	Complies
Money Market Funds	Highest rating by two NRSROs; 20% maximum; 5% max per fund	Complies
LAIF	40%;<60%, with OCIP	Complies
OCIP	40%;<60%, with LAIF	Complies
Repurchase Agreements	5% max issuer; 1 year max maturity	Complies
Range notes	Prohibited	Complies
Interest-only strips	Prohibited	Complies
Zero interest accruals	Prohibited	Complies
Agency Callable notes	5% maximum	Complies
Max Per Issuer	5% per issuer for all non government issuers and agencies	Complies
Maximum Maturity	5 years	Complies

Reconciliation Summary

As of June 30, 2020



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$85,711,582.33
Acquisition		
+ Security Purchases	\$1,615,121.39	
+ Money Market Fund Purchases	\$1,597,867.03	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$3,212,988.42
Dispositions		
- Security Sales	\$961,740.05	
- Money Market Fund Sales	\$1,615,699.35	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$330,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$150,903.02	
Total Dispositions		\$3,058,342.42
Amortization/Accretion		
+/- Net Accretion	(\$8,184.08)	
		(\$8,184.08)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$7,630.69	
		\$7,630.69
ENDING BOOK VALUE		\$85,865,674.94

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$96,113.80
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$961,740.05	
Accrued Interest Received	\$3,314.58	
Interest Received	\$151,904.39	
Dividend Received	\$4.99	
Principal on Maturities	\$330,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$150,903.02	
Total Acquisitions	\$1,597,867.03	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$1,615,121.39	
Accrued Interest Paid	\$577.96	
Total Dispositions	\$1,615,699.35	
ENDING BOOK VALUE		\$78,281.48

Holdings Report

As of June 30, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
654747AD6	Nissan Auto Receivables Trust 2017-A A3 1.74% Due 8/16/2021	50,723.56	12/27/2017 2.10%	50,400.60 50,623.46	100.13 0.27%	50,787.27 36.77	0.06% 163.81	Aaa / NR AAA	1.13 0.09
43811BAC8	Honda Auto Receivables Trust 2017-2 A3 1.68% Due 8/16/2021	76,089.95	04/27/2018 2.62%	74,906.98 75,686.13	100.27 0.29%	76,298.00 56.81	0.09% 611.87	Aaa / AAA NR	1.13 0.20
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	15,700.69	07/11/2017 1.83%	15,699.54 15,700.34	100.19 0.54%	15,730.46 12.70	0.02% 30.12	Aaa / NR AAA	1.29 0.15
47788CAC6	John Deere Owner Trust 2018-A A3 2.66% Due 4/18/2022	82,463.68	02/21/2018 2.68%	82,457.75 82,461.10	100.68 0.74%	83,021.86 97.49	0.09% 560.76	Aaa / NR AAA	1.80 0.35
43815HAC1	Honda Auto Receivables Trust 2018-3 A3 2.95% Due 8/22/2022	397,062.71	08/21/2018 2.98%	397,008.24 397,033.43	101.75 0.22%	404,025.58 325.37	0.45% 6,992.15	Aaa / NR AAA	2.15 0.64
89238TAD5	Toyota Auto Receivables Trust 2018-B A3 2.96% Due 9/15/2022	591,787.79	07/25/2019 1.48%	598,052.41 596,201.50	101.52 0.31%	600,806.63 778.53	0.67% 4,605.13	Aaa / AAA NR	2.21 0.57
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	445,316.58	07/18/2018 3.10%	445,282.83 445,297.99	101.60 0.33%	452,444.74 609.59	0.51% 7,146.75	Aaa / NR AAA	2.38 0.58
47789JAD8	John Deere Owner Trust 2019-A A3 2.91% Due 7/17/2023	650,000.00	06/24/2020 1.26%	667,087.89 667,011.33	102.62 0.53%	667,001.40 840.67	0.75% (9.93)	Aaa / NR AAA	3.05 1.08
43815NAC8	Honda Auto Receivables Trust 2019-3 A3 1.78% Due 8/15/2023	545,000.00	08/20/2019 1.79%	544,995.48 544,996.73	102.06 0.55%	556,203.02 431.16	0.62% 11,206.29	Aaa / AAA NR	3.13 1.64
477870AC3	John Deere Owner Trust 2019-B A3 2.21% Due 12/15/2023	280,000.00	07/16/2019 2.23%	279,940.56 279,953.26	101.81 0.88%	285,079.48 275.02	0.32% 5,126.22	Aaa / NR AAA	3.46 1.35
92348AAA3	Verizon Owner Trust 2019-C A1A 1.94% Due 4/22/2024	370,000.00	10/01/2019 1.95%	369,971.47 369,976.06	102.58 0.32%	379,557.84 219.33	0.42% 9,581.78	NR / AAA AAA	3.81 1.73
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.93% Due 7/15/2024	980,000.00	Various 1.70%	984,828.76 984,613.06	102.78 0.48%	1,007,261.64 840.62	1.12% 22,648.58	Aaa / AAA NR	4.04 1.89
43813DAC2	Honda Auto Receivables 2020-2 A3 0.82% Due 7/15/2024	280,000.00	05/18/2020 0.83%	279,977.96 279,978.47	100.67 0.52%	281,875.44 102.04	0.31% 1,896.97	Aaa / AAA NR	4.04 2.18

Holdings Report

As of June 30, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
47789KAC7	John Deere Owner Trust 2020-A A3 1.1% Due 8/15/2024	460,000.00	03/04/2020 1.11%	459,971.89 459,973.84	100.85 0.74%	463,893.90 224.89	0.52% 3,920.06	Aaa / NR AAA	4.13 2.32
Total ABS		5,224,144.96	1.83%	5,250,582.36 5,249,506.70	0.47%	5,323,987.26 4,850.99	5.94% 74,480.56	Aaa / AAA AAA	3.18 1.35
AGENCY									
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	440,000.00	02/17/2016 1.46%	438,222.40 439,774.27	100.73 0.22%	443,227.84 2,235.14	0.50% 3,453.57	Aaa / AA+ AAA	0.64 0.63
3135G0J20	FNMA Note 1.375% Due 2/26/2021	1,275,000.00	Various 1.46%	1,269,953.70 1,274,317.28	100.74 0.25%	1,284,371.25 6,087.24	1.44% 10,053.97	Aaa / AA+ AAA	0.66 0.65
3135G0K69	FNMA Note 1.25% Due 5/6/2021	400,000.00	05/27/2016 1.48%	395,724.00 399,266.36	100.90 0.19%	403,600.40 763.89	0.45% 4,334.04	Aaa / AA+ AAA	0.85 0.85
3135G0U35	FNMA Note 2.75% Due 6/22/2021	500,000.00	06/28/2018 2.70%	500,740.00 500,241.91	102.49 0.20%	512,426.00 343.75	0.57% 12,184.09	Aaa / AA+ AAA	0.98 0.97
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	1,285,000.00	10/04/2016 1.33%	1,273,126.60 1,282,423.57	100.98 0.18%	1,297,532.61 6,706.09	1.45% 15,109.04	Aaa / AA+ AAA	1.04 1.03
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	1,250,000.00	08/30/2016 1.33%	1,237,737.50 1,247,238.05	101.06 0.17%	1,263,295.00 5,429.69	1.42% 16,056.95	Aaa / AA+ AAA	1.12 1.11
3135G0N82	FNMA Note 1.25% Due 8/17/2021	1,285,000.00	Various 1.29%	1,282,305.71 1,284,376.52	101.19 0.19%	1,300,317.20 5,978.82	1.46% 15,940.68	Aaa / AA+ AAA	1.13 1.12
3130AF5B9	FHLB Note 3% Due 10/12/2021	1,350,000.00	11/29/2018 2.91%	1,353,402.00 1,351,520.66	103.60 0.19%	1,398,598.65 8,887.50	1.57% 47,077.99	Aaa / AA+ NR	1.28 1.26
3135G0S38	FNMA Note 2% Due 1/5/2022	1,350,000.00	04/25/2017 1.92%	1,354,927.50 1,351,589.79	102.74 0.19%	1,386,994.05 13,200.00	1.56% 35,404.26	Aaa / AA+ AAA	1.52 1.48
3135G0T45	FNMA Note 1.875% Due 4/5/2022	1,315,000.00	06/19/2017 1.88%	1,314,801.44 1,314,927.04	102.95 0.20%	1,353,810.91 5,890.10	1.52% 38,883.87	Aaa / AA+ AAA	1.76 1.73
3130A3KM5	FHLB Note 2.5% Due 12/9/2022	775,000.00	08/28/2018 2.83%	764,808.75 769,190.40	105.26 0.33%	815,793.68 1,184.03	0.91% 46,603.28	Aaa / AA+ NR	2.44 2.38
3135G0T94	FNMA Note 2.375% Due 1/19/2023	1,000,000.00	03/14/2018 2.73%	984,140.00 991,648.86	105.64 0.16%	1,056,425.00 10,687.50	1.19% 64,776.14	Aaa / AA+ AAA	2.56 2.47

Holdings Report

As of June 30, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3137EAER6	FHLMC Note 0.375% Due 5/5/2023	1,660,000.00	05/05/2020 0.39%	1,659,302.80 1,659,337.88	100.26 0.28%	1,664,312.68 933.75	1.86% 4,974.80	Aaa / AA+ AAA	2.85 2.83
3135G04Q3	FNMA Note 0.25% Due 5/22/2023	1,645,000.00	05/20/2020 0.35%	1,640,048.55 1,640,229.42	99.90 0.29%	1,643,272.75 445.52	1.83% 3,043.33	NR / AA+ AAA	2.89 2.88
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	1,200,000.00	07/20/2018 2.86%	1,193,976.00 1,196,359.38	107.49 0.22%	1,289,838.00 1,100.00	1.44% 93,478.62	Aaa / AA+ AAA	2.97 2.87
313383YJ4	FHLB Note 3.375% Due 9/8/2023	1,200,000.00	10/29/2018 3.08%	1,215,756.00 1,210,344.04	109.77 0.29%	1,317,230.40 12,712.50	1.48% 106,886.36	Aaa / AA+ NR	3.19 3.02
3135G0U43	FNMA Note 2.875% Due 9/12/2023	1,500,000.00	06/21/2019 1.89%	1,559,805.00 1,545,329.16	108.37 0.25%	1,625,566.50 13,057.29	1.83% 80,237.34	Aaa / AA+ AAA	3.20 3.06
3130A0F70	FHLB Note 3.375% Due 12/8/2023	1,075,000.00	Various 2.74%	1,106,057.50 1,096,782.33	110.37 0.34%	1,186,508.68 2,317.97	1.33% 89,726.35	Aaa / AA+ AAA	3.44 3.27
3130AB3H7	FHLB Note 2.375% Due 3/8/2024	1,500,000.00	04/29/2019 2.37%	1,500,105.00 1,500,079.67	107.22 0.40%	1,608,292.50 11,182.29	1.81% 108,212.83	Aaa / AA+ NR	3.69 3.53
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	1,500,000.00	06/18/2019 1.96%	1,564,890.20 1,551,427.80	109.71 0.40%	1,645,687.51 2,036.46	1.84% 94,259.71	Aaa / AA+ NR	3.96 3.77
3130A2UW4	FHLB Note 2.875% Due 9/13/2024	1,200,000.00	09/13/2019 1.79%	1,262,028.00 1,252,200.10	110.42 0.37%	1,324,986.00 10,350.00	1.49% 72,785.90	Aaa / AA+ AAA	4.21 3.96
3135G0W66	FNMA Note 1.625% Due 10/15/2024	1,755,000.00	Various 1.49%	1,765,434.95 1,764,703.70	105.08 0.43%	1,844,068.01 6,020.63	2.06% 79,364.31	Aaa / AA+ AAA	4.30 4.14
3135G0X24	FNMA Note 1.625% Due 1/7/2025	1,875,000.00	Various 1.47%	1,888,349.75 1,887,448.21	105.35 0.43%	1,975,374.38 14,472.66	2.22% 87,926.17	Aaa / AA+ AAA	4.53 4.34
3137EAEP0	FHLMC Note 1.5% Due 2/12/2025	1,920,000.00	02/13/2020 1.52%	1,918,521.60 1,918,633.39	104.78 0.45%	2,011,793.28 10,960.00	2.26% 93,159.89	Aaa / NR AAA	4.62 4.45
3135G03U5	FNMA Note 0.625% Due 4/22/2025	1,510,000.00	04/22/2020 0.67%	1,506,889.40 1,507,005.37	100.81 0.45%	1,522,231.00 1,756.42	1.70% 15,225.63	NR / AA+ AAA	4.81 4.73
3135G04Z3	FNMA Note 0.5% Due 6/17/2025	950,000.00	06/17/2020 0.54%	948,033.50 948,046.44	100.04 0.49%	950,362.90 158.33	1.06% 2,316.46	NR / AA+ AAA	4.97 4.90
Total Agency		32,715,000.00	1.71%	32,899,087.85 32,884,441.60	0.31%	34,125,917.18 154,897.57	38.24% 1,241,475.58	Aaa / AA+ AAA	2.94 2.84



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
594918BG8	Microsoft Callable Note Cont. 10/3/2020 2% Due 11/3/2020	325,000.00	10/29/2015 2.02%	324,740.00 324,982.21	100.41 0.42%	326,324.05 1,047.22	0.37% 1,341.84	Aaa / AAA AA+	0.35 0.26
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	800,000.00	02/06/2017 2.16%	803,768.00 800,265.91	100.48 0.43%	803,864.80 2,964.44	0.90% 3,598.89	A3 / A A	0.35 0.26
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	875,000.00	Various 1.97%	884,992.10 876,389.86	101.15 0.50%	885,057.25 6,480.83	0.99% 8,667.39	Aa1 / AA NR	0.67 0.66
24422ESL4	John Deere Capital Corp Note 2.8% Due 3/4/2021	315,000.00	05/24/2017 2.12%	322,663.95 316,372.15	101.67 0.33%	320,260.50 2,866.50	0.36% 3,888.35	A2 / A A	0.68 0.67
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	410,000.00	05/08/2018 3.24%	407,150.50 409,183.63	102.31 0.32%	419,466.08 1,708.33	0.47% 10,282.45	A2 / A NR	0.86 0.86
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	940,000.00	Various 2.32%	932,971.20 937,032.38	101.44 0.33%	953,492.76 2,138.50	1.07% 16,460.38	A1 / A AA-	0.88 0.88
594918BP8	Microsoft Callable Note Cont 7/8/2021 1.55% Due 8/8/2021	590,000.00	Various 1.57%	589,298.90 589,845.27	101.37 0.21%	598,077.10 3,632.60	0.67% 8,231.83	Aaa / AAA AA+	1.11 1.01
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.9% Due 9/15/2021	804,000.00	11/29/2016 2.40%	785,998.44 799,458.42	101.71 0.38%	817,740.36 4,497.93	0.92% 18,281.94	A3 / A A-	1.21 1.11
89236TDP7	Toyota Motor Credit Corp Note 2.6% Due 1/11/2022	750,000.00	Various 3.16%	736,272.75 743,971.74	103.09 0.57%	773,152.50 9,208.33	0.87% 29,180.76	A1 / A+ A+	1.53 1.49
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 7/28/2022	890,000.00	07/25/2017 2.45%	889,919.90 889,966.79	103.77 0.55%	923,553.89 9,267.13	1.04% 33,587.10	A2 / A A+	2.08 1.93
44932HAC7	IBM Credit Corp Note 2.2% Due 9/8/2022	950,000.00	Various 2.65%	932,933.50 941,101.77	103.63 0.53%	984,503.05 6,560.28	1.11% 43,401.28	A2 / A NR	2.19 2.13
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	925,000.00	Various 3.11%	919,202.75 922,018.16	103.55 0.66%	957,807.90 12,676.41	1.08% 35,789.74	A2 / A- AA-	2.55 1.49
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	750,000.00	05/20/2019 2.73%	748,027.50 748,623.36	105.16 0.56%	788,730.00 8,612.50	0.89% 40,106.64	A2 / A A	2.57 2.39
24422ETG4	John Deere Capital Corp Note 2.8% Due 3/6/2023	650,000.00	Various 3.23%	637,699.50 643,053.57	106.23 0.46%	690,504.75 5,813.89	0.78% 47,451.18	A2 / A A	2.68 2.58

Holdings Report

As of June 30, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
06406RAG2	Bank of NY Mellon Corp Note 3.5% Due 4/28/2023	800,000.00	05/16/2019 2.78%	821,248.00 815,223.55	108.02 0.63%	864,157.60 4,900.00	0.97% 48,934.05	A1 / A AA-	2.83 2.70
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	900,000.00	Various 3.18%	871,569.25 881,516.71	105.71 0.38%	951,363.00 3,480.00	1.07% 69,846.29	Aa1 / AA+ NR	2.84 2.75
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	904,000.00	04/26/2019 2.68%	928,769.60 921,640.22	108.94 0.31%	984,787.77 426.89	1.10% 63,147.55	Aa2 / AA AA	2.99 2.79
02665WCJ8	American Honda Finance Note 3.45% Due 7/14/2023	225,000.00	07/11/2018 3.49%	224,610.75 224,763.55	107.60 0.91%	242,089.65 3,600.94	0.27% 17,326.10	A3 / A- NR	3.04 2.86
69371RP59	Paccar Financial Corp Note 3.4% Due 8/9/2023	760,000.00	Various 3.28%	763,588.40 762,665.20	108.21 0.72%	822,420.32 10,192.44	0.93% 59,755.12	A1 / A+ NR	3.11 2.94
06406RAJ6	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	250,000.00	05/16/2019 2.79%	256,575.00 254,837.56	108.58 0.66%	271,457.50 3,354.17	0.31% 16,619.94	A1 / A AA-	3.12 2.94
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	750,000.00	Various 3.38%	757,259.00 755,457.04	108.63 0.94%	814,720.50 6,117.19	0.92% 59,263.46	A3 / A- NR	3.28 3.09
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	1,100,000.00	Various 2.77%	1,114,320.00 1,112,022.71	106.90 0.94%	1,175,858.20 12,582.78	1.33% 63,835.49	A2 / A- A+	3.68 2.55
89114QCB2	Toronto Dominion Bank Note 3.25% Due 3/11/2024	1,100,000.00	Various 2.79%	1,121,362.00 1,117,237.63	108.90 0.80%	1,197,847.20 10,923.61	1.35% 80,609.57	Aa3 / A AA-	3.70 3.48
404280BS7	HSBC Holdings PLC Callable Note 1X 5/18/2023 3.95% Due 5/18/2024	1,100,000.00	Various 2.15%	1,156,826.00 1,147,621.06	107.47 1.30%	1,182,175.50 5,189.86	1.32% 34,554.44	A2 / A- A+	3.88 2.73
69371RQ25	Paccar Financial Corp Note 2.15% Due 8/15/2024	195,000.00	08/08/2019 2.20%	194,569.05 194,644.77	105.30 0.84%	205,326.03 1,583.83	0.23% 10,681.26	A1 / A+ NR	4.13 3.93
78015K7C2	Royal Bank of Canada Note 2.25% Due 11/1/2024	1,100,000.00	Various 2.21%	1,102,086.00 1,101,914.67	105.22 1.02%	1,157,376.00 4,125.00	1.30% 55,461.33	A2 / A AA	4.34 4.13
14913Q3B3	Caterpillar Finl Service Note 2.15% Due 11/8/2024	1,100,000.00	01/28/2020 1.91%	1,111,770.00 1,110,737.43	106.13 0.72%	1,167,412.40 3,481.81	1.31% 56,674.97	A3 / A A	4.36 4.16
90331HPL1	US Bank NA Callable Note Cont 12/21/2024 2.05% Due 1/21/2025	955,000.00	01/16/2020 2.10%	952,965.85 953,146.22	105.64 0.77%	1,008,822.85 8,701.11	1.14% 55,676.63	A1 / AA- AA-	4.56 4.25
Total Corporate		21,213,000.00	2.58%	21,293,157.89 21,295,693.54	0.64%	22,288,349.51 156,134.52	25.04% 992,655.97	A1 / A+ A+	2.67 2.39



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
316175884	Fidelity Institutional Money Market Fund 696	78,281.48	Various 0.01%	78,281.48 78,281.48	1.00 0.01%	78,281.48 0.00	0.09% 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		78,281.48	0.01%	78,281.48	0.01%	78,281.48 0.00	0.09% 0.00	Aaa / AAA NR	0.00 0.00
MUNICIPAL BONDS									
13063DRK6	California St Taxable GO 2.4% Due 10/1/2024	900,000.00	10/16/2019 1.91%	920,673.00 917,796.66	106.69 0.80%	960,183.00 5,400.00	1.08% 42,386.34	Aa2 / AA- AA	4.26 4.04
Total Municipal Bonds		900,000.00	1.91%	920,673.00 917,796.66	0.80%	960,183.00 5,400.00	1.08% 42,386.34	Aa2 / AA- AA	4.26 4.04
SUPRANATIONAL									
45950KCM0	International Finance Corp Note 2.25% Due 1/25/2021	410,000.00	01/18/2018 2.35%	408,794.60 409,771.24	101.09 0.34%	414,448.50 3,997.50	0.47% 4,677.26	Aaa / AAA NR	0.57 0.56
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	1,275,000.00	01/10/2017 2.15%	1,273,431.75 1,274,513.89	102.78 0.32%	1,310,487.08 12,267.45	1.48% 35,973.19	Aaa / NR AAA	1.55 1.52
4581X0CZ9	Inter-American Dev Bank Note 1.75% Due 9/14/2022	800,000.00	Various 2.40%	777,732.00 789,258.14	103.24 0.28%	825,915.20 4,161.12	0.93% 36,657.06	Aaa / AAA AAA	2.21 2.16
Total Supranational		2,485,000.00	2.26%	2,459,958.35 2,473,543.27	0.31%	2,550,850.78 20,426.07	2.87% 77,307.51	Aaa / AAA AAA	1.61 1.57
US TREASURY									
912828N89	US Treasury Note 1.375% Due 1/31/2021	1,285,000.00	03/09/2016 1.40%	1,283,749.42 1,284,850.24	100.69 0.20%	1,293,834.38 7,378.16	1.45% 8,984.14	Aaa / AA+ AAA	0.59 0.58
912828B90	US Treasury Note 2% Due 2/28/2021	1,250,000.00	04/26/2016 1.40%	1,285,111.61 1,254,808.72	101.20 0.21%	1,264,941.25 8,355.98	1.42% 10,132.53	Aaa / AA+ AAA	0.67 0.66
912828Q37	US Treasury Note 1.25% Due 3/31/2021	375,000.00	12/13/2016 1.81%	366,314.73 373,487.83	100.80 0.18%	378,017.63 1,178.28	0.42% 4,529.80	Aaa / AA+ AAA	0.75 0.75
912828T34	US Treasury Note 1.125% Due 9/30/2021	1,300,000.00	11/09/2016 1.48%	1,278,016.07 1,294,383.94	101.19 0.17%	1,315,437.50 3,676.23	1.47% 21,053.56	Aaa / AA+ AAA	1.25 1.24

Holdings Report

As of June 30, 2020



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US TREASURY									
912828F96	US Treasury Note 2% Due 10/31/2021	1,025,000.00	01/27/2017 1.94%	1,027,686.05 1,025,753.95	102.44 0.17%	1,049,984.38 3,453.80	1.18% 24,230.43	Aaa / AA+ AAA	1.34 1.32
912828J43	US Treasury Note 1.75% Due 2/28/2022	1,360,000.00	03/13/2017 2.14%	1,335,407.68 1,351,757.30	102.61 0.19%	1,395,434.80 7,954.89	1.57% 43,677.50	Aaa / AA+ AAA	1.67 1.64
912828XG0	US Treasury Note 2.125% Due 6/30/2022	1,100,000.00	08/15/2017 1.82%	1,115,601.34 1,106,396.72	103.91 0.17%	1,142,968.20 63.52	1.28% 36,571.48	Aaa / AA+ AAA	2.00 1.97
912828L24	US Treasury Note 1.875% Due 8/31/2022	1,000,000.00	09/26/2017 1.87%	1,000,433.04 1,000,190.40	103.68 0.17%	1,036,836.00 6,266.98	1.16% 36,645.60	Aaa / AA+ AAA	2.17 2.12
912828L57	US Treasury Note 1.75% Due 9/30/2022	1,240,000.00	10/17/2017 1.99%	1,226,243.75 1,233,753.38	103.54 0.17%	1,283,933.20 5,454.64	1.44% 50,179.82	Aaa / AA+ AAA	2.25 2.21
912828N30	US Treasury Note 2.125% Due 12/31/2022	1,150,000.00	01/25/2018 2.46%	1,132,121.09 1,140,931.42	104.87 0.17%	1,206,017.65 66.41	1.35% 65,086.23	Aaa / AA+ AAA	2.50 2.45
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,500,000.00	05/29/2019 2.05%	1,472,988.28 1,479,645.04	104.77 0.19%	1,571,542.50 4,106.66	1.76% 91,897.46	Aaa / AA+ AAA	3.34 3.25
912828V23	US Treasury Note 2.25% Due 12/31/2023	1,250,000.00	06/21/2019 1.80%	1,274,560.55 1,269,011.74	107.16 0.20%	1,339,452.50 76.43	1.49% 70,440.76	Aaa / AA+ AAA	3.50 3.39
912828B66	US Treasury Note 2.75% Due 2/15/2024	1,500,000.00	04/29/2019 2.31%	1,529,648.44 1,522,405.56	109.18 0.21%	1,637,754.00 15,525.41	1.84% 115,348.44	Aaa / AA+ AAA	3.63 3.45
912828X70	US Treasury Note 2% Due 4/30/2024	1,000,000.00	06/10/2019 1.92%	1,003,515.63 1,002,755.39	106.81 0.21%	1,068,125.00 3,369.57	1.20% 65,369.61	Aaa / AA+ AAA	3.84 3.70
912828XX3	US Treasury Note 2% Due 6/30/2024	1,450,000.00	12/12/2019 1.74%	1,466,595.70 1,464,587.43	107.07 0.22%	1,552,462.80 78.80	1.73% 87,875.37	Aaa / AA+ AAA	4.00 3.87
912828D56	US Treasury Note 2.375% Due 8/15/2024	1,500,000.00	03/05/2020 0.68%	1,611,093.75 1,603,085.14	108.80 0.23%	1,631,953.50 13,408.31	1.84% 28,868.36	Aaa / AA+ AAA	4.13 3.93
9128283D0	US Treasury Note 2.25% Due 10/31/2024	1,500,000.00	11/07/2019 1.77%	1,533,925.78 1,529,524.19	108.64 0.25%	1,629,550.50 5,686.14	1.82% 100,026.31	Aaa / AA+ AAA	4.34 4.14

Holdings Report

As of June 30, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828ZC7	US Treasury Note 1.125% Due 2/28/2025	2,000,000.00	03/18/2020 0.81%	2,030,859.38 2,029,083.30	104.01 0.26%	2,080,156.00 7,520.38	2.33% 51,072.70	Aaa / AA+ AAA	4.67 4.54
Total US Treasury		22,785,000.00	1.69%	22,973,872.29 22,966,411.69	0.20%	23,878,401.79 93,620.59	26.74% 911,990.10	Aaa / AA+ AAA	2.82 2.73
TOTAL PORTFOLIO		85,400,426.44	1.95%	85,875,613.22 85,865,674.94	0.38%	89,205,971.00 435,329.74	100.00% 3,340,296.06	Aa1 / AA AAA	2.83 2.58
TOTAL MARKET VALUE PLUS ACCRUED						89,641,300.74			

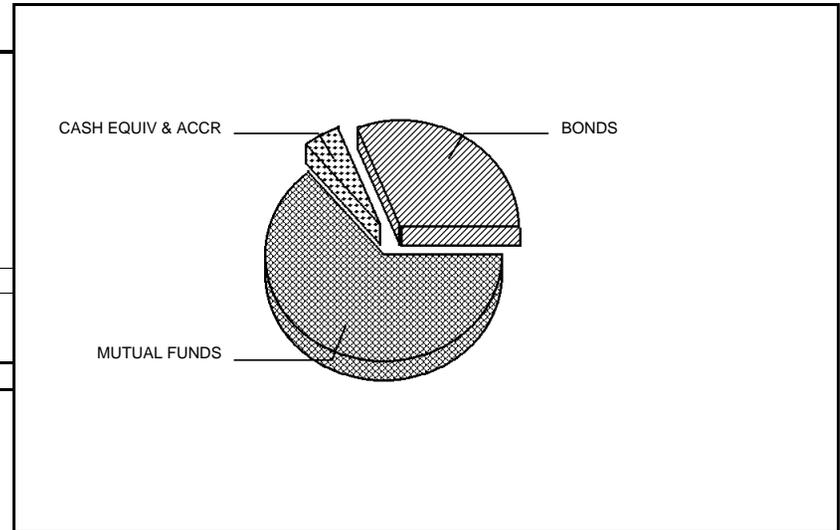
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PARS/CITY OF BREA 115P PEN
 ACCOUNT 6746050800

ASSET SUMMARY

ASSETS	06/30/2020 MARKET	06/30/2020 BOOK VALUE	% OF MARKET
Cash And Equivalents	350,964.89	350,964.89	4.01
Corporate Issues	2,680,142.50	2,591,193.50	30.65
Mutual Funds-Equity	5,084,597.91	4,607,765.41	58.15
Mutual Funds-Fixed Income	606,128.09	586,909.90	6.93
Total Assets	8,721,833.39	8,136,833.70	99.74
Accrued Income	22,609.20	22,609.20	0.26
Grand Total	8,744,442.59	8,159,442.90	100.00
Estimated Annual Income	179,333.76		



ASSET SUMMARY MESSAGES

Estimated Annual Income is an estimate provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.

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 0401 -17-02877-04



PARS/CITY OF BREA 115P PEN
 ACCOUNT 6746050800

ASSET DETAIL

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ADJ PRIOR MARKET / ADJ PRIOR MARKET UNREALIZED GAIN/LOSS	ENDING ACCRUAL YIELD ON MARKET
Cash And Equivalents						
Money Markets						
First Am Govt Ob Fd Cl Z 31846V567 Asset Minor Code 1	349,744.050	349,744.05 1.0000	349,744.05	.00 .00	349,744.05 .00	18.97 0.06
Total Money Markets	349,744.050	349,744.05	349,744.05	.00 .00	349,744.05 .00	18.97 0.06
Cash						
Cash		1,220.84	1,220.84		1,220.84	
Total Cash	.000	1,220.84	1,220.84	.00 .00	1,220.84 .00	.00 0.00
Total Cash And Equivalents	349,744.050	350,964.89	350,964.89	.00 .00	350,964.89 .00	18.97 0.05
Corporate Issues						
At T Inc 4.250% 3/01/27 Standard & Poors Rating: BBB Moody's Rating: Baa2 00206RDQ2 Asset Minor Code 28	150,000.000	170,871.00 113.9140	165,376.50	5,494.50 5,494.50	165,376.50 5,494.50	2,125.00 3.73
Apple Inc 2.850% 2/23/23 Standard & Poors Rating: AA+ Moody's Rating: Aa1 037833BU3 Asset Minor Code 28	150,000.000	159,291.00 106.1940	158,403.00	888.00 5,692.50	153,598.50 5,692.50	1,520.00 2.68

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PARS/CITY OF BREA 115P PEN
 ACCOUNT 6746050800

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ADJ PRIOR MARKET / ADJ PRIOR MARKET UNREALIZED GAIN/LOSS	ENDING ACCRUAL YIELD ON MARKET
Becton Dickinson 2.675% 12/15/19 Standard & Poors Rating: N/R Moody's Rating: WR 075887BE8 Asset Minor Code 28	.000	.00 100.0000	.00	.00 - 314.00	.00 .00	.00 0.00
Cisco Systems Inc 2.900% 3/04/21 Standard & Poors Rating: AA- Moody's Rating: A1 17275RAP7 Asset Minor Code 28	200,000.000	203,598.00 101.7990	207,884.00	- 4,286.00 1,144.00	202,454.00 1,144.00	1,885.00 2.85
Coca Cola Co The 2.250% 9/01/26 Standard & Poors Rating: A+ Moody's Rating: A1 191216BZ2 Asset Minor Code 28	150,000.000	162,982.50 108.6550	152,353.50	10,629.00 10,629.00	152,353.50 10,629.00	1,125.00 2.07
Exxon Mobil Corp 2.709% 3/06/25 Standard & Poors Rating: AA Moody's Rating: Aa1 30231GAF9 Asset Minor Code 28	100,000.000	107,324.00 107.3240	102,857.00	4,467.00 4,467.00	102,857.00 4,467.00	865.38 2.52
Gen Elec Cap Crp Mtn 6.000% 8/07/19 Standard & Poors Rating: N/R Moody's Rating: WR 36962G4D3 Asset Minor Code 28	.000	.00 100.0000	.00	.00 25,373.25	.00 .00	.00 0.00
Gen Elec Cap Crp Mtn 5.500% 1/08/20 Standard & Poors Rating: N/R Moody's Rating: WR 36962G4J0 Asset Minor Code 28	.000	.00 100.0000	.00	.00 26,088.00	.00 .00	.00 0.00
Huntington 2.625% 8/06/24 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 446150AQ7 Asset Minor Code 28	50,000.000	52,943.00 105.8860	50,542.50	2,400.50 2,400.50	50,542.50 2,400.50	528.65 2.48



02328104
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PARS/CITY OF BREA 115P PEN
ACCOUNT 6746050800

Page 9 of 98
Period from July 1, 2019 to June 30, 2020

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ADJ PRIOR MARKET / ADJ PRIOR MARKET UNREALIZED GAIN/LOSS	ENDING ACCRUAL YIELD ON MARKET
Intercontinental 3.750% 12/01/25 Standard & Poors Rating: A Moody's Rating: A2 45866FAD6 Asset Minor Code 28	100,000.000	114,298.00 114.2980	104,231.00	10,067.00 7,409.00	106,889.00 7,409.00	312.50 3.28
Jp Morgan Chase Co 2.700% 5/18/23 Standard & Poors Rating: A- Moody's Rating: A2 46625HRL6 Asset Minor Code 28	75,000.000	79,051.50 105.4020	74,970.75	4,080.75 3,282.75	75,768.75 3,282.75	241.88 2.56
Kimberly Clark Corp 2.750% 2/15/26 Standard & Poors Rating: A Moody's Rating: A2 494368BU6 Asset Minor Code 28	100,000.000	109,600.00 109.6000	103,111.00	6,489.00 7,767.00	101,833.00 7,767.00	1,038.89 2.51
Medtronic Inc 3.125% 3/15/22 Standard & Poors Rating: N/R Moody's Rating: WR 585055AX4 Asset Minor Code 28	.000	.00 103.1000	.00	.00 2,486.00	.00 .00	.00 0.00
Mondelez Int 4.000% 2/01/24 Standard & Poors Rating: BBB Moody's Rating: Baa1 609207AB1 Asset Minor Code 28	100,000.000	110,314.00 110.3140	109,303.00	1,011.00 4,754.00	105,560.00 4,754.00	1,666.67 3.63
Mondelez 3.625% 2/13/26 Standard & Poors Rating: BBB Moody's Rating: Baa1 609207AR6 Asset Minor Code 28	75,000.000	84,609.00 112.8120	80,224.50	4,384.50 4,384.50	80,224.50 4,384.50	1,042.19 3.21
Nike Inc 2.375% 11/01/26 Standard & Poors Rating: AA- Moody's Rating: A1 654106AF0 Asset Minor Code 28	150,000.000	163,255.50 108.8370	144,841.00	18,414.50 12,768.50	150,487.00 12,768.50	593.75 2.18

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PARS/CITY OF BREA 115P PEN
ACCOUNT 6746050800

Page 10 of 98
Period from July 1, 2019 to June 30, 2020

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ADJ PRIOR MARKET / ADJ PRIOR MARKET UNREALIZED GAIN/LOSS	ENDING ACCRUAL YIELD ON MARKET
Pnc Financial 3.500% 1/23/24 Standard & Poors Rating: A- Moody's Rating: A3 693475AV7 Asset Minor Code 28	100,000.000	109,320.00 109.3200	105,422.00	3,898.00 3,898.00	105,422.00 3,898.00	1,536.11 3.20
Pepsico Inc 2.750% 4/30/25 Standard & Poors Rating: A+ Moody's Rating: A1 713448CT3 Asset Minor Code 28	75,000.000	81,840.00 109.1200	73,932.75	7,907.25 4,961.25	76,878.75 4,961.25	349.48 2.52
Stryker Corp 3.375% 11/01/25 Standard & Poors Rating: A- Moody's Rating: Baa1 863667AH4 Asset Minor Code 28	100,000.000	111,866.00 111.8660	100,401.00	11,465.00 6,781.00	105,085.00 6,781.00	562.50 3.02
Suntrust Banks Inc 2.700% 1/27/22 Standard & Poors Rating: A- Moody's Rating: A3 867914BM4 Asset Minor Code 28	100,000.000	103,138.00 103.1380	100,346.00	2,792.00 2,375.00	100,763.00 2,375.00	1,155.00 2.62
Verizon 5.150% 9/15/23 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 92343VBR4 Asset Minor Code 28	200,000.000	227,744.00 113.8720	230,048.00	- 2,304.00 4,428.00	223,316.00 4,428.00	3,032.78 4.52
Visa Inc 2.200% 12/14/20 Standard & Poors Rating: AA- Moody's Rating: Aa3 92826CAB8 Asset Minor Code 28	200,000.000	201,318.00 100.6590	204,764.00	- 3,446.00 1,004.00	200,314.00 1,004.00	207.78 2.19
Wells Fargo Mtn 3.300% 9/09/24 Standard & Poors Rating: A- Moody's Rating: A2 94974BGA2 Asset Minor Code 28	100,000.000	109,555.00 109.5550	103,890.00	5,665.00 6,079.00	103,476.00 6,079.00	1,026.67 3.01

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PARS/CITY OF BREA 115P PEN
 ACCOUNT 6746050800

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ADJ PRIOR MARKET / ADJ PRIOR MARKET UNREALIZED GAIN/LOSS	ENDING ACCRUAL YIELD ON MARKET
Zimmer Holdings Inc 3.550% 4/01/25 Standard & Poors Rating: BBB Moody's Rating: Baa3 98956PAF9 Asset Minor Code 28	200,000.000	217,224.00 108.6120	218,292.00	- 1,068.00 - 1,068.00	218,292.00 - 1,068.00	1,775.00 3.27
Total Corporate Issues	2,475,000.000	2,680,142.50	2,591,193.50	88,949.00 152,284.75	2,581,491.00 98,651.50	22,590.23 2.96

Mutual Funds

Mutual Funds-Equity

Columbia Contrarian Core Fund 19766M709 Asset Minor Code 98	21,999.720	595,092.43 27.0500	502,006.25	93,086.18 25,224.25	566,525.34 28,567.09	.00 1.20
Dfa Large Cap Intl Port. 233203868 Asset Minor Code 98	12,986.703	269,084.49 20.7200	265,343.51	3,740.98 - 11,639.75	279,056.80 - 9,972.31	.00 2.50
Dodge & Cox International Stock Fund 256206103 Asset Minor Code 98	4,855.896	172,675.66 35.5600	170,464.61	2,211.05 - 16,950.11	186,704.85 - 14,029.19	.00 4.81
Dodge & Cox Stock Fund 256219106 Asset Minor Code 98	2,727.211	438,262.81 160.7000	460,362.95	- 22,100.14 - 52,055.65	480,629.89 - 42,367.08	.00 2.09
Harbor Capital Appreciaton CI R 411512528 Asset Minor Code 98	3,646.763	327,005.24 89.6700	234,096.91	92,908.33 41,774.70	271,328.44 55,676.80	.00 0.13
Hartford Schroders Emerging Markets 41665H797 Asset Minor Code 98	.000	.00 13.5000	.00	.00 - 25,138.36	.00 .00	.00 0.00
Hartford Schroders Emerging Markets 41665X859 Asset Minor Code 98	23,242.678	353,288.71 15.2000	313,719.29	39,569.42 - 10,238.73	341,413.72 11,874.99	.00 2.55

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PARS/CITY OF BREA 115P PEN
 ACCOUNT 6746050800

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ADJ PRIOR MARKET / ADJ PRIOR MARKET UNREALIZED GAIN/LOSS	ENDING ACCRUAL YIELD ON MARKET
Ishares S P 500 Value Etf 464287408 Asset Minor Code 94	1,592.000	172,270.32 108.2100	199,058.86	- 26,788.54 - 26,788.54	199,058.86 - 26,788.54	.00 2.68
Ishares Russell Mid Cap Etf 464287499 Asset Minor Code 94	6,580.000	352,688.00 53.6000	299,769.45	52,918.55 - 28,225.00	365,753.05 - 13,065.05	.00 1.68
Mfs International Growth R6 552746356 Asset Minor Code 98	4,997.889	176,525.44 35.3200	139,391.37	37,134.07 202.43	172,589.68 3,935.76	.00 1.08
Price T Rowe Growth Stk Fd Inc 741479406 Asset Minor Code 98	3,978.201	318,454.99 80.0500	233,145.75	85,309.24 31,748.64	272,455.74 45,999.25	.00 0.30
Undiscovered Mgrs Behavioral Value 904504479 Asset Minor Code 98	5,274.717	237,151.28 44.9600	311,291.09	- 74,139.81 - 79,953.68	315,275.76 - 78,124.48	.00 1.25
Vanguard Growth & Income Adm Shs#593 921913208 Asset Minor Code 98	16,414.536	1,336,635.67 81.4300	1,158,424.38	178,211.29 50,205.76	1,279,011.51 57,624.16	.00 1.74
Vanguard Real Estate Etf 922908553 Asset Minor Code 94	1,067.000	83,791.51 78.5300	89,427.37	- 5,635.86 - 14,490.92	91,987.90 - 8,196.39	.00 3.96
Victory Rs Small Cap Growth Fund 92647Q363 Asset Minor Code 98	3,006.108	251,671.36 83.7200	231,263.62	20,407.74 - 14,766.81	250,806.57 864.79	.00 0.00
Total Mutual Funds-Equity	112,369.422	5,084,597.91	4,607,765.41	476,832.50 - 131,091.77	5,072,598.11 11,999.80	.00 1.64
Mutual Funds-Fixed Income						
Vanguard Short Term Invnt Grade #539 922031836 Asset Minor Code 99	55,404.761	606,128.09 10.9400	586,909.90	19,218.19 15,128.43	589,476.15 16,651.94	.00 2.71

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PARS/CITY OF BREA 115P PEN
 ACCOUNT 6746050800

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ADJ PRIOR MARKET / ADJ PRIOR MARKET UNREALIZED GAIN/LOSS	ENDING ACCRUAL YIELD ON MARKET
Total Mutual Funds-Fixed Income	55,404.761	606,128.09	586,909.90	19,218.19 15,128.43	589,476.15 16,651.94	.00 2.71
Total Mutual Funds	167,774.183	5,690,726.00	5,194,675.31	496,050.69 - 115,963.34	5,662,074.26 28,651.74	.00 1.75
Total Assets	2,992,518.233	8,721,833.39	8,136,833.70	584,999.69 36,321.41	8,594,530.15 127,303.24	22,609.20 2.06
Accrued Income	.000	22,609.20	22,609.20			
Grand Total	2,992,518.233	8,744,442.59	8,159,442.90			

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your account manager or relationship manager.

Yield on Market and Accrued Income are estimates provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.



Account #10129

As of June 30, 2020

PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.63
Average Coupon	2.01%
Average Purchase YTM	1.66%
Average Market YTM	0.19%
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	1.67 yrs
Average Life	1.67 yrs

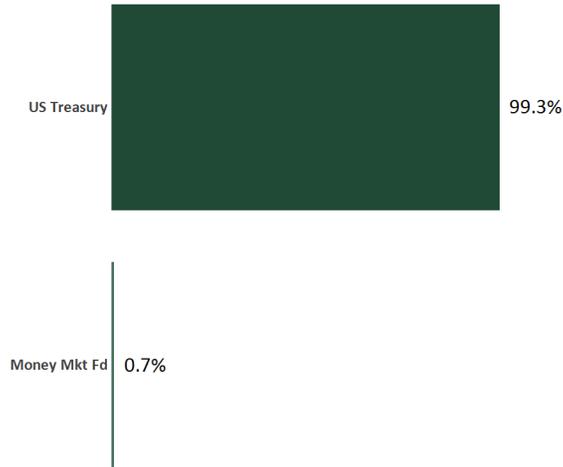
ACCOUNT SUMMARY

	Beg. Values as of 5/31/20	End Values as of 6/30/20
Market Value	274,033	274,159
Accrued Interest	1,116	1,079
Total Market Value	275,148	275,238
Income Earned	376	364
Cont/WD		0
Par	265,372	265,846
Book Value	265,825	266,225
Cost Value	269,380	269,853

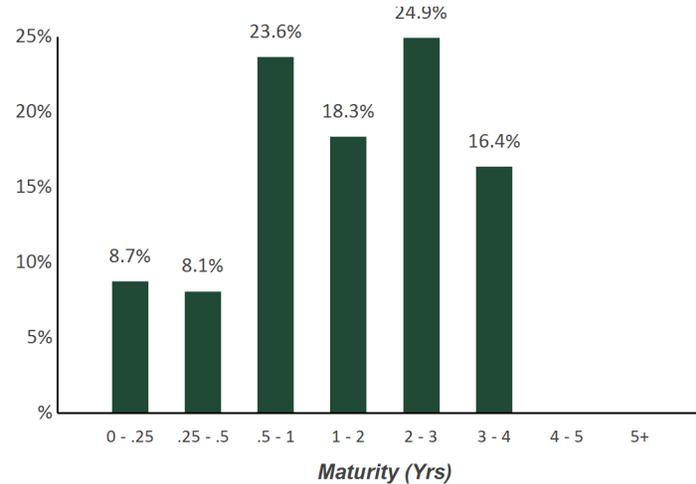
TOP ISSUERS

Government of United States	99.3%
Invesco Treasury Portfolio MMF	0.7%
Total	100.0%

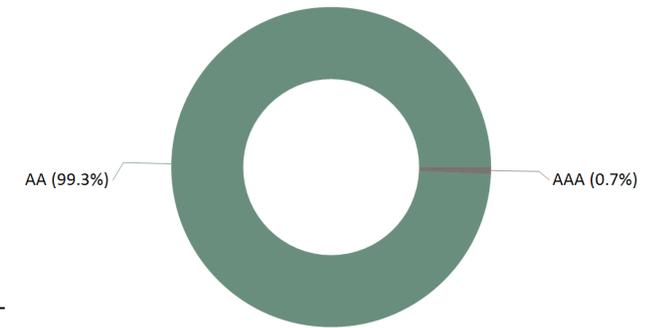
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	5/31/2010
Brea Lease Revenue Bonds, Reserve Account	0.03%	0.17%	3.14%	4.34%	4.49%	2.76%	2.12%	2.16%	2.28%
ICE BAML 3-Month US Treasury Bill Index	0.01%	0.02%	0.60%	1.63%	1.97%	1.77%	1.19%	0.64%	0.63%



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$265,824.63
Acquisition		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$473.75	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$473.75
Dispositions		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
Amortization/Accretion		
+/- Net Accretion	(\$72.89)	
		(\$72.89)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
ENDING BOOK VALUE		\$266,225.49

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$1,371.79
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$473.75	
Dividend Received	\$0.00	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$473.75	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
ENDING BOOK VALUE		\$1,845.54



Account #10129

As of June 30, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	1,845.54	Various 0.01%	1,845.54 1,845.54	1.00 0.01%	1,845.54 0.00	0.67% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		1,845.54	0.01%	1,845.54	0.01%	1,845.54	0.67%	Aaa / AAA	0.00
US TREASURY									
912828XM7	US Treasury Note 1.625% Due 7/31/2020	22,000.00	08/24/2016 1.03%	22,506.25 22,010.58	100.12 0.22%	22,026.36 149.29	8.06% 15.78	Aaa / AA+ AAA	0.08 0.09
912828WCO	US Treasury Note 1.75% Due 10/31/2020	22,000.00	Various 1.45%	22,276.59 22,021.01	100.52 0.20%	22,113.68 64.87	8.06% 92.67	Aaa / AA+ AAA	0.34 0.33
912828A83	US Treasury Note 2.375% Due 12/31/2020	22,000.00	08/24/2016 1.08%	23,208.35 22,139.16	101.08 0.22%	22,237.18 1.42	8.08% 98.02	Aaa / AA+ AAA	0.50 0.50
912828B90	US Treasury Note 2% Due 2/28/2021	22,000.00	08/24/2016 1.10%	22,868.90 22,127.59	101.20 0.21%	22,262.97 147.07	8.14% 135.38	Aaa / AA+ AAA	0.67 0.66
912828WN6	US Treasury Note 2% Due 5/31/2021	20,000.00	07/11/2016 1.01%	20,937.57 20,175.53	101.66 0.19%	20,331.24 33.88	7.40% 155.71	Aaa / AA+ AAA	0.92 0.91
912828F21	US Treasury Note 2.125% Due 9/30/2021	25,000.00	10/27/2016 1.38%	25,879.97 25,223.17	102.42 0.19%	25,605.48 133.54	9.35% 382.31	Aaa / AA+ AAA	1.25 1.23
912828J43	US Treasury Note 1.75% Due 2/28/2022	24,000.00	04/24/2017 1.84%	23,905.39 23,967.54	102.61 0.19%	24,625.32 140.38	9.00% 657.78	Aaa / AA+ AAA	1.67 1.64
912828L24	US Treasury Note 1.875% Due 8/31/2022	23,000.00	09/18/2017 1.84%	23,039.61 23,017.34	103.68 0.17%	23,847.23 144.14	8.72% 829.89	Aaa / AA+ AAA	2.17 2.12
912828N30	US Treasury Note 2.125% Due 12/31/2022	20,000.00	01/09/2018 2.31%	19,825.00 19,912.02	104.87 0.17%	20,974.22 1.15	7.62% 1,062.20	Aaa / AA+ AAA	2.50 2.45
9128284D9	US Treasury Note 2.5% Due 3/31/2023	22,000.00	06/13/2018 2.84%	21,669.14 21,810.48	106.36 0.18%	23,399.93 138.25	8.55% 1,589.45	Aaa / AA+ AAA	2.75 2.66
912828T91	US Treasury Note 1.625% Due 10/31/2023	20,000.00	02/21/2019 2.52%	19,214.84 19,441.86	104.77 0.19%	20,953.90 54.76	7.63% 1,512.04	Aaa / AA+ AAA	3.34 3.25



Account #10129

As of June 30, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828WJ5	US Treasury Note 2.5% Due 5/15/2024	22,000.00	06/18/2019 1.84%	22,676.33 22,533.67	108.80 0.22%	23,936.18 70.24	8.72% 1,402.51	Aaa / AA+ AAA	3.88 3.71
Total US Treasury		264,000.00	1.68%	268,007.94 264,379.95	0.20%	272,313.69 1,078.99	99.33% 7,933.74	Aaa / AA+ AAA	1.68 1.64
TOTAL PORTFOLIO		265,845.54	1.66%	269,853.48 266,225.49	0.19%	274,159.23 1,078.99	100.00% 7,933.74	Aaa / AA+ AAA	1.67 1.63
TOTAL MARKET VALUE PLUS ACCRUED						275,238.22			



Account #10600

As of June 30, 2020

PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.98
Average Coupon	2.16%
Average Purchase YTM	2.55%
Average Market YTM	0.19%
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.04 yrs
Average Life	2.04 yrs

ACCOUNT SUMMARY

	Beg. Values as of 5/31/20	End Values as of 6/30/20
Market Value	694,324	694,681
Accrued Interest	3,095	2,970
Total Market Value	697,419	697,651
Income Earned	1,432	1,384
Cont/WD		0
Par	665,926	667,233
Book Value	662,753	664,262
Cost Value	657,238	658,545

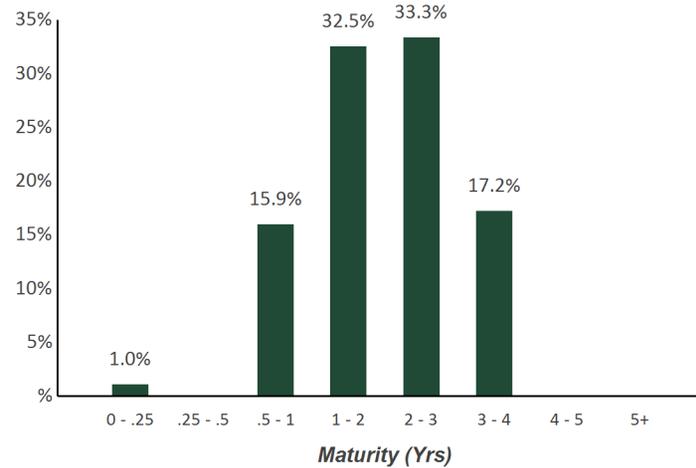
TOP ISSUERS

Government of United States	99.0%
Invesco Treasury Portfolio MMF	1.0%
Total	100.0%

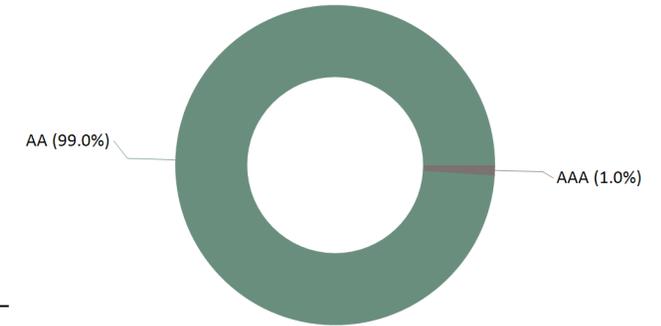
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	6/30/2018
Brea CFD 2008 2 17 Reserve Fund	0.03%	0.21%	3.66%	4.88%	4.88%	N/A	N/A	N/A	4.88%
ICE BAML 3-5 Yr US Treasury/Agency Index	0.13%	0.54%	5.86%	7.06%	6.69%	N/A	N/A	N/A	6.69%



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$662,752.66
Acquisition		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$1,306.63	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$1,306.63
Dispositions		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
Amortization/Accretion		
+/- Net Accretion	\$202.54	
		\$202.54
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
ENDING BOOK VALUE		\$664,261.83

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$5,926.26
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$1,306.25	
Dividend Received	\$0.38	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$1,306.63	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
ENDING BOOK VALUE		\$7,232.89



Account #10600

As of June 30, 2020

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	7,232.89	Various 0.01%	7,232.89 7,232.89	1.00 0.01%	7,232.89 0.00	1.04% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		7,232.89	0.01%	7,232.89	0.01%	7,232.89 0.00	1.04% 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828A83	US Treasury Note 2.375% Due 12/31/2020	110,000.00	06/28/2018 2.58%	109,467.19 109,893.55	101.08 0.22%	111,185.91 7.10	15.94% 1,292.36	Aaa / AA+ AAA	0.50 0.50
912828F21	US Treasury Note 2.125% Due 9/30/2021	110,000.00	06/28/2018 2.64%	108,242.58 109,326.00	102.42 0.19%	112,664.09 587.57	16.23% 3,338.09	Aaa / AA+ AAA	1.25 1.23
912828J43	US Treasury Note 1.75% Due 2/28/2022	110,000.00	06/13/2018 2.79%	105,986.72 108,202.17	102.61 0.19%	112,866.05 643.41	16.27% 4,663.88	Aaa / AA+ AAA	1.67 1.64
912828L24	US Treasury Note 1.875% Due 8/31/2022	110,000.00	06/13/2018 2.82%	105,887.89 107,886.50	103.68 0.17%	114,051.96 689.37	16.45% 6,165.46	Aaa / AA+ AAA	2.17 2.12
9128284D9	US Treasury Note 2.5% Due 3/31/2023	110,000.00	06/13/2018 2.84%	108,345.70 109,052.39	106.36 0.18%	116,999.63 691.26	16.87% 7,947.24	Aaa / AA+ AAA	2.75 2.66
912828WJ5	US Treasury Note 2.5% Due 5/15/2024	110,000.00	06/18/2019 1.84%	113,381.64 112,668.33	108.80 0.22%	119,680.88 351.22	17.21% 7,012.55	Aaa / AA+ AAA	3.88 3.71
Total US Treasury		660,000.00	2.58%	651,311.72 657,028.94	0.19%	687,448.52 2,969.93	98.96% 30,419.58	Aaa / AA+ AAA	2.06 2.00
TOTAL PORTFOLIO		667,232.89	2.55%	658,544.61 664,261.83	0.19%	694,681.41 2,969.93	100.00% 30,419.58	Aaa / AA+ AAA	2.04 1.98
TOTAL MARKET VALUE PLUS ACCRUED						697,651.34			

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: June and July Outgoing Payment Log and City Disbursement Registers for July 24 & 31 and August 7 & 14, 2020 - Receive and file

RECOMMENDATION

Receive and file.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Alicia Brenner

Attachments

June Outgoing Payment Log

July Outgoing Payment Log

07-24-20 City Disbursement Register

07-31-20 City Disbursement Register

08-07-20 City Disbursement Register

08-14-20 City Disbursement Register

City of Brea
Outgoing Payment Log
June 2020

Effective Date	Vendor	Description	Amount
<u>General Account Electronic payments</u>			
6/1/2020	IRS	Payroll Federal taxes	72.66
6/2/2020	Elavon	Credit card processing fees	2,426.65
6/3/2020	Citizens Business Bank	Credit card processing fees	2,835.95
6/5/2020	Brea Payroll	Brea staff payroll	810,213.22
6/5/2020	Brea Payroll	Employee deductions	264,114.98
6/5/2020	EDD	Payroll State taxes	52,046.78
6/5/2020	CA SDU	Child support payments	737.20
6/5/2020	IRS	Payroll Federal taxes	160,879.64
6/8/2020	CALPERS	Medical payment	387,762.03
6/10/2020	CALPERS	Member retirement	209,804.96
6/12/2020	CA Dept of Tax	Sales tax	5,268.86
6/12/2020	IRS	Payroll Federal taxes	90.15
6/19/2020	Brea Payroll	Brea staff payroll	884,494.32
6/19/2020	Brea Payroll	Employee deductions	105,405.79
6/19/2020	EDD	Payroll State taxes	62,061.50
6/19/2020	CA SDU	Child support payments	969.21
6/19/2020	IRS	Payroll Federal taxes	191,083.79
6/22/2020	CALPERS	Member retirement	208,585.98
6/22/2020	Paymentus	Monthly service fee	6,321.00
6/23/2020	Citizens Business Bank	Monthly banking service fee	1,448.21
6/23/2020	CA Dept of Tax	Sales tax	2,741.82
6/23/2020	IRS	Payroll Federal taxes	10.36
6/29/2020	ILJAO Payroll	ILJAO staff salary & payroll taxes	12,999.74
			3,372,374.80
 <u>Imprest Accounts</u>			
	Various	Workers Compensation Claims	140,804.90
	Various	General Liability Claims	12,522.30
		Subtotal	153,327.20
			\$ 3,525,702.00

City of Brea
Outgoing Payment Log
July 2020

Effective Date	Vendor	Description	Amount
<u>General Account Electronic payments</u>			
7/2/2020	Elavon	Credit card processing fees	2,516.81
7/3/2020	Brea Payroll	Brea staff payroll	847,929.24
7/3/2020	Brea Payroll	Employee deductions	94,342.28
7/3/2020	EDD	Payroll State taxes	55,214.03
7/3/2020	CA SDU	Child support payments	737.20
7/3/2020	IRS	Payroll Federal taxes	172,607.97
7/3/2020	Citizens Business Bank	Credit card processing fees	2,911.65
7/3/2020	Paypal	Paypal processing fees	74.95
7/7/2020	CALPERS	Medical payment	389,538.34
7/7/2020	CALPERS	Member retirement	16,440.00
7/8/2020	IRS	Payroll Federal taxes	51.38
7/10/2020	ADP	ILJAOE Payroll service fee	126.45
7/15/2020	CA Dept of Tax	Sales tax	331.32
7/17/2020	Brea Payroll	Brea staff payroll	937,732.35
7/17/2020	Brea Payroll	Employee deductions	132,057.40
7/17/2020	EDD	Payroll State taxes	66,442.62
7/17/2020	CA SDU	Child support payments	885.43
7/17/2020	IRS	Payroll Federal taxes	200,333.90
7/22/2020	Citizens Business Bank	Monthly banking service fee	1,434.62
7/22/2020	Paymentus	Monthly service fee	6,595.00
7/23/2020	CALPERS	Member retirement	208,254.21
7/24/2020	CALPERS	Member retirement	9,548,744.77
7/29/2020	IRS	Payroll Federal taxes	20.72
7/30/2020	ILJAOE Payroll	ILJAOE staff salary & payroll taxes	12,999.74
7/31/2020	Brea Payroll	Brea staff payroll	909,482.61
7/31/2020	Brea Payroll	Employee deductions	18,856.28
7/31/2020	EDD	Payroll State taxes	60,104.83
7/31/2020	CA SDU	Child support payments	694.79
7/31/2020	IRS	Payroll Federal taxes	179,636.52
			13,867,097.41
 <u>Imprest Accounts</u>			
	Various	Workers Compensation Claims	65,229.70
	Various	General Liability Claims	36,133.41
		Subtotal	101,363.11
			\$ 13,968,460.52

City Disbursement Register

Between Jul 20, 2020 12:00 AM and Jul 24, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
184701	AON RISK INSURANCE SVCS WEST, INC.	07/24/2020	26311	470141483	I08867306005 EARTHQKE	\$56,085.40
		07/24/2020	26311	470141483	ESP100072001 EARTHQKE	\$54,954.81
		07/24/2020	26311	470141483	W1BCFD200501 EARTHQKE	\$106,863.75
					AON RISK INSURANCE SVCS WEST, INC. Total Check Amount:	\$217,903.96
184702	ARMS UNLIMITED INC.	07/24/2020	26722	110212131	AMMUNITION	\$2,740.00
		07/24/2020	26722	110212131	FULL METAL GEAR	\$1,844.00
					ARMS UNLIMITED INC. Total Check Amount:	\$4,584.00
184703	AT&T	07/24/2020	23126	110212121	LOCATION FEE 2973522	\$850.00
					AT&T Total Check Amount:	\$850.00
184704	BANDERA ESTATES PARTNERSHIP	07/24/2020	29390	270323218	SENIOR SUBSIDY AUG20	\$508.00
					BANDERA ESTATES PARTNERSHIP Total Check Amount:	\$508.00
184705	BREA SISTER CITY ASSOCIATION	07/24/2020	11278	110111111	FY 19/20 STIPEND	\$2,000.00
		07/24/2020	11278	110111111	FY 20/21 STIPEND	\$2,000.00
					BREA SISTER CITY ASSOCIATION Total Check Amount:	\$4,000.00
184706	BROOKDALE BREA	07/24/2020	29391	270323218	SENIOR SUBSIDY AUG20	\$254.00
					BROOKDALE BREA Total Check Amount:	\$254.00
184707	CELLEBRITE USA CORP.	07/24/2020	22268	172212141	UFED4PC ULTIMATE SW	\$3,700.00
					CELLEBRITE USA CORP. Total Check Amount:	\$3,700.00
184708	CHARLES TAN & ASSOCIATES, INC.	07/24/2020	26706	110000000	PLAN CHK OVERHEAD 7/6	(\$14.00)
		07/24/2020	26706	840141412	PLN CHK THRU 7/6	\$150.00
		07/24/2020	26706	84032324P	PLN CHK THRU 7/6	\$364.00
					CHARLES TAN & ASSOCIATES, INC. Total Check Amount:	\$500.00
184709	CITY OF ANAHEIM	07/24/2020	4908	110222211	METRO CITIES 20/21 Q1	\$68,443.81
					CITY OF ANAHEIM Total Check Amount:	\$68,443.81
184710	COUNTY OF ORANGE	07/24/2020	4799	110212131	ANIMALSHLTR APR-JUN20	\$10,590.96
					COUNTY OF ORANGE Total Check Amount:	\$10,590.96
184711	COUNTY OF ORANGE	07/24/2020	4799	110323231	FY 20/21 LAFCO COST	\$6,573.82
					COUNTY OF ORANGE Total Check Amount:	\$6,573.82
184712	COUNTY OF ORANGE	07/24/2020	4799	110212122	JUN20 PRKNG CITATIONS	\$1,779.00
					COUNTY OF ORANGE Total Check Amount:	\$1,779.00
184713	COUNTY OF ORANGE	07/24/2020	4799	110212122	OCATS/ROUTER JUN20	\$1,104.51
					COUNTY OF ORANGE Total Check Amount:	\$1,104.51
184714	DEPARTMENT OF JUSTICE	07/24/2020	13406	110141481	FINGERPRINT APPS JUN2	\$360.00
					DEPARTMENT OF JUSTICE Total Check Amount:	\$360.00
184715	DOWNTOWN FORD SALES	07/24/2020	18138	480515161	2020 FORD F150,4X2	\$26,034.71
					DOWNTOWN FORD SALES Total Check Amount:	\$26,034.71
184716	EDEN K9 CONSULTING & TRAINING CORP	07/24/2020	29888	110212131	KATS PLATINUM	\$174.00
					EDEN K9 CONSULTING & TRAINING CORP Total Check Amount:	\$174.00
184717	SOUTHERN CALIFORNIA EDISON	07/24/2020	3343	110515144	ELECTRICITY JUN-JUL20	\$1,022.14
		07/24/2020	3343	346515112	ELECTRICITY JUN-JUL20	\$158.11
		07/24/2020	3343	360515145	ELECTRICITY JUN-JUL20	\$679.68
		07/24/2020	3343	361515148	ELECTRICITY JUN-JUL20	\$27.60
		07/24/2020	3343	430515123	ELECTRICITY JUN-JUL20	\$18.63
		07/24/2020	3343	110515121	ELECTRICITY JUN-JUL20	\$4,049.88
		07/24/2020	3343	110515141	ELECTRICITY JUN-JUL20	\$1,382.50
		07/24/2020	3343	110515148	ELECTRICITY JUN-JUL20	\$37.88
		07/24/2020	3343	420515131	ELECTRICITY JUN-JUL20	\$5,250.75
		07/24/2020	3343	490515151	ELECTRICITY JUN-JUL20	\$28,569.95
		07/24/2020	3343	880515113	ELECTRICITY JUN-JUL20	\$21.28
07/24/2020	3343	110515143	ELECTRICITY JUN-JUL20	\$779.35		
07/24/2020	3343	341515112	ELECTRICITY JUN-JUL20	\$209.06		
07/24/2020	3343	345515112	ELECTRICITY JUN-JUL20	\$34.16		

City Disbursement Register

Between Jul 20, 2020 12:00 AM and Jul 24, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
		07/24/2020	3343	343515112	ELECTRICITY JUN-JUL20	\$88.09
					SOUTHERN CALIFORNIA EDISON	Total Check Amount: \$42,329.06
184718	ELECTRIC CAR SALES AND SERVICE, INC	07/24/2020	26704	480515161	SIDE MIRROR	\$168.68
					ELECTRIC CAR SALES AND SERVICE, INC	Total Check Amount: \$168.68
184719	EMERGENCY POWER CONTROLS	07/24/2020	12002	430515123	TEST TRANSFER SWITCH	\$850.00
		07/24/2020	12002	420515131	TEST TRANSFER SWITCH	\$850.00
					EMERGENCY POWER CONTROLS	Total Check Amount: \$1,700.00
184720	FOREMOST PROMOTIONS	07/24/2020	21852	110	PROMO CUPS S/TAX	(\$36.81)
		07/24/2020	21852	110	PD PROMO ITEMS S/TAX	(\$18.41)
		07/24/2020	21852	110212111	PD PROMO ITEMS	\$587.92
		07/24/2020	21852	110212111	PD PROMO CUPS	\$284.07
					FOREMOST PROMOTIONS	Total Check Amount: \$816.77
184721	FRANCHISE TAX BOARD	07/24/2020	13287	110	CD918039819 071720 PR	\$186.68
					FRANCHISE TAX BOARD	Total Check Amount: \$186.68
184722	FRONTIER COMMUNICATIONS	07/24/2020	26183	420515131	5621821023 7/7-8/6	\$62.36
					FRONTIER COMMUNICATIONS	Total Check Amount: \$62.36
184723	GALVEZ QUALITY AUTO GLASS	07/24/2020	27010	480515161	WINDSHIELD REPLACEMENT	\$265.00
					GALVEZ QUALITY AUTO GLASS	Total Check Amount: \$265.00
184724	THE GAS COMPANY	07/24/2020	3749	490515151	GAS JUN-JUL20	\$998.75
					THE GAS COMPANY	Total Check Amount: \$998.75
184725	GATEWAY URGENT CARE CENTER	07/24/2020	27352	110141481	MED EXAMS MAY 2020	\$745.00
					GATEWAY URGENT CARE CENTER	Total Check Amount: \$745.00
184726	GMS ELEVATOR SERVICES, INC.	07/24/2020	29109	110515125	MO. SVC:11 ELEV JUL20	\$1,110.00
		07/24/2020	29109	490515151	MO. SVC:11 ELEV JUL20	\$1,345.00
					GMS ELEVATOR SERVICES, INC.	Total Check Amount: \$2,455.00
184727	HELMETMAGS.COM	07/24/2020	27184	110	S/TAX:LETTERING	(\$14.58)
		07/24/2020	27184	110222221	LETTERING	\$188.10
					HELMETMAGS.COM	Total Check Amount: \$173.52
184728	HERITAGE PLAZA	07/24/2020	29392	270323218	SENIOR SUBSIDY AUG20	\$254.00
					HERITAGE PLAZA	Total Check Amount: \$254.00
184729	HF&H CONSULTANTS, LLC	07/24/2020	27542	440515122	S/W SB1383 SVCS JUN	\$223.75
					HF&H CONSULTANTS, LLC	Total Check Amount: \$223.75
184730	HOIST SERVICE INC	07/24/2020	8518	480515161	CABLE ADJUSTMENT	\$220.00
					HOIST SERVICE INC	Total Check Amount: \$220.00
184731	HOLLYDALE MOBILE ESTATES	07/24/2020	29393	270323218	SENIOR SUBSIDY AUG20	\$254.00
					HOLLYDALE MOBILE ESTATES	Total Check Amount: \$254.00
184732	INLAND WATER WORKS SUPPLY CO	07/24/2020	23904	420515131	ERTS FOR METERS	\$3,879.00
					INLAND WATER WORKS SUPPLY CO	Total Check Amount: \$3,879.00
184733	INTELESYSONE, INC.	07/24/2020	28212	475141471	PHONE I.T. SVCS 7/10	\$99.00
					INTELESYSONE, INC.	Total Check Amount: \$99.00
184734	LAKE PARK BREA LP	07/24/2020	5289	270323218	SENIOR SUBSIDY AUG20	\$1,270.00
					LAKE PARK BREA LP	Total Check Amount: \$1,270.00
184735	LIFE-ASSIST, INC.	07/24/2020	10530	174222222	PM SUPPLIES FS #1	\$985.16
		07/24/2020	10530	174222222	PM MEDS FS #3	\$1,227.92
		07/24/2020	10530	174222222	PM SUPPLIES FS #3	\$1,541.42
		07/24/2020	10530	174222222	PM SUPPLIES FS #2	\$1,120.50
					LIFE-ASSIST, INC.	Total Check Amount: \$4,875.00
184736	MAGIC CARPET, INC.	07/24/2020	8127	490515151	COVE BASE - 3RD FLR	\$267.39
					MAGIC CARPET, INC.	Total Check Amount: \$267.39
184737	MOTTOMOBILE, INC.	07/24/2020	28869	110212111	APEX SUPP/MAINT 20-21	\$2,900.00
					MOTTOMOBILE, INC.	Total Check Amount: \$2,900.00
		07/24/2020	4743	110141441	OFFICE SUPPLIES	\$836.32
		07/24/2020	4743	110141441	CREDIT:100838921001	(\$772.22)

City Disbursement Register

Between Jul 20, 2020 12:00 AM and Jul 24, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
184738	OFFICE DEPOT, INC	07/24/2020	4743	110404311	OFFICE SUPPLIES	\$34.93
		07/24/2020	4743	110141481	OFFICE SUPPLIES	\$27.99
		07/24/2020	4743	110222211	OFFICE SUPPLIES	\$315.29
		07/24/2020	4743	110222221	OFFICE SUPPLIES	\$94.60
OFFICE DEPOT, INC					Total Check Amount:	\$536.91
184739	ORANGE COUNTY STRIPING SERVICE	07/24/2020	10223	110515121	SLURRY SEAL/RESTRIPIING	\$23,423.61
ORANGE COUNTY STRIPING SERVICE					Total Check Amount:	\$23,423.61
184740	ORANGE VILLA SENIOR APARTMENTS	07/24/2020	29394	270323218	SENIOR SUBSIDY AUG20	\$254.00
ORANGE VILLA SENIOR APARTMENTS					Total Check Amount:	\$254.00
184741	KIMBERLIE ORR	07/24/2020	29886	110	REFUND DUE TO COVID19	\$671.18
KIMBERLIE ORR					Total Check Amount:	\$671.18
184742	PEOPLE SPACE	07/24/2020	28721	510707955	PH3/4 FURNTRE INSTALL	\$93,702.90
		07/24/2020	28721	510707955	PH1/2 FURNTRE INSTALL	\$112,443.49
PEOPLE SPACE					Total Check Amount:	\$206,146.39
184743	PUENTE HILLS FORD	07/24/2020	25742	480515161	LIFT GATE HANDLE	\$27.81
		07/24/2020	25742	480515161	STABILZER BAR BUSHING	\$21.51
		07/24/2020	25742	480515161	STEERING ARM ASSEMBLY	\$475.22
		07/24/2020	25742	480515161	TAIL LIGHT ASSEMBLY	\$568.11
		07/24/2020	25742	480515161	A/C REPAIR	\$1,561.87
		07/24/2020	25742	480515161	CONTROL ARM NUT/STUD	\$5.74
PUENTE HILLS FORD					Total Check Amount:	\$2,660.26
184744	ROBERTSON'S	07/24/2020	3464	420515131	CONCRETE	\$594.30
ROBERTSON'S					Total Check Amount:	\$594.30
184745	SASE COMPANY, INC.	07/24/2020	15500	480515161	VACUUM TOOLS	\$47.09
SASE COMPANY, INC.					Total Check Amount:	\$47.09
184746	SCAG	07/24/2020	1341	110141413	FY 20/21 MEMBERSHIP	\$3,969.60
SCAG					Total Check Amount:	\$3,969.60
184747	SOUTHERN CALIFORNIA NEWS GROUP	07/24/2020	26287	840141412	LEGAL NOTICES JUN20	\$443.70
SOUTHERN CALIFORNIA NEWS GROUP					Total Check Amount:	\$443.70
184748	ST. JUDE MEDICAL CENTER	07/24/2020	3503	174222222	PM MEDS APR-JUN20	\$2,229.94
		07/24/2020	3503	174222222	PM MEDS JAN-MAR 2020	\$1,781.46
ST. JUDE MEDICAL CENTER					Total Check Amount:	\$4,011.40
184749	STETSON ENGINEERS INC.	07/24/2020	21629	420515131	EAP DEV SVCS 06/30/20	\$123.75
STETSON ENGINEERS INC.					Total Check Amount:	\$123.75
184750	THREE PEAKS CORP	07/24/2020	29357	510707950	WLDCATTER IMP RETENTN	\$26,452.16
		07/24/2020	29357	510707950	WC DP IMP BID ITEM #5	(\$4,000.00)
THREE PEAKS CORP					Total Check Amount:	\$22,452.16
184751	UNITED PARCEL SERVICE	07/24/2020	3174	110141441	SHIPPING CHGS JUN/JUL	\$119.48
UNITED PARCEL SERVICE					Total Check Amount:	\$119.48
184752	VERIZON WIRELESS	07/24/2020	21122	110212121	9857928927 6/4-7/3	\$54.96
VERIZON WIRELESS					Total Check Amount:	\$54.96
184753	VETERINARY PET INS. CO.	07/24/2020	20975	110	4436 PET INS JUN20	\$757.68
VETERINARY PET INS. CO.					Total Check Amount:	\$757.68
184754	VINTAGE CANYON SENIOR APARTMENTS	07/24/2020	29395	270323218	SENIOR SUBSIDY AUG20	\$762.00
VINTAGE CANYON SENIOR APARTMENTS					Total Check Amount:	\$762.00
184755	VMWARE, INC	07/24/2020	23435	950000000	ILJAO 20/21 VMWARE	\$14,240.16
VMWARE, INC					Total Check Amount:	\$14,240.16
184756	WESTCOAST SHIRTWORKS, INC.	07/24/2020	22572	110515111	CITY APPAREL/UNIFORMS	\$108.50
		07/24/2020	22572	110515171	CITY APPAREL/UNIFORMS	\$173.20
WESTCOAST SHIRTWORKS, INC.					Total Check Amount:	\$281.70
184757	WESTERN GOLF PROPERTIES, LLC	07/24/2020	29071	110515149	BCGC SITE AMENITIES	\$9,339.71
WESTERN GOLF PROPERTIES, LLC					Total Check Amount:	\$9,339.71
184758	WILDLIFE CORRIDOR CONSERV AUTHORITY	07/24/2020	2813	110141413	FY 20/21 CONTRIBUTION	\$500.00

City Disbursement Register

Between Jul 20, 2020 12:00 AM and Jul 24, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount	
WILDLIFE CORRIDOR CONSERV AUTHORITY						Total Check Amount:	\$500.00
184759	DR. ROBERT L. WILKINSON	07/24/2020	19024	110141481	DOT PHYSICALS JUN20	\$85.00	
DR. ROBERT L. WILKINSON						Total Check Amount:	\$85.00
184760	NATALIE WINDAWI	07/24/2020	29451	110000000	CITATION REFUND	\$281.00	
NATALIE WINDAWI						Total Check Amount:	\$281.00
184761	XEROX CORPORATION	07/24/2020	3349	110141441	BLACK CPR/PRNTR JUN	\$493.54	
		07/24/2020	3349	110141441	HISPEED PRNTR/CPR JUN	\$1,599.28	
		07/24/2020	3349	110141441	HI PERF COLOR CPR JUN	\$220.27	
		07/24/2020	3349	110141441	PROD CLRCPR/PRNTR JUN	\$923.12	
		07/24/2020	3349	110141441	UDIRECTS MNT JUN	\$113.40	
		07/24/2020	3349	110141441	TRM/FOLDR SW MNT JUNE	\$116.00	
XEROX CORPORATION						Total Check Amount:	\$3,465.61
						Check Subtotal	\$706,725.38
V41923	ADMINISTRATIVE & PROF	07/24/2020	3344	110	DED:4010 APEA MEMBR	\$516.00	
ADMINISTRATIVE & PROF						Total Check Amount:	\$516.00
V41924	THE ADVANTAGE GROUP	07/24/2020	24539	110	DED:808B FSA DEPCAR	\$2,133.08	
		07/24/2020	24539	110	DED:808C FSA UR MED	\$5,048.15	
		07/24/2020	24539	110141481	FLEX ADMIN FEE JUN20	\$356.00	
THE ADVANTAGE GROUP						Total Check Amount:	\$7,537.23
V41925	AFLAC-ACCOUNT #EZA73	07/24/2020	22923	110	ACC/CANCER INS JUN20	\$4,346.48	
AFLAC-ACCOUNT #EZA73						Total Check Amount:	\$4,346.48
V41926	ALLSTAR FIRE EQUIPMENT	07/24/2020	8353	110222221	WILDLAND EQUIPMENT	\$136.17	
ALLSTAR FIRE EQUIPMENT						Total Check Amount:	\$136.17
V41927	ALTERNATIVE HOSE, INC.	07/24/2020	18488	480515161	HOSE	\$126.77	
ALTERNATIVE HOSE, INC.						Total Check Amount:	\$126.77
V41928	BADGE FRAME, INC.	07/24/2020	24424	110	TAX ADJ:NAME PLATE	(\$0.11)	
		07/24/2020	24424	110212111	ENGRAVED NAME PLATE	\$23.71	
BADGE FRAME, INC.						Total Check Amount:	\$23.60
V41929	BEST LAWN MOWER SERVICE	07/24/2020	16230	480515161	POWERTRIM BELTS/KNOBS	\$43.26	
		07/24/2020	16230	480515161	SAND DRAG MAT	\$272.76	
		07/24/2020	16230	480515161	TRIMMER BLADE/CHAIN	\$1,722.77	
BEST LAWN MOWER SERVICE						Total Check Amount:	\$2,038.79
V41930	BPSEA MEMORIAL FOUNDATION	07/24/2020	14990	110	DED:4050 MEMORIAL	\$192.00	
BPSEA MEMORIAL FOUNDATION						Total Check Amount:	\$192.00
V41931	BREA CITY EMPLOYEES ASSOCIATION	07/24/2020	3236	110	DED:4005 BCEA MEMBR	\$560.00	
BREA CITY EMPLOYEES ASSOCIATION						Total Check Amount:	\$560.00
V41932	BREA FIREFIGHTERS ASSOCIATION	07/24/2020	3237	110	DED:4016 ASSOC MEMB	\$2,904.50	
BREA FIREFIGHTERS ASSOCIATION						Total Check Amount:	\$2,904.50
V41933	BREA POLICE ASSOCIATION	07/24/2020	3769	110	DED:4030 BPA REG	\$3,350.00	
BREA POLICE ASSOCIATION						Total Check Amount:	\$3,350.00
V41934	BREA POLICE ATHLETIC LEAGUE	07/24/2020	1068	110	DED:5010 B.P.A.L.	\$137.50	
BREA POLICE ATHLETIC LEAGUE						Total Check Amount:	\$137.50
V41935	BREA POLICE MANAGEMENT ASSOCIATION	07/24/2020	21189	110	DED:4020 PMA MEMBRS	\$162.50	
BREA POLICE MANAGEMENT ASSOCIATION						Total Check Amount:	\$162.50
V41936	BYRNE SOFTWARE TECHNOLOGIES, INC.	07/24/2020	27471	110323241	ACCELA IMPL 4/11-4/17	\$330.00	
		07/24/2020	27471	110323241	ACCELA IMPL 6/6-6/12	\$220.00	
		07/24/2020	27471	110323241	ACCELA IMPL 3/21-3/27	\$110.00	
		07/24/2020	27471	110323241	ACCELA IMPL 6/13-6/19	\$165.00	
BYRNE SOFTWARE TECHNOLOGIES, INC.						Total Check Amount:	\$825.00
V41937	C. WELLS PIPELINE MATERIALS INC	07/24/2020	13055	420515131	PLUMBING SUPPLIES	\$2,321.48	
C. WELLS PIPELINE MATERIALS INC						Total Check Amount:	\$2,321.48
V41938	CALIF FORENSIC PHLEBOTOMY INC.	07/24/2020	4488	110212131	JUNE 2020 BLOOD TESTS	\$749.00	
CALIF FORENSIC PHLEBOTOMY INC.						Total Check Amount:	\$749.00

City Disbursement Register

Between Jul 20, 2020 12:00 AM and Jul 24, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V41939	CANNINGS ACE HARDWARE	07/24/2020	15828	480515161	OUTLET PLUG	\$33.75
CANNINGS ACE HARDWARE						Total Check Amount: \$33.75
V41940	CLINICAL LABORATORY OF	07/24/2020	3390	420515131	WATER SAMPLING JUN20	\$1,942.00
CLINICAL LABORATORY OF						Total Check Amount: \$1,942.00
V41941	CORE & MAIN LP	07/24/2020	27049	420515131	WATER METERS+ENCODERS	\$6,078.52
		07/24/2020	27049	420515131	METERS	\$3,194.05
		07/24/2020	27049	420515131	WATER METER ENCODERS	\$19,164.30
CORE & MAIN LP						Total Check Amount: \$28,436.87
V41942	CORELOGIC	07/24/2020	25542	280323215	REAL EST LISTNG JUN20	\$185.00
CORELOGIC						Total Check Amount: \$185.00
V41943	CPS HR CONSULTING	07/24/2020	2971	110141481	ONLINE EXAM 6/18/20	\$110.00
CPS HR CONSULTING						Total Check Amount: \$110.00
V41944	DANIELS TIRE SERVICE	07/24/2020	3133	480515161	TIRE	\$99.92
		07/24/2020	3133	480515161	TIRES	\$870.78
DANIELS TIRE SERVICE						Total Check Amount: \$970.70
V41945	DELTA DENTAL PLAN OF CALIFORNIA	07/24/2020	3411	110	05-04253 DENTAL JUL20	\$16,874.80
DELTA DENTAL PLAN OF CALIFORNIA						Total Check Amount: \$16,874.80
V41946	DEVICES FOR LIFE, LLC	07/24/2020	20410	172212141	DFL COMPL/MAINT 20-21	\$2,500.00
DEVICES FOR LIFE, LLC						Total Check Amount: \$2,500.00
V41947	DF POLYGRAPH	07/24/2020	22010	110141481	POLYGRAPH EXAM JUN20	\$175.00
		07/24/2020	22010	110141481	POLYGRAPH EXAM JUL20	\$175.00
DF POLYGRAPH						Total Check Amount: \$350.00
V41948	DOOLEY ENTERPRISES INC	07/24/2020	5421	110212131	AMMUNITION	\$2,975.40
DOOLEY ENTERPRISES INC						Total Check Amount: \$2,975.40
V41949	DOTY BROTHERS EQUIPMENT CO.	07/24/2020	26695	420515131	REPLACE GATE VALVE	\$4,386.91
		07/24/2020	27147	110000000	INSPECTION OVERHEAD	(\$712.26)
		07/24/2020	27147	840515171	INSPECTION PROF SVCS	\$3,618.00
		07/24/2020	27147	110515121	MO. SIGNAL PM JUN20	\$3,116.25
		07/24/2020	27147	110515121	E/O SIGNAL MNT JUN20	\$4,559.40
DOTY BROTHERS EQUIPMENT CO.						Total Check Amount: \$4,386.91
V41950	ECONOLITE SYSTEMS, INC.	07/24/2020	27147	840141412	MISC EXP	\$527.10
		07/24/2020	27147	110000000	INSPECTION OVERHEAD	(\$712.26)
		07/24/2020	27147	840515171	INSPECTION PROF SVCS	\$3,618.00
		07/24/2020	27147	110515121	MO. SIGNAL PM JUN20	\$3,116.25
		07/24/2020	27147	110515121	E/O SIGNAL MNT JUN20	\$4,559.40
ECONOLITE SYSTEMS, INC.						Total Check Amount: \$11,108.49
V41951	EXTERMINETICS OF SO CALIF INC	07/24/2020	3298	490515151	PEST CNTRL SVCS JUN20	\$200.00
EXTERMINETICS OF SO CALIF INC						Total Check Amount: \$200.00
V41952	FIDELITY SECURITY LIFE INSURANCE	07/24/2020	23035	110	9827288 VISION JUL20	\$2,669.34
FIDELITY SECURITY LIFE INSURANCE						Total Check Amount: \$2,669.34
V41953	FILARSKY & WATT LLP	07/24/2020	2043	110141481	PROF LEGAL SVCS JUN20	\$2,790.00
FILARSKY & WATT LLP						Total Check Amount: \$2,790.00
V41954	FLEET SERVICES	07/24/2020	5658	480515161	DRAIN/SPRINGS/HOSE	\$114.54
FLEET SERVICES						Total Check Amount: \$114.54
V41955	FUSCOE ENGINEERING, INC.	07/24/2020	18052	410515132	NPDES SVCS JUNE 2020	\$845.02
FUSCOE ENGINEERING, INC.						Total Check Amount: \$845.02
V41956	GENERAL PUMP COMPANY	07/24/2020	16281	420515131	PULL PUMP INSPECTION	\$4,041.00
		07/24/2020	16281	510707442	CARBON CYN PUMP 3 MNT	\$3,780.00
GENERAL PUMP COMPANY						Total Check Amount: \$7,821.00
V41957	GEORGE HILLS COMPANY	07/24/2020	27340	470141483	CLAIMS MGMT FEE JUN20	\$530.42
GEORGE HILLS COMPANY						Total Check Amount: \$530.42
V41958	GIBSON TRANSPORTATION CONSULTING	07/24/2020	22903	84032323M	BM PARKNG STUDY JUN20	\$2,202.50
		07/24/2020	10729	110323242	INSP SVCS 7/2-7/15	\$225.00
GIBSON TRANSPORTATION CONSULTING						Total Check Amount: \$2,202.50
V41959	DON GOLDEN	07/24/2020	10729	110000000	INSP SVCS 7/2-7/15	(\$5,217.25)
		07/24/2020	10729	84032324I	INSP SVCS 7/2-7/15	\$14,761.00
		07/24/2020	10729	110323242	INSP SVCS 7/2-7/15	\$225.00
DON GOLDEN						Total Check Amount: \$9,768.75

City Disbursement Register

Between Jul 20, 2020 12:00 AM and Jul 24, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V41960	HCI SYSTEMS INC	07/24/2020	25112	510707944	SC FIRE SPRINKLER SVC	\$306.25
HCI SYSTEMS INC						Total Check Amount: \$306.25
V41961	JOSHUA WILLIAM HORN	07/24/2020	27741	110212111	TRAINING EXPENSES	\$36.70
JOSHUA WILLIAM HORN						Total Check Amount: \$36.70
V41962	KASEYA AUTOMATING IT	07/24/2020	20748	475141471	20/21 CORE ANNUAL MNT	\$6,885.45
KASEYA AUTOMATING IT						Total Check Amount: \$6,885.45
V41963	KELLY PAPER	07/24/2020	7039	110404541	PAPER	\$122.32
		07/24/2020	7039	110141441	SUPPLIES	\$158.93
KELLY PAPER						Total Check Amount: \$281.25
V41964	KEYSER MARSTON ASSOCIATES, INC.	07/24/2020	25482	280323215	O/C RE CONSULT JUN20	\$3,240.00
KEYSER MARSTON ASSOCIATES, INC.						Total Check Amount: \$3,240.00
V41965	KIMLEY-HORN AND ASSOCIATES, INC.	07/24/2020	26302	84032323P	PROF SVCS MAY20	\$10,930.00
		07/24/2020	26302	840141412	MISC EXP MAY20	\$1,172.24
KIMLEY-HORN AND ASSOCIATES, INC.						Total Check Amount: \$12,102.24
V41966	L.N. CURTIS & SONS	07/24/2020	1053	110222221	ADAPTERS	\$180.33
L.N. CURTIS & SONS						Total Check Amount: \$180.33
V41967	LINCOLN AQUATICS	07/24/2020	17902	110404422	BULK ACID/CHLORINE	\$856.93
		07/24/2020	17902	490515151	FLOAT CONTROLLER	\$568.37
LINCOLN AQUATICS						Total Check Amount: \$1,425.30
V41968	LM PAINTING & CONST/LEO'S A/C	07/24/2020	19676	490515151	PAINT PROJECT CCC	\$1,900.00
		07/24/2020	19676	490515151	PAINT PROJECT-FENCE	\$3,765.00
LM PAINTING & CONST/LEO'S A/C						Total Check Amount: \$5,665.00
V41969	LONG BEACH BMW	07/24/2020	18120	480515161	TIRES	\$1,799.61
LONG BEACH BMW						Total Check Amount: \$1,799.61
V41970	LOS ANGELES TRUCK CENTERS, LLC	07/24/2020	7300	480515161	SUN VISOR CLIP	\$47.39
LOS ANGELES TRUCK CENTERS, LLC						Total Check Amount: \$47.39
V41971	MAKE IT "PERSONAL"	07/24/2020	19203	110212111	NAME PLATE	\$13.88
MAKE IT "PERSONAL"						Total Check Amount: \$13.88
V41972	MAR-CO EQUIPMENT COMPANY	07/24/2020	20329	480515161	SIGHT GAUGE	\$70.39
		07/24/2020	20329	480515161	STARTER MOTOR/BOLTS	\$328.87
MAR-CO EQUIPMENT COMPANY						Total Check Amount: \$399.26
V41973	MINER, LTD	07/24/2020	27173	490515151	SR CTR DOOR FAN	\$2,992.50
		07/24/2020	27173	510707944	SR CTR KTCHEN REMODEL	\$4,440.00
		07/24/2020	27173	490515151	SC DOOR PROJECT	\$1,570.00
MINER, LTD						Total Check Amount: \$9,002.50
V41974	ORANGE COUNTY UNITED WAY	07/24/2020	3451	110	DED:5005 UNITED WAY	\$7.31
ORANGE COUNTY UNITED WAY						Total Check Amount: \$7.31
V41975	ORVAC ELECTRONICS	07/24/2020	3614	480515161	SHOP LIGHT	\$29.62
ORVAC ELECTRONICS						Total Check Amount: \$29.62
V41976	OZUNA ELECTRIC CO.INC.	07/24/2020	18504	110515121	ELECT. TOWER REPAIR	\$860.53
OZUNA ELECTRIC CO.INC.						Total Check Amount: \$860.53
V41977	PACIFIC TELEMAGEMENT SERVICES	07/24/2020	19696	475141471	7147920398 JULY 2020	\$75.00
PACIFIC TELEMAGEMENT SERVICES						Total Check Amount: \$75.00
V41978	PETROLEUM MARKETING EQUIPMENT	07/24/2020	9282	480515161	FUEL PUMP REPAIR KIT	\$112.78
PETROLEUM MARKETING EQUIPMENT						Total Check Amount: \$112.78
V41979	PLACEWORKS, INC.	07/24/2020	26720	84032323M	BREA 265 EIR JUN 2020	\$1,078.00
		07/24/2020	26720	84032323P	PROF SVCS JUN20	\$739.50
		07/24/2020	26720	840141412	PROF SVCS JUN20	\$203.87
PLACEWORKS, INC.						Total Check Amount: \$2,021.37
V41980	RAY-LITE INDUSTRIES, INC.	07/24/2020	19800	490515152	LED LIGHTING	\$509.12
RAY-LITE INDUSTRIES, INC.						Total Check Amount: \$509.12
V41981	RCS INVESTIGATIONS & CONSULTING LLC	07/24/2020	22534	110212111	BACKGRND INVESTGATION	\$1,750.00
RCS INVESTIGATIONS & CONSULTING LLC						Total Check Amount: \$1,750.00

City Disbursement Register

Between Jul 20, 2020 12:00 AM and Jul 24, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V41982	RED HAWK FIRE & SECURITY	07/24/2020	24636	475141471	HALON INSPECTION 6/9	\$393.75
RED HAWK FIRE & SECURITY						Total Check Amount: \$393.75
		07/24/2020	7438	110212122	DOC SHRED MAY/JUN20	\$138.68
V41983	SHRED-IT USA	07/24/2020	7438	110111161	DOC SHRED MAY/JUN20	\$226.66
		07/24/2020	7438	470141483	DOC SHRED MAY/JUN20	\$10.66
SHRED-IT USA						Total Check Amount: \$376.00
V41984	SITEONE LANDSCAPE SUPPLY, LLC	07/24/2020	25942	110515141	IRRIGATION PARTS	\$2,058.82
		07/24/2020	25942	110515143	IRRIGATION PARTS	\$2,012.26
SITEONE LANDSCAPE SUPPLY, LLC						Total Check Amount: \$4,071.08
V41985	SMART & FINAL	07/24/2020	3269	110404428	DAY CAMP FOOD	\$61.55
SMART & FINAL						Total Check Amount: \$61.55
		07/24/2020	17125	480515161	MINI PICK SET	\$29.04
V41986	SNAP-ON INDUSTRIAL	07/24/2020	17125	480515161	SOCKET ADAPTER	\$89.52
SNAP-ON INDUSTRIAL						Total Check Amount: \$118.56
		07/24/2020	18619	480515161	SOLENOID	\$133.78
V41987	SOUTH COAST EMERGENCY VEHICLE SVC	07/24/2020	18619	480515161	TURN SIGNAL	\$308.20
SOUTH COAST EMERGENCY VEHICLE SVC						Total Check Amount: \$441.98
V41988	SPECTRUM GAS PRODUCTS, INC.	07/24/2020	16060	174222222	OXYGEN	\$62.50
SPECTRUM GAS PRODUCTS, INC.						Total Check Amount: \$62.50
		07/24/2020	24072	480515161	PRESSURE WASHER RPR	\$1,393.75
V41989	STEAMX LLC	07/24/2020	24072	480515161	WATER SWIVEL / HOSE	\$184.92
STEAMX LLC						Total Check Amount: \$1,578.67
		07/24/2020	11074	490515151	2020 ALARM:900 OLINDA	\$540.00
		07/24/2020	11074	110404211	BCC ALARM JULY-SEPT20	\$210.00
V41990	SUPERIOR ALARM SYSTEMS	07/24/2020	11074	110515125	2020 ALARM:175MADRONA	\$540.00
		07/24/2020	11074	490515151	2020 ALARM:FIRE STN 2	\$540.00
		07/24/2020	11074	110515125	2020 ALARM: DT PS3	\$540.00
SUPERIOR ALARM SYSTEMS						Total Check Amount: \$2,370.00
V41991	TARGETSOLUTIONS LEARNING, LLC	07/24/2020	25777	110222221	20/21 SOFTWARE TRNG	\$4,070.50
TARGETSOLUTIONS LEARNING, LLC						Total Check Amount: \$4,070.50
V41992	TECHNICOLOR PRINTING	07/24/2020	24354	110404424	MIGHTY TYKES SHIRTS	\$1,105.02
TECHNICOLOR PRINTING						Total Check Amount: \$1,105.02
		07/24/2020	22020	110111112	431851 CHGS 5/5-6/4	\$901.56
V41993	THOMSON REUTERS - WEST	07/24/2020	22020	110212121	WEST INFO CHGS JUN20	\$455.36
THOMSON REUTERS - WEST						Total Check Amount: \$1,356.92
V41994	TMK INDUSTRIAL FASTENERS	07/24/2020	20181	420515131	NUTS AND BOLTS	\$966.52
TMK INDUSTRIAL FASTENERS						Total Check Amount: \$966.52
V41995	TRANS UNION LLC	07/24/2020	8371	110141481	HR SVCS 5/26-6/25	\$56.12
TRANS UNION LLC						Total Check Amount: \$56.12
V41996	TRG LAND, INC.	07/24/2020	11723	84032323M	CONSULTANT SVCS JUN20	\$1,229.85
TRG LAND, INC.						Total Check Amount: \$1,229.85
		07/24/2020	2062	110515143	CITY LANDSCAPES JUN20	\$12,732.76
		07/24/2020	2062	341515112	MD#1 LANDSCAPE JUN20	\$1,190.24
		07/24/2020	2062	347515112	MD#7 LANDSCAPE JUN20	\$1,068.48
		07/24/2020	2062	110515125	DT PS1 VINE TRIMMING	\$2,774.00
		07/24/2020	2062	110515141	OLINDA PARK/MSM MNT	\$3,206.82
		07/24/2020	2062	110515148	TRACKS LNDSCAPE JUN20	\$5,419.22
		07/24/2020	2062	343515112	MD#3 LANDSCAPE JUN20	\$2,019.51
V41997	TROPICAL PLAZA NURSERY, INC	07/24/2020	2062	361515148	CITY MEDIANS JUN20	\$203.91
		07/24/2020	2062	420515131	CITY RESERVOIRS JUN20	\$1,380.43
		07/24/2020	2062	880515113	GATEWAY CTR MNT JUN20	\$1,228.75
		07/24/2020	2062	110515121	ROSE DR TREE TRIMMING	\$2,900.00
		07/24/2020	2062	345515112	MD#5 LANDSCAPE JUN20	\$2,424.84

City Disbursement Register

Between Jul 20, 2020 12:00 AM and Jul 24, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount	
		07/24/2020	2062	346515112	MD#6 LANDSCAPE JUN20	\$5,340.55	
		07/24/2020	2062	346515112	TREE REMOVALS	\$1,200.00	
					TROPICAL PLAZA NURSERY, INC	Total Check Amount:	\$43,089.51
V41998	TURBO DATA SYSTEMS, INC.	07/24/2020	1472	110212122	CITATION PROC JUN20	\$371.12	
		07/24/2020	1472	110212122	HH LEASE TPM JUN30	\$193.95	
					TURBO DATA SYSTEMS, INC.	Total Check Amount:	\$565.07
V41999	UNITED ROTARY BRUSH CORPORATION	07/24/2020	16649	480515161	SWEeper BROOM	\$123.74	
					UNITED ROTARY BRUSH CORPORATION	Total Check Amount:	\$123.74
V42000	VISTA PAINT CORPORATION	07/24/2020	4573	490515151	PAINT PROJ 3F CCC	\$183.88	
		07/24/2020	4573	110515149	BCGC CLUBHOUSE PAINT	\$741.76	
					VISTA PAINT CORPORATION	Total Check Amount:	\$925.64
V42001	WALTERS WHOLESALE ELECTRIC	07/24/2020	1667	490515151	ELECTRIC PARTS	\$214.30	
					WALTERS WHOLESALE ELECTRIC	Total Check Amount:	\$214.30
V42002	WAXIE SANITARY SUPPLY	07/24/2020	3332	110212131	1 CS HAND SOAP	\$36.48	
					WAXIE SANITARY SUPPLY	Total Check Amount:	\$36.48
V42003	WEST COAST ARBORISTS, INC.	07/24/2020	1556	345515112	TREE REMOVAL MAR20	\$5,774.40	
					WEST COAST ARBORISTS, INC.	Total Check Amount:	\$5,774.40
V42004	WEST-LITE SUPPLY CO., INC.	07/24/2020	5192	490515152	LED LIGHTING 3F CCC	\$1,739.73	
					WEST-LITE SUPPLY CO., INC.	Total Check Amount:	\$1,739.73
V42005	SARA L. WOODWARD	07/24/2020	26083	110212122	JUNE 2020 MILEAGE	\$89.59	
					SARA L. WOODWARD	Total Check Amount:	\$89.59
		07/24/2020	3802	510707703	NEW STREET NAME SIGNS	\$10,501.52	
V42006	ZUMAR INDUSTRIES, INC.	07/24/2020	3802	510707703	NEW STREET NAME SIGN	\$70.04	
		07/24/2020	3802	510707703	STREET SIGN HARDWARE	\$1,102.68	
					ZUMAR INDUSTRIES, INC.	Total Check Amount:	\$11,674.24
						Voucher Subtotal	\$251,985.12
						TOTAL	\$958,710.50

City Disbursement Register

Between Jul 27, 2020 12:00 AM and Jul 31, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount	
184762	HEALTH TECHNOLOGY PROF PRODUCTS	07/31/2020	29932	360515147	TURF CHEMICALS	\$1,413.78	
					HEALTH TECHNOLOGY PROF PRODUCTS	Total Check Amount:	\$1,413.78
184763	AT&T	07/31/2020	19147	510707251	PROJ A01906Z 2/20/20	\$41,568.89	
		07/31/2020	19147	510707251	PROJ A01906Z 3/24/20	\$115,573.55	
					AT&T	Total Check Amount:	\$157,142.44
184764	AT&T	07/31/2020	22050	475141471	4330445506 7/11/2020	\$1,871.09	
		07/31/2020	22050	475141471	4339625505 7/11/2020	\$1,337.39	
					AT&T	Total Check Amount:	\$3,208.48
184765	LILIANA GUARDADO BALANDRAN	07/31/2020	29997	110	REFUND DUE TO COVID19	\$500.00	
					LILIANA GUARDADO BALANDRAN	Total Check Amount:	\$500.00
184766	KARIN BUTTINELLI	07/31/2020	29993	110000000	PARKINGPERMIT DUP PMT	\$20.00	
					KARIN BUTTINELLI	Total Check Amount:	\$20.00
184767	CHAMPION HARDWOOD FLOORS	07/31/2020	19446	181404250	SAND/REFNSH BCC FLOOR	\$22,452.00	
					CHAMPION HARDWOOD FLOORS	Total Check Amount:	\$22,452.00
184768	CHARLES TAN & ASSOCIATES, INC.	07/31/2020	26706	840141412	PLAN REVIEW	\$300.00	
		07/31/2020	26706	84032324P	PLAN REVIEW	\$416.00	
		07/31/2020	26706	110000000	PLAN REVIEW	\$184.00	
					CHARLES TAN & ASSOCIATES, INC.	Total Check Amount:	\$900.00
184769	CHIU FENG CHEN	07/31/2020	29896	420000000	CLOSED WATER ACCOUNT	\$35.90	
					CHIU FENG CHEN	Total Check Amount:	\$35.90
184770	CINTAS	07/31/2020	24347	110404211	BCC FIRST AID	\$69.90	
					CINTAS	Total Check Amount:	\$69.90
184771	COUNTY OF ORANGE HEALTH CARE AGENCY	07/31/2020	19197	420515131	CC INSP APR-JUN 2020	\$382.00	
					COUNTY OF ORANGE HEALTH CARE AGENCY	Total Check Amount:	\$382.00
184772	CPSI - PROPERTY SPECIALISTS, INC.	07/31/2020	26951	510707470	SVCS BP #3 JUNE 2020	\$5,572.38	
					CPSI - PROPERTY SPECIALISTS, INC.	Total Check Amount:	\$5,572.38
184773	JOHN P. DETRICK	07/31/2020	26615	110	REFUND DUE TO COVID19	\$425.00	
					JOHN P. DETRICK	Total Check Amount:	\$425.00
184774	SOUTHERN CALIFORNIA EDISON	07/31/2020	3343	110515148	ELECTRICITY JUN/JUL20	\$55.38	
		07/31/2020	3343	110515121	ELECTRICITY JUN/JUL20	\$4,766.88	
		07/31/2020	3343	490515151	ELECTRICITY JUN/JUL20	\$11,577.61	
		07/31/2020	3343	110515143	ELECTRICITY JUN/JUL20	\$13.62	
					SOUTHERN CALIFORNIA EDISON	Total Check Amount:	\$16,413.49
184775	TONY AND/OR CINDY ELLIS	07/31/2020	20006	110	REFUND DUE TO COVID19	\$128.25	
					TONY AND/OR CINDY ELLIS	Total Check Amount:	\$128.25
184776	FRONTIER COMMUNICATIONS	07/31/2020	26183	420515131	5621821220 0628-0727	\$188.99	
					FRONTIER COMMUNICATIONS	Total Check Amount:	\$188.99
184777	VINCY FUNG	07/31/2020	30004	470141483	DAMAGE:3645 SANDPIPER	\$320.00	

City Disbursement Register

Between Jul 27, 2020 12:00 AM and Jul 31, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
VINCY FUNG						Total Check Amount: \$320.00
184778	GAIL MATERIALS	07/31/2020	20339	360515145	INFIELD MIX	\$356.00
		07/31/2020	20339	110515144	INFIELD MIX	\$800.00
GAIL MATERIALS						Total Check Amount: \$1,156.00
184779	THE GAS COMPANY	07/31/2020	3749	490515151	GAS JUN/JUL20	\$110.95
THE GAS COMPANY						Total Check Amount: \$110.95
184780	ANGELA GEE	07/31/2020	30001	110	REFUND DUE TO COVID19	\$1,000.00
ANGELA GEE						Total Check Amount: \$1,000.00
184781	HELMETMAGS.COM	07/31/2020	27184	110222221	LETTERING	\$14.58
HELMETMAGS.COM						Total Check Amount: \$14.58
184782	INTELLI-TECH	07/31/2020	8774	475141471	HP MONITORS	\$2,630.61
		07/31/2020	8774	475141471	VMWARE SUPPORT	\$3,831.00
INTELLI-TECH						Total Check Amount: \$6,461.61
184783	YICHIEEN LAI	07/31/2020	29603	110	REFUND DUE TO COVID19	\$1,380.00
YICHIEEN LAI						Total Check Amount: \$1,380.00
184784	LAW OFFICES OF JONES & MAYER	07/31/2020	12144	110212111	LEGAL SVCS:PD JUN20	\$35.26
LAW OFFICES OF JONES & MAYER						Total Check Amount: \$35.26
184785	JOHN LEE	07/31/2020	29949	420000000	CLOSED WATER ACCOUNT	\$74.92
JOHN LEE						Total Check Amount: \$74.92
184786	JANETH MACIAS	07/31/2020	30000	110	REFUND DUE TO COVID19	\$1,000.00
JANETH MACIAS						Total Check Amount: \$1,000.00
184787	ERNESTO MIRANDA	07/31/2020	26390	110	REFUND DUE TO COVID19	\$454.40
ERNESTO MIRANDA						Total Check Amount: \$454.40
184788	MVP SECURITY SYSTEMS, INC	07/31/2020	29420	490515151	GALLERY ALARM REPAIR	\$400.00
MVP SECURITY SYSTEMS, INC						Total Check Amount: \$400.00
184789	THANH THUY NGUYEN	07/31/2020	29992	110404541	ARTGALLERY CONS SALES	\$2.80
THANH THUY NGUYEN						Total Check Amount: \$2.80
184790	ORANGE COUNTY WINWATER WORKS	07/31/2020	28030	420515131	PLUMBING SUPPLIES	\$247.20
ORANGE COUNTY WINWATER WORKS						Total Check Amount: \$247.20
184791	OFFICE DEPOT, INC	07/31/2020	4743	110212111	OFFICE SUPPLIES	\$5.92
		07/31/2020	4743	911212111	OFFICE SUPPLIES	\$25.83
OFFICE DEPOT, INC						Total Check Amount: \$31.75
184792	ORANGE COUNTY SHERIFF'S DEPT	07/31/2020	6542	110212111	SUPERVISORY COURSE	\$225.00
ORANGE COUNTY SHERIFF'S DEPT						Total Check Amount: \$225.00
184793	ORANGE COUNTY STRIPING SERVICE	07/31/2020	10223	110515121	CITY RESTRIPIING JUL20	\$36,576.39
		07/31/2020	10223	510707312	SLURRY	\$4,174.24
ORANGE COUNTY STRIPING SERVICE						Total Check Amount: \$40,750.63
184794	PLUMBING WHOLESALE OUTLET, INC.	07/31/2020	18392	490515151	PLUMBING PARTS	\$15.17

City Disbursement Register

Between Jul 27, 2020 12:00 AM and Jul 31, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
184794	PLUMBING WHOLESALE OUTLET, INC.	07/31/2020	18392	110515141	IRRIGATION PARTS	\$282.84
PLUMBING WHOLESALE OUTLET, INC.						Total Check Amount: \$298.01
184795	RECON ENVIRONMENTAL	07/31/2020	29995	420000000	CLOSED WATER ACCOUNT	\$2,359.45
RECON ENVIRONMENTAL						Total Check Amount: \$2,359.45
184796	REBECCA REED	07/31/2020	29999	110	REFUND DUE TO COVID19	\$330.00
REBECCA REED						Total Check Amount: \$330.00
184797	RENNE SLOAN HOTLZMAN SAKAI, LLP	07/31/2020	27580	110141481	PROF LGL SVCS NOV19	\$9,082.55
RENNE SLOAN HOTLZMAN SAKAI, LLP						Total Check Amount: \$9,082.55
184798	JUNGMIN SEO	07/31/2020	29944	420000000	CLOSED WATER ACCOUNT	\$52.53
JUNGMIN SEO						Total Check Amount: \$52.53
184799	SESAC	07/31/2020	22950	110404311	20/21 MUSIC PERF LIC	\$919.00
SESAC						Total Check Amount: \$919.00
184800	THE STANDARD INSURANCE COMPANY	07/31/2020	15689	110	643015 LIFE INS JUL20	\$3,800.95
THE STANDARD INSURANCE COMPANY						Total Check Amount: \$3,800.95
184801	THE STANDARD INSURANCE COMPANY	07/31/2020	27270	110	643015 OPT INS AUG20	\$1,971.40
		07/31/2020	27270	110	643015 OPT INS JUL20	\$2,001.70
THE STANDARD INSURANCE COMPANY						Total Check Amount: \$3,973.10
184802	STETSON ENGINEERS INC.	07/31/2020	21629	420515131	EAP DEV SVCS 5/31/20	\$1,738.75
STETSON ENGINEERS INC.						Total Check Amount: \$1,738.75
184803	ELENA SUAREZ	07/31/2020	29994	110	REFUND DUE TO COVID19	\$615.00
ELENA SUAREZ						Total Check Amount: \$615.00
184804	TE ROBERTS, INC.	07/31/2020	29890	510707467	EAGLEHILLS WTR IMP #1	\$79,325.00
TE ROBERTS, INC.						Total Check Amount: \$79,325.00
184805	TESLA	07/31/2020	26712	110	B20-276 PERMIT REFUND	\$354.43
TESLA						Total Check Amount: \$354.43
184806	TIME WARNER CABLE	07/31/2020	19304	110323212	CABLE CHGS 7/2-8/1	\$78.37
		07/31/2020	19304	110404211	CABLE 7/2-8/1 40955	\$129.61
		07/31/2020	19304	420515131	CABLE 7/2-8/1 20981	\$144.21
		07/31/2020	19304	420515131	CABLE 7/2-8/1 49861	\$98.91
		07/31/2020	19304	110111161	CABLE CHGS 7/2-8/1	\$19.44
		07/31/2020	19304	110404311	CABLE CHGS 7/2-8/1	\$19.44
		07/31/2020	19304	110111151	CABLE CHGS 7/2-8/1	\$58.93
		07/31/2020	19304	110222211	CABLE CHGS 7/2-8/1	\$77.77
		07/31/2020	19304	110111143	CABLE CHGS 7/2-8/1	\$29.48
		07/31/2020	19304	110141481	CABLE CHGS 7/2-8/1	\$19.44
		07/31/2020	19304	110212111	CABLE CHGS 7/2-8/1	\$371.07
		07/31/2020	19304	110404521	CABLE 7/2-8/1 15759	\$30.56
		07/31/2020	19304	490515151	CABLE CHGS 7/2-8/1	\$19.44

City Disbursement Register

Between Jul 27, 2020 12:00 AM and Jul 31, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
TIME WARNER CABLE						Total Check Amount: \$1,096.67
184807	TRUMARK CONSTRUCTION SERVICES	07/31/2020	24126	420000000	CLOSED WATER ACCOUNT	\$2,368.39
TRUMARK CONSTRUCTION SERVICES						Total Check Amount: \$2,368.39
184808	JOHN TUTOP	07/31/2020	29998	110	REFUND DUE TO COVID19	\$1,000.00
JOHN TUTOP						Total Check Amount: \$1,000.00
184809	UNIFIRST CORPORATION	07/31/2020	27988	110515125	UNIFORM SVCS:JUN 2020	\$30.75
		07/31/2020	27988	110515141	UNIFORM SVCS:JUN 2020	\$108.80
		07/31/2020	27988	110515121	UNIFORM SVCS:JUN 2020	\$63.20
		07/31/2020	27988	110515144	UNIFORM SVCS:JUN 2020	\$69.00
		07/31/2020	27988	430515123	UNIFORM SVCS:JUN 2020	\$51.45
		07/31/2020	27988	110515143	UNIFORM SVCS:JUN 2020	\$16.00
		07/31/2020	27988	420515131	UNIFORM SVCS:JUN 2020	\$141.35
		07/31/2020	27988	440515126	UNIFORM SVCS:JUN 2020	\$14.40
		07/31/2020	27988	490515151	UNIFORM SVCS:JUN 2020	\$250.20
		07/31/2020	27988	360515145	UNIFORM SVCS:JUN 2020	\$52.25
		07/31/2020	27988	480515161	UNIFORM SVCS:JUN 2020	\$168.70
UNIFIRST CORPORATION						Total Check Amount: \$966.10
184810	URBAN GRAFFITI ENTERPRISES INC.	07/31/2020	4352	110515121	GRAFFITI REMOVAL JUN20	\$2,450.00
URBAN GRAFFITI ENTERPRISES INC.						Total Check Amount: \$2,450.00
184811	MARIA VARGAS	07/31/2020	29996	110	REFUND DUE TO COVID19	\$1,000.00
MARIA VARGAS						Total Check Amount: \$1,000.00
184812	VINCE YIANG	07/31/2020	26601	420000000	CLOSED WATER ACCOUNT	\$79.49
VINCE YIANG						Total Check Amount: \$79.49
Check Subtotal						\$374,327.13
V42007	A-1 FENCE COMPANY	07/31/2020	27868	110515148	FENCE RENTAL S3 JUN	\$110.33
		07/31/2020	27868	110515148	FENCE RENT S3 JUL-DEC	\$1,213.67
A-1 FENCE COMPANY						Total Check Amount: \$1,324.00
V42008	ADVANCED APPLIED ENGINEERING	07/31/2020	22809	84032324P	PLANCHK/INSPECT SVCS	\$3,952.00
		07/31/2020	22809	110000000	PLANCHK/INSPECT SVCS	(\$152.00)
ADVANCED APPLIED ENGINEERING						Total Check Amount: \$3,800.00
V42009	ALBERT GROVER & ASSOCIATES	07/31/2020	23588	510707709	BIRCH ST TSSP JUN20	\$1,885.00
		07/31/2020	23588	510707251	CIP7251 LAMBERT JUN20	\$2,520.00
ALBERT GROVER & ASSOCIATES						Total Check Amount: \$4,405.00
V42010	ARC DOCUMENT SOLUTIONS	07/31/2020	23645	510707322	PLAN COPIES CH REHAB	\$141.23
		07/31/2020	23645	510707944	PLAN COPIES SC KTCHEN	\$176.46
		07/31/2020	23645	510707319	PLAN COPIES:ALLEY REH	\$19.69
		07/31/2020	23645	510707321	PLAN COPIES:ALLEY REH	\$19.70

City Disbursement Register

Between Jul 27, 2020 12:00 AM and Jul 31, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V42010	ARC DOCUMENT SOLUTIONS	07/31/2020	23645	510707320	PLAN COPIES:ALLEY REH	\$19.69
ARC DOCUMENT SOLUTIONS					Total Check Amount:	\$376.77
V42011	ARC IMAGING RESOURCES	07/31/2020	23273	110404211	INK RETURN/EQPT UPGRD	(\$687.71)
		07/31/2020	23273	110404211	PLOTTER SVC 10/15/19	\$65.00
		07/31/2020	23273	110404211	RETURNED INK/UPGRADE	(\$204.04)
		07/31/2020	23273	110404541	PLOTTER SUPPLIES	\$151.45
		07/31/2020	23273	110404211	PLOTTER SUPPLIES	\$1,369.42
		07/31/2020	23273	110404211	RETURN:PLOTTER SUPPLY	(\$128.90)
ARC IMAGING RESOURCES					Total Check Amount:	\$565.22
V42012	BREA DISPOSAL, INC	07/31/2020	3330	440515122	JUN 2020 RES TONNAGE	\$78,532.20
BREA DISPOSAL, INC					Total Check Amount:	\$78,532.20
V42013	OMAR F. BRIOSO	07/31/2020	15737	110212111	TRAINING MILEAGE	\$10.12
OMAR F. BRIOSO					Total Check Amount:	\$10.12
V42014	SHANNON E. BUCKELS	07/31/2020	12046	110212111	TRAINING MILEAGE	\$9.89
SHANNON E. BUCKELS					Total Check Amount:	\$9.89
V42015	BYRNE SOFTWARE TECHNOLOGIES, INC.	07/31/2020	27471	110323241	ACCELA IMPL 6/20-6/26	\$1,320.00
		07/31/2020	27471	110323241	ACCELA IMPL 6/27-7/3	\$495.00
		07/31/2020	27471	110323241	ACCELA IMPL 6/6-6/12	\$1,650.00
BYRNE SOFTWARE TECHNOLOGIES, INC.					Total Check Amount:	\$3,465.00
V42016	CALIFORNIA RETROFIT, INC	07/31/2020	4447	110515141	LAMPS/BALLASTS	\$684.05
CALIFORNIA RETROFIT, INC					Total Check Amount:	\$684.05
V42017	COMPUTER PROTECTION TECHNOLOGY	07/31/2020	17263	110515125	UPS MAINTENANCE	\$2,000.00
		07/31/2020	17263	490515151	UPS MAINTENANCE	\$1,084.00
		07/31/2020	17263	475141471	PREV MAINT:UPS BATT	\$2,487.00
COMPUTER PROTECTION TECHNOLOGY					Total Check Amount:	\$5,571.00
V42018	CORE & MAIN LP	07/31/2020	27049	420515131	METERS	\$12,466.62
CORE & MAIN LP					Total Check Amount:	\$12,466.62
V42019	GLENN EASTMAN	07/31/2020	17537	110212111	SUPERVISORY COURSE	\$80.00
GLENN EASTMAN					Total Check Amount:	\$80.00
V42020	ENTENMANN ROVIN COMPANY	07/31/2020	3457	110212111	PD BADGES	\$349.10
ENTENMANN ROVIN COMPANY					Total Check Amount:	\$349.10
V42021	EQUIPMENT DIRECT INC	07/31/2020	4522	110515125	SAFETY VEST	\$28.79
		07/31/2020	4522	110515121	SAFETY GLOVES	\$146.54
		07/31/2020	4522	110515141	RUBBER GLOVES	\$228.95
		07/31/2020	4522	420515131	SAFETY VESTS	\$47.41
		07/31/2020	4522	430515123	SAFETY WORK VEST	\$163.88
EQUIPMENT DIRECT INC					Total Check Amount:	\$615.57
V42022	GALE SUPPLY COMPANY	07/31/2020	21090	110515121	TRASH LINERS	\$342.65

City Disbursement Register

Between Jul 27, 2020 12:00 AM and Jul 31, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V42022	GALE SUPPLY COMPANY	07/31/2020	21090	110515141	TRASH LINERS	\$504.27
GALE SUPPLY COMPANY					Total Check Amount:	\$846.92
V42023	JEFFREY HUNZIKER	07/31/2020	26172	110212111	TRAINING MILEAGE	\$10.35
JEFFREY HUNZIKER					Total Check Amount:	\$10.35
V42024	IMPERIAL SPRINKLER SUPPLY	07/31/2020	24260	110515141	IRRIGATON PARTS	\$813.99
		07/31/2020	24260	110515144	IRRIGATION PARTS	\$322.56
		07/31/2020	24260	110515141	IRRIGATION PARTS	\$460.58
		07/31/2020	24260	360515145	IRRIGATION PARTS	\$566.61
IMPERIAL SPRINKLER SUPPLY					Total Check Amount:	\$2,163.74
V42027	INTERWEST CONSULTING GROUP, INC.	07/31/2020	28473	510707251	CIP MGMT SVCS FEB20	\$7,155.00
		07/31/2020	28473	510707251	CIP MGMT SVCS MAR20	\$7,950.00
		07/31/2020	28473	510707278	CIP MGMT SVCS APR20	\$487.50
		07/31/2020	28473	510707278	CIP MGMT SVCS MAR20	\$37.50
		07/31/2020	28473	510707311	CIP MGMT SVCS MAR20	\$1,200.00
		07/31/2020	28473	510707454	CIP MGMT SVCS APR20	\$75.00
		07/31/2020	28473	510707459	CIP MGMT SVCS APR20	\$2,212.50
		07/31/2020	28473	510707459	CIP MGMT SVCS FEB20	\$862.50
		07/31/2020	28473	510707460	CIP MGMT SVCS JAN20	\$1,012.50
		07/31/2020	28473	510707464	CIP MGMT SVCS MAR20	\$1,237.50
		07/31/2020	28473	510707627	CIP MGMT SVCS MAR20	\$8,060.00
		07/31/2020	28473	510707923	CIP MGMT SVCS MAR20	\$37.50
		07/31/2020	28473	510707278	CIP MGMT SVCS JAN20	\$187.50
		07/31/2020	28473	510707453	CIP MGMT SVCS FEB20	\$600.00
		07/31/2020	28473	510707453	CIP MGMT SVCS JAN20	\$937.50
		07/31/2020	28473	510707457	CIP MGMT SVCS FEB20	\$37.50
		07/31/2020	28473	510707458	58200 ADJ PO-219198	(\$5,775.00)
		07/31/2020	28473	510707458	CIP MGMT SVCS JAN20	\$5,775.00
		07/31/2020	28473	510707459	CIP MGMT SVCS MAR20	\$2,175.00
		07/31/2020	28473	510707460	CIP MGMT SVCS FEB20	\$937.50
		07/31/2020	28473	510707460	CIP MGMT SVCS MAR20	\$2,175.00
		07/31/2020	28473	510707464	CIP MGMT SVCS APR20	\$1,237.50
		07/31/2020	28473	510707467	CIP MGMT SVCS FEB20	\$2,025.00
		07/31/2020	28473	510707467	CIP MGMT SVCS JAN20	\$1,275.00
		07/31/2020	28473	510707467	CIP MGMT SVCS MAR20	\$2,250.00
		07/31/2020	28473	510707627	CIP MGMT SVCS APR20	\$6,035.00
		07/31/2020	28473	510707923	CIP MGMT SVCS FEB20	\$150.00
		07/31/2020	28473	510707306	CIP MGMT SVCS FEB20	\$150.00

City Disbursement Register

Between Jul 27, 2020 12:00 AM and Jul 31, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V42027	INTERWEST CONSULTING GROUP, INC.	07/31/2020	28473	510707453	CIP MGMT SVCS APR20	\$1,200.00
		07/31/2020	28473	510707457	CIP MGMT SVCS APR20	\$300.00
		07/31/2020	28473	510707457	CIP MGMT SVCS MAR20	\$525.00
		07/31/2020	28473	510707459	CIP MGMT SVCS JAN20	\$1,050.00
		07/31/2020	28473	510707460	CIP MGMT SVCS APR20	\$2,287.50
		07/31/2020	28473	510707464	CIP MGMT SVCS FEB20	\$562.50
		07/31/2020	28473	510707464	CIP MGMT SVCS JAN20	\$1,200.00
		07/31/2020	28473	510707467	CIP MGMT SVCS APR20	\$2,812.50
		07/31/2020	28473	510707627	CIP MGMT SVCS FEB20	\$26,320.00
		07/31/2020	28473	510707311	CIP MGMT SVCS APR20	\$1,087.50
		07/31/2020	28473	510707311	CIP MGMT SVCS FEB20	\$637.50
		07/31/2020	28473	510707311	CIP MGMT SVCS JAN20	\$1,237.50
		07/31/2020	28473	510707453	CIP MGMT SVCS MAR20	\$1,350.00
		07/31/2020	28473	510707923	CIP MGMT SVCS APR20	\$150.00
					INTERWEST CONSULTING GROUP, INC. Total Check Amount:	\$91,220.00
V42028	KREUZER CONSULTING GROUP	07/31/2020	22072	510707278	IMP/BERRY INT MAY20	\$6,000.00
					KREUZER CONSULTING GROUP Total Check Amount:	\$6,000.00
V42029	KRONOS INCORPORATED	07/31/2020	22688	110222223	IVR SVCS APR/MAY 2020	\$7.21
		07/31/2020	22688	110222223	IVR SVCS JUN 2020	\$11.39
					KRONOS INCORPORATED Total Check Amount:	\$18.60
V42030	L.N. CURTIS & SONS	07/31/2020	1053	110212131	DUTY HOLSTER	\$94.11
		07/31/2020	1053	110212131	NEW OFFICER UNIFORMS	\$1,025.36
		07/31/2020	1053	110222221	ADAPTERS	\$168.09
					L.N. CURTIS & SONS Total Check Amount:	\$1,287.56
V42031	LM PAINTING & CONST/LEO'S A/C	07/31/2020	19676	110404521	PAINT SR CTR INTERIOR	\$4,050.00
					LM PAINTING & CONST/LEO'S A/C Total Check Amount:	\$4,050.00
V42032	PEDRO N MACUIL	07/31/2020	6714	460141474	JUNE 2020 MILEAGE	\$68.80
					PEDRO N MACUIL Total Check Amount:	\$68.80
V42033	SUSAN MARTIN	07/31/2020	23655	110404523	COUNSELING SVCS JUN20	\$2,720.00
					SUSAN MARTIN Total Check Amount:	\$2,720.00
V42034	MUNICIPAL WATER DISTRICT	07/31/2020	3784	420515131	WATER DELIVERY JUN20	\$16,546.81
					MUNICIPAL WATER DISTRICT Total Check Amount:	\$16,546.81
V42035	MYERS AND SONS	07/31/2020	21624	510707702	SIGN INSTALL. MATS	\$622.58
		07/31/2020	21624	510707702	'KEEP RIGHT' SIGNS	\$407.51
					MYERS AND SONS Total Check Amount:	\$1,030.09
V42036	ONWARD ENGINEERING	07/31/2020	22106	110515171	INSP SVCS MAY 2020	\$6,765.00
					ONWARD ENGINEERING Total Check Amount:	\$6,765.00
V42037	EDGAR B PADILLA	07/31/2020	12386	110212111	TRAINING MILEAGE	\$10.47

City Disbursement Register

Between Jul 27, 2020 12:00 AM and Jul 31, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
EDGAR B PADILLA						Total Check Amount: \$10.47
V42038	PLACEWORKS, INC.	07/31/2020	26720	84032323P	PROFESSIONAL SVCS	\$5,277.23
PLACEWORKS, INC.						Total Check Amount: \$5,277.23
V42039	PLUMBERS DEPOT INC.	07/31/2020	14542	430515123	CCTV 6 PIN REPAIR	\$311.97
		07/31/2020	14542	430515123	CCTV CLUTCH ASSEMBLY	\$450.47
		07/31/2020	14542	430515123	CCTV TEST	\$26.47
		07/31/2020	14542	430515123	CCTV WARTHOG OVERHEAD	\$155.95
PLUMBERS DEPOT INC.						Total Check Amount: \$944.86
V42040	RPW SERVICES, INC.	07/31/2020	3791	110515143	SPRAY SHRUBS FOR BUGS	\$300.00
RPW SERVICES, INC.						Total Check Amount: \$300.00
V42041	RUSSELL SIGLER INC.	07/31/2020	21638	490515151	HVAC GAS	\$75.07
		07/31/2020	21638	490515151	HVAC PARTS FS3	\$387.41
		07/31/2020	21638	490515151	HVAC PARTS	\$596.65
		07/31/2020	21638	490515151	HVAC PURON	\$189.69
RUSSELL SIGLER INC.						Total Check Amount: \$1,248.82
V42042	SITEONE LANDSCAPE SUPPLY, LLC	07/31/2020	25942	110515141	IRRIGATION PARTS	\$945.99
		07/31/2020	25942	360515145	IRRIGATION PARTS	\$229.98
SITEONE LANDSCAPE SUPPLY, LLC						Total Check Amount: \$1,175.97
V42043	SMART & FINAL	07/31/2020	3269	110404428	DAY CAMP FOOD	\$60.19
SMART & FINAL						Total Check Amount: \$60.19
V42044	SO CAL LAND MAINTENANCE, INC.	07/31/2020	26009	110515141	PARKS MOWING JUN 2020	\$6,231.29
		07/31/2020	26009	360515145	PARKS MOWING JUN 2020	\$88.61
SO CAL LAND MAINTENANCE, INC.						Total Check Amount: \$6,319.90
V42045	SUPERIOR ALARM SYSTEMS	07/31/2020	11074	360515145	WC PARK ALARM 20/21	\$300.00
SUPERIOR ALARM SYSTEMS						Total Check Amount: \$300.00
V42046	TARGET SPECIALITY PRODUCTS	07/31/2020	19444	110515144	FERTILIZER	\$1,237.83
		07/31/2020	19444	360515145	FERTILIZER	\$618.92
TARGET SPECIALITY PRODUCTS						Total Check Amount: \$1,856.75
V42047	THOMSON REUTERS - WEST	07/31/2020	22020	110212111	384765 CHGS 6/5-7/4	\$419.90
THOMSON REUTERS - WEST						Total Check Amount: \$419.90
V42048	TROPICAL PLAZA NURSERY, INC	07/31/2020	2062	341515112	IRRIGATION REPAIRS	\$263.95
TROPICAL PLAZA NURSERY, INC						Total Check Amount: \$263.95
V42049	UNDERGROUND SERVICE ALERT/SC	07/31/2020	4537	420515131	DSB FEE 7/1/2020	\$90.78
UNDERGROUND SERVICE ALERT/SC						Total Check Amount: \$90.78
V42050	VIRTUAL PROJECT MANAGER	07/31/2020	23508	510707251	CIP SW BCKUP/ST JUN20	\$100.00
		07/31/2020	23508	510707311	CIP SW BCKUP/ST JUN20	\$33.00
		07/31/2020	23508	510707459	CIP SW BCKUP/ST JUN20	\$100.00
		07/31/2020	23508	510707460	CIP SW BCKUP/ST JUN20	\$100.00

City Disbursement Register

Between Jul 27, 2020 12:00 AM and Jul 31, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V42050	VIRTUAL PROJECT MANAGER	07/31/2020	23508	510707453	CIP SW BCKUP/ST JUN20	\$33.00
		07/31/2020	23508	510707464	CIP SW BCKUP/ST JUN20	\$34.00
		07/31/2020	23508	510707627	CIP SW BCKUP/ST JUN20	\$100.00
VIRTUAL PROJECT MANAGER					Total Check Amount:	\$500.00
V42051	VISTA PAINT CORPORATION	07/31/2020	4573	110515149	PAINT-BCGC CLUBHOUSE	\$588.92
VISTA PAINT CORPORATION					Total Check Amount:	\$588.92
V42052	WALTERS WHOLESALE ELECTRIC	07/31/2020	1667	110515121	LIGHT SOCKET	\$5.50
		07/31/2020	1667	110515121	OLINDAVILL LIGHT LAMP	\$87.98
		07/31/2020	1667	490515151	ELECTRIC PARTS FL3	\$335.85
		07/31/2020	1667	110515121	PHOTO CELLS:LT POLES	\$330.10
WALTERS WHOLESALE ELECTRIC					Total Check Amount:	\$759.43
V42053	WEST COAST ARBORISTS, INC.	07/31/2020	1556	110515142	TREE REMVL/TRMG JUN20	\$7,300.03
		07/31/2020	1556	110515142	TREE TRIMMING JUN20	\$1,094.68
		07/31/2020	1556	880515113	TREE TRIMMING JUN20	\$8,000.00
		07/31/2020	1556	110515142	TREE TRIMMING MAY20	\$866.16
WEST COAST ARBORISTS, INC.					Total Check Amount:	\$17,260.87
V42054	WILLDAN ENGINEERING	07/31/2020	12445	510707464	INSP SVCS THRU 5/29	\$770.99
		07/31/2020	12445	510707453	INSP SVCS THRU 5/29	\$938.57
		07/31/2020	12445	510707311	INSP SVCS THRU 5/29	\$1,642.44
WILLDAN ENGINEERING					Total Check Amount:	\$3,352.00
V42055	ZUMAR INDUSTRIES, INC.	07/31/2020	3802	510707703	NEW STREET NAME SIGNS	\$260.91
ZUMAR INDUSTRIES, INC.					Total Check Amount:	\$260.91
					Voucher Subtotal	\$285,973.36
TOTAL						\$660,300.49

City Disbursement Register

Between Aug 3, 2020 12:00 AM and Aug 7, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
184813	AKM CONSULTING ENGINEERS	08/07/2020	10006	510707609	SWR MSTRPLN UPD FEB20	\$657.00
		08/07/2020	10006	510707609	SWR MSTRPLN UPD JUN20	\$5,935.00
		08/07/2020	10006	510707609	SWR MSTRPLN UPD MAY20	\$1,104.00
AKM CONSULTING ENGINEERS					Total Check Amount:	\$7,696.00
184814	KARA APODACA	08/07/2020	30052	110	REFUND DUE TO COVID19	\$305.00
KARA APODACA					Total Check Amount:	\$305.00
184815	CLEVE ARAKAKI	08/07/2020	30022	420000000	CLOSED WATER ACCOUNT	\$68.07
CLEVE ARAKAKI					Total Check Amount:	\$68.07
184816	ARDURRA GROUP, INC.	08/07/2020	29147	110000000	PLAN CHECK SVCS MAR20	\$144.00
		08/07/2020	29147	84051517P	PLAN CHECK SVCS APR20	\$1,438.50
		08/07/2020	29147	510707323	CNTRY LN ST REHAB JUN	\$1,680.00
		08/07/2020	29147	510707324	BERRY FEAS. STUDY JUN	\$4,600.00
		08/07/2020	29147	84051517P	PLAN CHECK SVCS MAR20	\$411.00
		08/07/2020	29147	110000000	PLAN CHECK SVCS APR20	\$478.50
		08/07/2020	29147	84051517I	PLAN CHECK SVCS APR20	\$205.50
ARDURRA GROUP, INC.					Total Check Amount:	\$8,957.50
184817	BARTEL ASSOCIATES, LLC	08/07/2020	18970	110141431	ACTUARIAL CONSULT MAY	\$1,985.08
BARTEL ASSOCIATES, LLC					Total Check Amount:	\$1,985.08
184818	BAVCO	08/07/2020	26572	420515131	CALIBRATED BF TESTER	\$95.00
BAVCO					Total Check Amount:	\$95.00
184819	BEE REMOVERS	08/07/2020	28503	420515131	BEE REMOVAL	\$412.00
BEE REMOVERS					Total Check Amount:	\$412.00
184820	BKF ENGINEERS	08/07/2020	29410	510707322	CH REHAB/WTR CONN JUN	\$18,975.25
BKF ENGINEERS					Total Check Amount:	\$18,975.25
184821	RAYMOND BLANCO	08/07/2020	28080	110	REFUND DUE TO COVID19	\$50.00
RAYMOND BLANCO					Total Check Amount:	\$50.00
184822	NANCY R BYRNES	08/07/2020	30049	110	REFUND DUE TO COVID19	\$475.00
NANCY R BYRNES					Total Check Amount:	\$475.00
184823	CALIFORNIA MUNICIPAL STATISTICS INC	08/07/2020	10631	110141431	DEBT STATEMENT 063020	\$500.00
CALIFORNIA MUNICIPAL STATISTICS INC					Total Check Amount:	\$500.00
184824	LIZA CARRILLO	08/07/2020	30044	110	REFUND DUE TO COVID19	\$425.00
LIZA CARRILLO					Total Check Amount:	\$425.00
184825	PATRICIA CHEN	08/07/2020	30036	110	REFUND DUE TO COVID19	\$148.03
PATRICIA CHEN					Total Check Amount:	\$148.03
184826	CITY OF BREA - WATER DEPT	08/07/2020	2039	343515112	WATER 6/4-7/6/20	\$2,983.72
		08/07/2020	2039	880515113	WATER 6/4-7/6/20	\$30.43
		08/07/2020	2039	341515112	WATER 6/4-7/6/20	\$1,887.57
		08/07/2020	2039	346515112	WATER 6/4-7/6/20	\$5,644.09

City Disbursement Register

Between Aug 3, 2020 12:00 AM and Aug 7, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
184826	CITY OF BREA - WATER DEPT	08/07/2020	2039	110515149	WATER 6/4-7/6/20	\$8,217.01
		08/07/2020	2039	345515112	WATER 6/4-7/6/20	\$3,208.63
		08/07/2020	2039	347515112	WATER 6/4-7/6/20	\$1,106.96
CITY OF BREA - WATER DEPT					Total Check Amount:	\$23,078.41
184827	CIVILTEC ENGINEERING INC.	08/07/2020	2581	510707442	WTR MSTRPLN UPD JUN20	\$27,315.13
		08/07/2020	2581	510707442	WTR MSTRPLN UPD MAY20	\$12,226.50
		08/07/2020	2581	510707442	WTR MSTRPLN UPD FEB20	\$14,410.75
CIVILTEC ENGINEERING INC.					Total Check Amount:	\$53,952.38
184828	BEN CLAES	08/07/2020	28048	110	REFUND DUE TO COVID19	\$60.00
BEN CLAES					Total Check Amount:	\$60.00
184829	COUNTY OF ORANGE	08/07/2020	4799	110212122	OCATS/ROUTER JUL20	\$1,104.51
COUNTY OF ORANGE					Total Check Amount:	\$1,104.51
184830	CARMEN DAUGHERTY	08/07/2020	30051	110	REFUND DUE TO COVID19	\$475.00
CARMEN DAUGHERTY					Total Check Amount:	\$475.00
184831	LAMAR DAVENPORT	08/07/2020	30032	110000000	REFUND: FIRE PERMIT	\$69.00
LAMAR DAVENPORT					Total Check Amount:	\$69.00
184832	DMS CONSULTANTS CIVIL ENGINEERS INC	08/07/2020	28706	510707320	ALLEY REHAB JUN20	\$1,210.60
		08/07/2020	28706	510707319	ALLEY REHAB JUN20	\$1,371.82
		08/07/2020	28706	510707321	ALLEY REHAB JUN20	\$1,377.58
DMS CONSULTANTS CIVIL ENGINEERS INC					Total Check Amount:	\$3,960.00
184833	SOUTHERN CALIFORNIA EDISON	08/07/2020	3343	110515143	ELECTRICITY JUN-JUL20	\$12.89
		08/07/2020	3343	110515121	ELECTRICITY JUN-JUL20	\$1,039.44
SOUTHERN CALIFORNIA EDISON					Total Check Amount:	\$1,052.33
184834	FAST WATER HEATER	08/07/2020	30038	110	WATERHEATER P. REFUND	\$1.50
		08/07/2020	30038	110000000	WATERHEATER P. REFUND	\$51.89
FAST WATER HEATER					Total Check Amount:	\$53.39
184835	FRANCHISE TAX BOARD	08/07/2020	13287	110	CD918039819 073120 PR	\$110.19
FRANCHISE TAX BOARD					Total Check Amount:	\$110.19
184836	MARY FRANCES GIACALONE	08/07/2020	30030	110	REFUND DUE TO COVID19	\$707.00
MARY FRANCES GIACALONE					Total Check Amount:	\$707.00
184837	GABRIEL GONZALEZ	08/07/2020	30035	110	REFUND DUE TO COVID19	\$1,000.00
GABRIEL GONZALEZ					Total Check Amount:	\$1,000.00
184838	JENNIFER GROTTTS	08/07/2020	30023	420000000	CLOSED WATER ACCOUNT	\$17.50
JENNIFER GROTTTS					Total Check Amount:	\$17.50
184839	KYONG HAN	08/07/2020	30017	420000000	CLOSED WATER ACCOUNT	\$116.41
KYONG HAN					Total Check Amount:	\$116.41
184840	PARRISH HIRASAKI	08/07/2020	30043	110	REFUND DUE TO COVID19	\$425.00
PARRISH HIRASAKI					Total Check Amount:	\$425.00

City Disbursement Register

Between Aug 3, 2020 12:00 AM and Aug 7, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
184841	INLAND WATER WORKS SUPPLY CO	08/07/2020	23904	420515131	ERTS FOR METERS	\$3,879.00
INLAND WATER WORKS SUPPLY CO						Total Check Amount: \$3,879.00
184842	INTIME SOLUTIONS INC.	08/07/2020	20876	950000000	ILJAO ISSS JUL-SEP	\$82,182.50
INTIME SOLUTIONS INC.						Total Check Amount: \$82,182.50
184843	KEVIN FRITZ PHOTO	08/07/2020	30056	110222211	BREA FD GROUP PHOTOS	\$1,600.00
KEVIN FRITZ PHOTO						Total Check Amount: \$1,600.00
184844	MISUN KIM	08/07/2020	30027	110	REFUND DUE TO COVID19	\$45.75
MISUN KIM						Total Check Amount: \$45.75
184845	KELLY KNAPP	08/07/2020	30021	420000000	CLOSED WATER ACCOUNT	\$114.64
KELLY KNAPP						Total Check Amount: \$114.64
184846	CRAIG KURTH	08/07/2020	30028	110	REFUND DUE TO COVID19	\$350.00
CRAIG KURTH						Total Check Amount: \$350.00
184847	MARIA GAMBOA LEANOS	08/07/2020	30048	110	REFUND DUE TO COVID19	\$1,000.00
MARIA GAMBOA LEANOS						Total Check Amount: \$1,000.00
184848	LIFE-ASSIST, INC.	08/07/2020	10530	174222222	PM MEDS FS #2	\$1,689.72
LIFE-ASSIST, INC.						Total Check Amount: \$1,689.72
184849	LPA, INC.	08/07/2020	15746	110404311	PROF SVCS JAN 2020	\$3,910.01
		08/07/2020	15746	110404311	PROF SVCS OCT 2019	\$788.73
LPA, INC.						Total Check Amount: \$4,698.74
184850	GERI LUCIO	08/07/2020	30042	110	REFUND DUE TO COVID19	\$570.00
GERI LUCIO						Total Check Amount: \$570.00
184851	DEBORAH MADDEN	08/07/2020	30050	110	REFUND DUE TO COVID19	\$425.00
DEBORAH MADDEN						Total Check Amount: \$425.00
184852	PERIN MAHLER	08/07/2020	30025	110404541	SOLO SHOW - 35TH MICA	\$350.00
PERIN MAHLER						Total Check Amount: \$350.00
184853	WILL MCLAIN	08/07/2020	30018	420000000	CLOSED WATER ACCOUNT	\$13.47
WILL MCLAIN						Total Check Amount: \$13.47
184854	MCPEEK'S DODGE OF ANAHEIM	08/07/2020	22049	480515161	FUEL PUMP RELAY RPR	\$438.16
MCPEEK'S DODGE OF ANAHEIM						Total Check Amount: \$438.16
184855	MEDPOST URGENT CARE - BREA	08/07/2020	27547	110141481	EMPL PHYSICAL EXAM	\$60.00
MEDPOST URGENT CARE - BREA						Total Check Amount: \$60.00
184856	MAHTAB MOHAMMADI	08/07/2020	30024	110404541	2ND PLACE 35TH MICA	\$500.00
MAHTAB MOHAMMADI						Total Check Amount: \$500.00
184857	MARTHA MORROW	08/07/2020	30045	110	REFUND DUE TO COVID19	\$95.00
MARTHA MORROW						Total Check Amount: \$95.00
184858	MICHELLE MYERS	08/07/2020	30039	110	REFUND DUE TO COVID19	\$425.00
MICHELLE MYERS						Total Check Amount: \$425.00
184859	OFFICE DEPOT, INC	08/07/2020	4743	110111161	OFFICE SUPPLIES	\$21.51

City Disbursement Register

Between Aug 3, 2020 12:00 AM and Aug 7, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
184859	OFFICE DEPOT, INC	08/07/2020	4743	110141441	OFFICE SUPPLIES	\$1,136.37
		08/07/2020	4743	110212122	OFFICE SUPPLIES	\$30.15
		08/07/2020	4743	110404311	OFFICE SUPPLIES	\$149.00
		08/07/2020	4743	110141411	TONER	\$198.68
		08/07/2020	4743	110404311	CREDIT:#105391472001	(\$110.96)
		08/07/2020	4743	110212121	OFFICE SUPPLIES	\$252.43
		08/07/2020	4743	110404311	TONER	\$653.60
		08/07/2020	4743	110404521	OFFICE SUPPLIES	\$89.50
OFFICE DEPOT, INC					Total Check Amount:	\$2,420.28
184860	JOHN PALMIERI	08/07/2020	30016	420000000	CLOSED WATER ACCOUNT	\$2,545.53
JOHN PALMIERI					Total Check Amount:	\$2,545.53
184861	PETTY CASH CUSTODIAN	08/07/2020	15658	110	PCF REPL 7/13 REISSUE	\$166.00
PETTY CASH CUSTODIAN					Total Check Amount:	\$166.00
184862	JUDITH PLUMMER	08/07/2020	30040	110	REFUND DUE TO COVID19	\$425.00
JUDITH PLUMMER					Total Check Amount:	\$425.00
184863	PUENTE HILLS FORD	08/07/2020	25742	480515161	WEATHER STRIP	\$145.11
		08/07/2020	25742	480515161	SOFTWARE UPDATE	\$85.00
		08/07/2020	25742	480515161	LUG NUTS	\$105.12
PUENTE HILLS FORD					Total Check Amount:	\$335.23
184864	R.F. DICKSON CO INC.	08/07/2020	29990	480515161	SWEEPER REPAIR	\$2,191.00
R.F. DICKSON CO INC.					Total Check Amount:	\$2,191.00
184865	SARA & LUIS RAMOS	08/07/2020	30055	840000000	DEVELOPER FEE REFUND	\$817.50
SARA & LUIS RAMOS					Total Check Amount:	\$817.50
184866	LIZZETTE RODRIGUEZ	08/07/2020	30034	110	REFUND DUE TO COVID19	\$187.20
LIZZETTE RODRIGUEZ					Total Check Amount:	\$187.20
184867	MATTHEW RUSSELL	08/07/2020	29407	110404145	INTRO KARATE	\$32.00
MATTHEW RUSSELL					Total Check Amount:	\$32.00
184868	BRITTNIE SALCEDO	08/07/2020	30031	110	REFUND DUE TO COVID19	\$1,000.00
BRITTNIE SALCEDO					Total Check Amount:	\$1,000.00
184869	GLADYS ESPINOZA SEGURA	08/07/2020	30033	110	REFUND DUE TO COVID19	\$41.15
GLADYS ESPINOZA SEGURA					Total Check Amount:	\$41.15
184870	SIEMENS MOBILITY, INC.	08/07/2020	29572	510707219	INSTALL SIGNAL LOOPS	\$8,180.00
SIEMENS MOBILITY, INC.					Total Check Amount:	\$8,180.00
184871	SOUTHERN CALIFORNIA NEWS GROUP	08/07/2020	26287	911111161	LEGAL NOTICES JUN20	\$842.00
		08/07/2020	26287	840141412	LEGAL NOTICES JUN20	\$1,361.00
SOUTHERN CALIFORNIA NEWS GROUP					Total Check Amount:	\$2,203.00
184872	STEPHEN DORECK EQUIPMENT	08/07/2020	20478	510707311	PP#1 PUENTE JUNE 2020	\$538,267.15
STEPHEN DORECK EQUIPMENT					Total Check Amount:	\$538,267.15

City Disbursement Register

Between Aug 3, 2020 12:00 AM and Aug 7, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
184873	CHINTAN TALATI	08/07/2020	30020	420000000	CLOSED WATER ACCOUNT	\$18.39
CHINTAN TALATI						Total Check Amount: \$18.39
184874	JOSHUA TENG	08/07/2020	30047	110	REFUND DUE TO COVID19	\$500.00
JOSHUA TENG						Total Check Amount: \$500.00
184875	TK1SC	08/07/2020	29642	510707955	CCC 3F REMODEL APR20	\$3,800.00
		08/07/2020	29642	510707955	CCC 3F REMODEL FEB20	\$11,400.00
TK1SC						Total Check Amount: \$15,200.00
184876	KATIE TROUTMAN	08/07/2020	30029	110	REFUND DUE TO COVID19	\$339.15
KATIE TROUTMAN						Total Check Amount: \$339.15
184877	JACQUELINE VALENZUELA	08/07/2020	30026	110404541	1ST PLACE 35TH MICA	\$750.00
JACQUELINE VALENZUELA						Total Check Amount: \$750.00
184878	CANDICE WILLIAMS	08/07/2020	30041	110	REFUND DUE TO COVID19	\$500.00
CANDICE WILLIAMS						Total Check Amount: \$500.00
184879	JEANNE WINDOFFER	08/07/2020	30046	110	REFUND DUE TO COVID19	\$425.00
JEANNE WINDOFFER						Total Check Amount: \$425.00
184880	ZACH ZENDER	08/07/2020	30019	420000000	CLOSED WATER ACCOUNT	\$28.23
ZACH ZENDER						Total Check Amount: \$28.23
Check Subtotal						\$801,281.84
V42056	ALBERT GROVER & ASSOCIATES	08/07/2020	23588	840141412	TROUBLSHT TRAFFICWARE	\$1,620.00
ALBERT GROVER & ASSOCIATES						Total Check Amount: \$1,620.00
V42057	ALLIANT INSURANCES SVCS	08/07/2020	13785	950000000	20/21 ACIP CRIME INS	\$1,260.00
ALLIANT INSURANCES SVCS						Total Check Amount: \$1,260.00
V42058	ALTERNATIVE HOSE, INC.	08/07/2020	18488	480515161	HOSES/FITTINGS	\$498.55
ALTERNATIVE HOSE, INC.						Total Check Amount: \$498.55
V42059	ARC IMAGING RESOURCES	08/07/2020	23273	110404211	BCC PLOTTER SUPPLIES	\$887.58
		08/07/2020	23273	110404211	19/20 MNT CREDIT	(\$579.00)
ARC IMAGING RESOURCES						Total Check Amount: \$308.58
V42060	B & S GRAPHICS INC.	08/07/2020	24357	480515161	LABELS	\$177.03
B & S GRAPHICS INC.						Total Check Amount: \$177.03
V42061	THE BANK OF NEW YORK MELLON	08/07/2020	16062	930141424	CONTRL ACCT APR-JUN20	\$2,605.15
THE BANK OF NEW YORK MELLON						Total Check Amount: \$2,605.15
V42062	BEST LAWN MOWER SERVICE	08/07/2020	16230	480515161	SHAFT/ AIR CLEANER	\$50.83
		08/07/2020	16230	480515161	CARBURETOR	\$69.27
BEST LAWN MOWER SERVICE						Total Check Amount: \$120.10
V42063	BPSEA MEMORIAL FOUNDATION	08/07/2020	14990	110	DED:4050 MEMORIAL	\$192.00
BPSEA MEMORIAL FOUNDATION						Total Check Amount: \$192.00
V42064	BREA AUTO SERVICE	08/07/2020	12780	480515161	A/C REPAIR	\$2,976.90
BREA AUTO SERVICE						Total Check Amount: \$2,976.90

City Disbursement Register

Between Aug 3, 2020 12:00 AM and Aug 7, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V42065	BREA CITY EMPLOYEES ASSOCIATION	08/07/2020	3236	110	DED:4005 BCEA MEMBR	\$560.00
BREA CITY EMPLOYEES ASSOCIATION						Total Check Amount: \$560.00
V42066	BREA KOREA SISTER CITY ASSOC	08/07/2020	23758	110111111	FY 20/21 STIPEND	\$2,000.00
		08/07/2020	23758	110111111	FY 19/20 STIPEND	\$2,000.00
BREA KOREA SISTER CITY ASSOC						Total Check Amount: \$4,000.00
V42067	BUTLER CHEMICALS, INC.	08/07/2020	6515	490515151	SR CTR DW SVC JUL20	\$167.01
BUTLER CHEMICALS, INC.						Total Check Amount: \$167.01
V42068	BYRNE SOFTWARE TECHNOLOGIES, INC.	08/07/2020	27471	110323241	ACCELA IMPL 7/4-7/10	\$660.00
BYRNE SOFTWARE TECHNOLOGIES, INC.						Total Check Amount: \$660.00
V42069	C. WELLS PIPELINE MATERIALS INC	08/07/2020	13055	510707442	PLUMBING SUPPLIES	\$1,097.99
		08/07/2020	13055	420515131	PLUMBING SUPPLIES	\$852.31
C. WELLS PIPELINE MATERIALS INC						Total Check Amount: \$1,950.30
V42070	CDCE INCORPORATED	08/07/2020	19356	110212121	INST TABLETS TO VEH	\$850.00
CDCE INCORPORATED						Total Check Amount: \$850.00
V42071	CIGNA BEHAVIORAL HEALTH, INC.	08/07/2020	26628	110141481	EAP SVCS AUGUST 2020	\$862.79
CIGNA BEHAVIORAL HEALTH, INC.						Total Check Amount: \$862.79
V42072	COMLOCK SECURITY-GROUP	08/07/2020	13625	490515151	LOCKS & KEYS	\$11.28
COMLOCK SECURITY-GROUP						Total Check Amount: \$11.28
V42073	CORE & MAIN LP	08/07/2020	27049	420515131	WATER METER ENCODERS	\$1,268.70
		08/07/2020	27049	420515131	WATER METERS+ENCODERS	\$12,311.83
CORE & MAIN LP						Total Check Amount: \$13,580.53
V42074	FIX AUTO LA HABRA	08/07/2020	28720	480515161	ACCIDENT REPAIR	\$2,383.94
FIX AUTO LA HABRA						Total Check Amount: \$2,383.94
V42075	FLEET SERVICES	08/07/2020	5658	480515161	AIR DRYER	\$456.70
FLEET SERVICES						Total Check Amount: \$456.70
V42076	GEORGE HILLS COMPANY	08/07/2020	27340	470141483	CLAIMS MGMT FEE JUL20	\$530.42
GEORGE HILLS COMPANY						Total Check Amount: \$530.42
V42077	DON GOLDEN	08/07/2020	10729	110000000	INSP SVCS 7/16-7/29	(\$4,950.75)
		08/07/2020	10729	840323241	INSP SVCS 7/16-7/29	\$14,007.00
DON GOLDEN						Total Check Amount: \$9,056.25
V42078	GRAINGER	08/07/2020	13634	480515161	PLUG CONNECTOR	\$73.02
		08/07/2020	13634	110222211	BATTERIES	\$292.34
GRAINGER						Total Check Amount: \$365.36
V42079	HAAKER EQUIPMENT CO.	08/07/2020	4297	480515161	SWIVEL ASSEMBLY	\$332.69
HAAKER EQUIPMENT CO.						Total Check Amount: \$332.69
V42080	HCI SYSTEMS INC	08/07/2020	25112	490515151	FIRE SPRINKLER REPAIR	\$306.25
HCI SYSTEMS INC						Total Check Amount: \$306.25

City Disbursement Register

Between Aug 3, 2020 12:00 AM and Aug 7, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V42081	INFOSEND, INC.	08/07/2020	19016	420141421	WATER:MAY20 POSTAGE	\$4,220.23
		08/07/2020	19016	420141421	WATER:MAY20 PRNT/MAIL	\$1,481.06
		08/07/2020	19016	110404311	INSERT:CS SUMMER UPD	\$107.24
		08/07/2020	19016	911111161	INSERT:HEALTH HYGIENE	\$107.24
INFOSEND, INC.					Total Check Amount:	\$5,915.77
V42082	INTERWEST CONSULTING GROUP, INC.	08/07/2020	28473	510707453	CIP MGMT SVCS MAY20	\$1,762.50
		08/07/2020	28473	510707457	CIP MGMT SVCS MAY20	\$1,087.50
		08/07/2020	28473	510707278	CIP MGMT SVCS MAY20	\$300.00
		08/07/2020	28473	510707464	CIP MGMT SVCS MAY20	\$1,687.50
		08/07/2020	28473	510707311	CIP MGMT SVCS MAY20	\$1,912.50
		08/07/2020	28473	510707454	CIP MGMT SVCS MAY20	\$187.50
		08/07/2020	28473	510707459	CIP MGMT SVCS MAY20	\$225.00
		08/07/2020	28473	510707460	CIP MGMT SVCS MAY20	\$225.00
		08/07/2020	28473	510707467	CIP MGMT SVCS MAY20	\$2,475.00
		08/07/2020	28473	510707627	CIP MGMT SVCS MAY20	\$1,472.50
INTERWEST CONSULTING GROUP, INC.					Total Check Amount:	\$11,335.00
V42083	IPARQ	08/07/2020	21583	110323241	PERMIT FEES MAY 2020	\$1,561.62
		08/07/2020	21583	110323241	PERMIT FEES JUNE 2020	\$754.57
IPARQ					Total Check Amount:	\$2,316.19
V42084	JMDIAZ, INC.	08/07/2020	27113	110515171	PO#219143 CHGS JUN20	(\$4,722.30)
		08/07/2020	27113	110000000	O/C ENG'G SVCS JUN20	(\$796.50)
		08/07/2020	27113	510707470	O/C ENG'G SVCS JUN20	\$660.00
		08/07/2020	27113	510707471	O/C ENG'G SVCS JUN20	\$696.30
		08/07/2020	27113	110515171	JMD CHGS PO219143 ADJ	\$0.00
		08/07/2020	27113	510707914	O/C ENG'G SVCS JUN20	\$121.00
		08/07/2020	27113	84051517P	O/C ENG'G SVCS JUN20	\$4,041.50
		08/07/2020	27113	110515171	O/C ENG'G SVCS JUN20	\$7,807.80
JMDIAZ, INC.					Total Check Amount:	\$7,807.80
V42085	KERNTEC INDUSTRIES, INC.	08/07/2020	17490	110222231	CONSULTATN FEES JUN20	\$300.00
KERNTEC INDUSTRIES, INC.					Total Check Amount:	\$300.00
V42086	KREUZER CONSULTING GROUP	08/07/2020	22072	510707278	ENG'G SVCS JUN 2020	\$8,055.00
KREUZER CONSULTING GROUP					Total Check Amount:	\$8,055.00
V42087	LINCOLN AQUATICS	08/07/2020	17902	110404422	BULK ACID & CHLORINE	\$614.06
LINCOLN AQUATICS					Total Check Amount:	\$614.06
V42088	LINEGEAR	08/07/2020	23894	110222221	BRUSH COATS	\$2,467.48
LINEGEAR					Total Check Amount:	\$2,467.48
V42089	MUNICIPAL EMERGENCY SERVICES	08/07/2020	26685	110222221	SCBA HELMET/MASK	\$2,086.46
MUNICIPAL EMERGENCY SERVICES					Total Check Amount:	\$2,086.46

City Disbursement Register

Between Aug 3, 2020 12:00 AM and Aug 7, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V42090	NTH GENERATION COMPUTING, INC.	08/07/2020	21379	475141471	CLOUD BACKUP JUN/JUL	\$3,266.84
					NTH GENERATION COMPUTING, INC. Total Check Amount:	\$3,266.84
V42092	ONWARD ENGINEERING	08/07/2020	22106	510707312	INSP SVCS JUNE 2020	\$1,100.00
		08/07/2020	22106	510707251	INSP SVCS MAY 2020	\$1,760.00
		08/07/2020	22106	840515171	INSP SVCS JUNE 2020	\$5,360.00
		08/07/2020	22106	110000000	INSP SVCS JUNE 2020	(\$960.00)
		08/07/2020	22106	510707251	INSP SVCS JUNE 2020	\$1,100.00
		08/07/2020	22106	510707609	INSP SVCS JUNE 2020	\$4,235.00
		08/07/2020	22106	110515171	INSP SVCS JUNE 2020	\$8,525.00
		08/07/2020	22106	510707251	INSP SVCS APRIL 2020	\$3,850.00
					ONWARD ENGINEERING Total Check Amount:	\$24,970.00
V42093	ORANGE COUNTY SANITATION DIST.	08/07/2020	14689	110	RES SEWER FEES JUN20	\$57,327.00
		08/07/2020	14689	110000000	5% COLL RES SF JUN20	(\$2,866.35)
					ORANGE COUNTY SANITATION DIST. Total Check Amount:	\$54,460.65
V42094	ORANGE COUNTY UNITED WAY	08/07/2020	3451	110	DED:5005 UNITED WAY	\$7.31
					ORANGE COUNTY UNITED WAY Total Check Amount:	\$7.31
V42095	PARKHOUSE TIRE, INC.	08/07/2020	22120	480515161	TIRES	\$4,451.68
					PARKHOUSE TIRE, INC. Total Check Amount:	\$4,451.68
V42096	PLUMBERS DEPOT INC.	08/07/2020	14542	480515161	VACTOR DOOR REPAIR	\$4,505.95
					PLUMBERS DEPOT INC. Total Check Amount:	\$4,505.95
V42097	PLUMBING WHOLESALE OUTLET, INC.	08/07/2020	18392	490515151	PLUMBING PARTS	\$344.32
		08/07/2020	18392	490515151	ABS PLUGS (FOR BCC)	\$34.96
		08/07/2020	18392	490515151	CARTRIDGE	\$66.96
		08/07/2020	18392	490515151	ICE MACHINE	\$302.97
					PLUMBING WHOLESALE OUTLET, INC. Total Check Amount:	\$749.21
V42098	RCS INVESTIGATIONS & CONSULTING LLC	08/07/2020	22534	110212111	BACKGRND INVSTIGATION	\$1,750.00
					RCS INVESTIGATIONS & CONSULTING LLC Total Check Amount:	\$1,750.00
V42099	ALFRED ANTHONY RODRIGUEZ	08/07/2020	27489	110212111	TRAINING MEALS	\$80.00
					ALFRED ANTHONY RODRIGUEZ Total Check Amount:	\$80.00
V42100	SHRED-IT USA	08/07/2020	7438	110111161	DOC SHRED 7/7/20	\$24.43
		08/07/2020	7438	110111161	DOC SHRED 6/23/20	\$41.23
		08/07/2020	7438	110212122	DOC SHRED 7/7/20	\$51.60
		08/07/2020	7438	470141483	DOC SHRED 7/7/20	\$3.97
		08/07/2020	7438	470141483	DOC SHRED 6/23/20	\$6.69
		08/07/2020	7438	110212122	DOC SHRED 6/23/20	\$87.08
					SHRED-IT USA Total Check Amount:	\$215.00
V42101	SMART & FINAL	08/07/2020	3269	110404428	DAYCAMP FOOD	\$49.72

City Disbursement Register

Between Aug 3, 2020 12:00 AM and Aug 7, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V42101	SMART & FINAL	08/07/2020	3269	110404425	TINY TOTS FOOD	\$64.52
		08/07/2020	3269	110404428	DAYCAMP FOOD/SUPPLIES	\$52.76
SMART & FINAL					Total Check Amount:	\$167.00
V42102	SNAP-ON INDUSTRIAL	08/07/2020	17125	480515161	SCANNER UPGRADE	\$1,047.17
SNAP-ON INDUSTRIAL					Total Check Amount:	\$1,047.17
V42103	SPECTRUM GAS PRODUCTS, INC.	08/07/2020	16060	174222222	OXYGEN	\$53.00
SPECTRUM GAS PRODUCTS, INC.					Total Check Amount:	\$53.00
V42104	TIFCO INDUSTRIES	08/07/2020	8995	480515161	DRILL BITS/NUTS/BOLTS	\$656.13
TIFCO INDUSTRIES					Total Check Amount:	\$656.13
V42105	UNITED ROTARY BRUSH CORPORATION	08/07/2020	16649	480515161	SWEEPER BROOM	\$247.48
UNITED ROTARY BRUSH CORPORATION					Total Check Amount:	\$247.48
V42106	VIRTUAL PROJECT MANAGER	08/07/2020	23508	510707321	CIP SW BCKUP/ST JUL20	\$25.00
		08/07/2020	23508	510707453	CIP SW BCKUP/ST JUL20	\$25.00
		08/07/2020	23508	510707251	CIP SW BCKUP/ST JUL20	\$25.00
		08/07/2020	23508	510707459	CIP SW BCKUP/ST JUL20	\$100.00
		08/07/2020	23508	510707460	CIP SW BCKUP/ST JUL20	\$100.00
		08/07/2020	23508	510707467	CIP SW BCKUP/ST JUL20	\$100.00
		08/07/2020	23508	510707311	CIP SW BCKUP/ST JUL20	\$25.00
		08/07/2020	23508	510707319	CIP SW BCKUP/ST JUL20	\$25.00
		08/07/2020	23508	510707322	CIP SW BCKUP/ST JUL20	\$25.00
		08/07/2020	23508	510707320	CIP SW BCKUP/ST JUL20	\$25.00
		08/07/2020	23508	510707464	CIP SW BCKUP/ST JUL20	\$25.00
VIRTUAL PROJECT MANAGER					Total Check Amount:	\$500.00
V42107	WEST-LITE SUPPLY CO., INC.	08/07/2020	5192	490515152	LED LIGHTING CCC 3F	\$1,723.57
WEST-LITE SUPPLY CO., INC.					Total Check Amount:	\$1,723.57
V42108	WILLDAN ENGINEERING	08/07/2020	12445	110515171	PLAN CHECK SVCS JUN20	\$4,143.50
WILLDAN ENGINEERING					Total Check Amount:	\$4,143.50
V42109	WESTERN GOLF PROPERTIES, LLC	08/07/2020	29071	465000000	BREA CRK S/TAX JUL20	\$1,120.56
		08/07/2020	29071	465515149	BIRCH HLLS MGMT JUL20	\$137,500.00
		08/07/2020	29071	465515149	BREA CREEK MGMT JUL20	\$51,350.00
		08/07/2020	29071	465000000	BRCH HLLS S/TAX JUL20	\$2,437.22
		08/07/2020	29071	465515149	BIRCH HILLS CGS JUL20	\$11,790.98
		08/07/2020	29071	465515149	BREA CREEK CGS JUL20	\$5,962.76
WESTERN GOLF PROPERTIES, LLC					Total Check Amount:	\$210,161.52
Voucher Subtotal						\$399,885.60

TOTAL \$1,201,167.44

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
184881	ELISE ACOSTA	08/14/2020	25493	110404541	MAYORSCHOICE 35THMICA	\$100.00
ELISE ACOSTA						Total Check Amount:
						\$100.00
184882	ALLIED APPLIANCE SERVICE	08/14/2020	30013	110	RECEIVABLE-REFUND	\$10.00
ALLIED APPLIANCE SERVICE						Total Check Amount:
						\$10.00
184883	ARBY'S	08/14/2020	30007	110	RECEIVABLE-REFUND	\$17.10
ARBY'S						Total Check Amount:
						\$17.10
184884	AT&T LONG DISTANCE	08/14/2020	1737	475141471	807752441 070420	\$24.05
AT&T LONG DISTANCE						Total Check Amount:
						\$24.05
184885	AUTOMATED OFFICE PRODUCTS	08/14/2020	30015	110	RECEIVABLE-REFUND	\$106.00
AUTOMATED OFFICE PRODUCTS						Total Check Amount:
						\$106.00
184886	AVENU INSIGHTS & ANALYTICS, LLC	08/14/2020	29396	110141424	SUTA SVCS 2020 QTR 1	\$42,983.42
AVENU INSIGHTS & ANALYTICS, LLC						Total Check Amount:
						\$42,983.42
184887	BUSINESS CARD	08/14/2020	18749	110212131	BSCARD PD 072320	\$401.87
		08/14/2020	18749	174222222	BSCARD FIRE 072320	\$162.00
		08/14/2020	18749	470141483	BSCARD HR 072320	\$410.27
		08/14/2020	18749	420515131	BSCARD WATER 072320	\$229.15
		08/14/2020	18749	950000000	ILJAO BSCARD MJ 0720	\$54.31
		08/14/2020	18749	110212134	BSCARD PD 072320	\$281.11
		08/14/2020	18749	110222221	BSCARD FIRE 072320	\$7,832.37
		08/14/2020	18749	110222231	BSCARD FIRE 072320	\$171.67
BUSINESS CARD						Total Check Amount:
						\$9,542.75
184888	CABO GRILL & CANTINA	08/14/2020	30011	110	RECEIVABLE-REFUND	\$45.40
CABO GRILL & CANTINA						Total Check Amount:
						\$45.40
184889	CALIF BUILDING STANDARDS COMMISSION	08/14/2020	20578	110	GRNBLDG FEES 1920 Q4	\$1,123.00
		08/14/2020	20578	110000000	10% AGNCY GBF 1920 Q4	(\$112.30)
CALIF BUILDING STANDARDS COMMISSION						Total Check Amount:
						\$1,010.70
184890	CIVILTEC ENGINEERING INC.	08/14/2020	2581	510707453	STEEL WM DESGN JUN20	\$1,570.25
		08/14/2020	2581	510707457	PLSNTHLS WMDSGN JUN20	\$1,570.25
CIVILTEC ENGINEERING INC.						Total Check Amount:
						\$3,140.50
184891	COMPASS ONE	08/14/2020	30010	110	RECEIVABLE-REFUND	\$12.90
COMPASS ONE						Total Check Amount:
						\$12.90
184892	COUNTY OF ORANGE	08/14/2020	4799	410515132	20/21 NPDES FIXEDCOST	\$872.52
COUNTY OF ORANGE						Total Check Amount:
						\$872.52
184893	CRIME SCENE STERI-CLEAN, LLC	08/14/2020	24939	110212131	BIOHAZARD CLEAN UP	\$750.00
CRIME SCENE STERI-CLEAN, LLC						Total Check Amount:
						\$750.00
184894	CSULB FOUNDATION	08/14/2020	10182	110212111	TACT COMM INSTR CRSE	\$333.00
CSULB FOUNDATION						Total Check Amount:
						\$333.00
184895	DELTA DENTAL INSURANCE COMPANY	08/14/2020	26074	110	04253 DENTAL HMO AUG	\$2,073.08

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
DELTA DENTAL INSURANCE COMPANY					Total Check Amount:	\$2,073.08
184896	DEPARTMENT OF CONSERVATION	08/14/2020	2278	110	STRONG MOTION FEES-Q4	\$4,582.70
		08/14/2020	2278	110000000	5% 19/20 Q4 SM FEES	(\$229.14)
DEPARTMENT OF CONSERVATION					Total Check Amount:	\$4,353.56
184897	DMC-DOCUMENT & MICROFILM CONVERSION	08/14/2020	30053	110323241	DOCUMENT SCANNING	\$1,955.64
DMC-DOCUMENT & MICROFILM CONVERSION					Total Check Amount:	\$1,955.64
184898	DOMINO'S PIZZA	08/14/2020	30012	110	RECEIVABLE-REFUND	\$12.00
DOMINO'S PIZZA					Total Check Amount:	\$12.00
184899	SOUTHERN CALIFORNIA EDISON	08/14/2020	3343	110515141	ELECTRICITY JULY2020	\$86.81
		08/14/2020	3343	110515125	ELECTRICITY JULY2020	\$8,634.73
		08/14/2020	3343	430515123	ELECTRICITY JULY2020	\$743.89
		08/14/2020	3343	110515121	ELECTRICITY JULY2020	\$13,598.36
		08/14/2020	3343	420515131	ELECTRICITY JULY2020	\$48,383.16
		08/14/2020	3343	490515151	ELECTRICITY JULY2020	\$2,147.40
SOUTHERN CALIFORNIA EDISON					Total Check Amount:	\$73,594.35
184900	EMPLOYMENT DEVELOPMENT DEPT	08/14/2020	7464	470141483	944-0073-6 UI 063020	\$34,664.00
		08/14/2020	7464	911141483	944-0073-6 UI 063020	\$64,161.00
EMPLOYMENT DEVELOPMENT DEPT					Total Check Amount:	\$98,825.00
184901	ERIC W. GRUVER PHD	08/14/2020	7856	110212111	PRE-EMPL EVALUATION	\$850.00
ERIC W. GRUVER PHD					Total Check Amount:	\$850.00
184902	FACILITY PROCESS SOLUTIONS	08/14/2020	28887	430515123	BIANNUAL MAINT-LAFLOR	\$3,471.00
		08/14/2020	28887	430515123	BI-ANNUAL MNT-LA FLOR	\$2,039.25
FACILITY PROCESS SOLUTIONS					Total Check Amount:	\$5,510.25
184903	FRONTIER COMMUNICATIONS	08/14/2020	26183	420515131	5621821220 0728-0827	\$198.02
		08/14/2020	26183	420515131	5621821220 0628-0727	\$188.99
FRONTIER COMMUNICATIONS					Total Check Amount:	\$387.01
184904	GRIFF HAMLIN'S GUITAR UNLEASHED INC	08/14/2020	30155	110404542	2020 CONCERTS 081920	\$1,800.00
GRIFF HAMLIN'S GUITAR UNLEASHED INC					Total Check Amount:	\$1,800.00
184905	HARRINGTON GEOTECHNICAL ENG.INC.	08/14/2020	15251	510707461	TEST/INSP SVCS JAN20	\$4,272.00
		08/14/2020	15251	510707461	TEST/INSP SVCS DEC19	\$4,939.50
		08/14/2020	15251	510707461	TEST/INSP SVCS NOV19	\$9,122.66
HARRINGTON GEOTECHNICAL ENG.INC.					Total Check Amount:	\$18,334.16
184906	INLAND WATER WORKS SUPPLY CO	08/14/2020	23904	420515131	ERTS FOR WATER METERS	\$3,879.00
INLAND WATER WORKS SUPPLY CO					Total Check Amount:	\$3,879.00
184907	INTIME SOLUTIONS INC.	08/14/2020	20876	950000000	ILJAO ISE TEXT JUL20	\$3,260.88
INTIME SOLUTIONS INC.					Total Check Amount:	\$3,260.88
184908	JEROMES MATTRESS	08/14/2020	30006	110	RECEIVABLE-REFUND	\$108.00

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
JEROMES MATTRESS						Total Check Amount:
						\$108.00
184909	KABBARA ENGINEERING	08/14/2020	23694	510707458	NAPOLI WTR LN OCT-JUL	\$16,950.00
		08/14/2020	23694	510707467	E.HILLS WTR IMP JUN20	\$7,360.00
		08/14/2020	23694	510707467	E.HILLS WTR IMP MAY20	\$2,400.00
		08/14/2020	23694	510707467	E.H. WTR IMP APR/MAY	\$640.00
KABBARA ENGINEERING						Total Check Amount:
						\$27,350.00
184910	KOA CORPORATION CBM CONSULTING	08/14/2020	22839	510707442	PROF SVCS JULY 2020	\$5,420.00
KOA CORPORATION CBM CONSULTING						Total Check Amount:
						\$5,420.00
184911	LIFE-ASSIST, INC.	08/14/2020	10530	174222222	SPIDER LOOP STRAP	\$92.73
LIFE-ASSIST, INC.						Total Check Amount:
						\$92.73
184912	CARL ERIC NELSON	08/14/2020	26862	110404542	2020 CONCERTS 081220	\$2,200.00
CARL ERIC NELSON						Total Check Amount:
						\$2,200.00
184913	NORTHWEST PIPE COMPANY	08/14/2020	30009	110	RECEIVABLE-REFUND	\$389.00
NORTHWEST PIPE COMPANY						Total Check Amount:
						\$389.00
184914	ORANGE COUNTY WINWATER WORKS	08/14/2020	28030	420515131	PLUMBING SUPPLIES	\$946.48
ORANGE COUNTY WINWATER WORKS						Total Check Amount:
						\$946.48
184915	OFFICE DEPOT, INC	08/14/2020	4743	110111161	ELECTION SUPPLIES	\$135.57
OFFICE DEPOT, INC						Total Check Amount:
						\$135.57
184916	ORANGE COUNTY STRIPING SERVICE	08/14/2020	10223	510707219	STOP & BAR LEGENDS	\$450.55
ORANGE COUNTY STRIPING SERVICE						Total Check Amount:
						\$450.55
184917	PUENTE HILLS FORD	08/14/2020	25742	480515161	SWAY BAR BUSHINGS	\$43.01
		08/14/2020	25742	480515161	HANDLE COVERS	\$57.86
PUENTE HILLS FORD						Total Check Amount:
						\$100.87
184918	VOJISLAV RADOVANOVIC	08/14/2020	30159	110404541	STAFF PICK 35TH MICA	\$100.00
VOJISLAV RADOVANOVIC						Total Check Amount:
						\$100.00
184919	REGIS SALON N6532	08/14/2020	30014	110	RECEIVABLE-REFUND	\$84.80
REGIS SALON N6532						Total Check Amount:
						\$84.80
184920	SECRETARY OF STATE	08/14/2020	16229	110111161	STATEMENT OF FACTS	\$7.00
SECRETARY OF STATE						Total Check Amount:
						\$7.00
184921	SHOPKEY	08/14/2020	30003	480515161	VEH REPAIR SOFTWARE	\$1,642.87
SHOPKEY						Total Check Amount:
						\$1,642.87
184922	SPARKLETTS	08/14/2020	3001	911404521	SR CTR WATER MAR20	\$103.80
		08/14/2020	3001	110141441	WTR DISP+BOTTLS APR20	\$219.44
		08/14/2020	3001	911141441	SR CTR WTR BOTTLS JUN	\$10.38
		08/14/2020	3001	110141441	WTR DISP+BOTTLS MAR20	\$474.24
		08/14/2020	3001	110141441	WTR DISP+BOTTLS JUN20	\$608.40
		08/14/2020	3001	110141483	HR WATER APR20	\$5.19
SPARKLETTS						Total Check Amount:
						\$1,421.45

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
184923	SPARKLETTS	08/14/2020	3001	110141441	WTR DISP+BOTTL5 MAY20	\$487.24
SPARKLETTS					Total Check Amount:	\$487.24
184924	STARBUCKS COFFEE CO	08/14/2020	30008	110	RECEIVABLE-REFUND	\$137.80
STARBUCKS COFFEE CO					Total Check Amount:	\$137.80
184925	TRAFFIC CONTROL ENGINEERING INC	08/14/2020	30158	510707219	TRAFFIC PLANS	\$7,000.00
TRAFFIC CONTROL ENGINEERING INC					Total Check Amount:	\$7,000.00
184926	UNIFIRST CORPORATION	08/14/2020	27988	420515131	REISSUE #183575 FEB20	\$112.68
		08/14/2020	27988	440515126	REISSUE #183575 FEB20	\$11.52
		08/14/2020	27988	490515151	REISSUE #183575 FEB20	\$306.13
		08/14/2020	27988	110515121	REISSUE #183575 FEB20	\$39.72
		08/14/2020	27988	480515161	REISSUE #183575 FEB20	\$134.96
		08/14/2020	27988	110515141	REISSUE #183575 FEB20	\$105.27
		08/14/2020	27988	110515144	REISSUE #183575 FEB20	\$47.32
		08/14/2020	27988	360515145	REISSUE #183575 FEB20	\$41.80
		08/14/2020	27988	110212131	MISC INV 3/2-5/25/20	\$306.04
		08/14/2020	27988	110515125	REISSUE #183575 FEB20	\$24.60
		08/14/2020	27988	430515123	REISSUE #183575 FEB20	\$41.16
UNIFIRST CORPORATION					Total Check Amount:	\$1,171.20
184927	VERIZON WIRELESS	08/14/2020	21122	420515131	9859550295 6/27-7/26	\$38.01
VERIZON WIRELESS					Total Check Amount:	\$38.01
184929	VERIZON WIRELESS	08/14/2020	21122	110111161	9859223294 0623-0722	\$54.25
		08/14/2020	21122	110141424	9859223294 0623-0722	\$54.25
		08/14/2020	21122	110323231	9859223294 0623-0722	(\$35.82)
		08/14/2020	21122	110323241	9859223294 0623-0722	\$54.25
		08/14/2020	21122	110323243	9859223294 0623-0722	\$54.25
		08/14/2020	21122	110404311	9859223294 0623-0722	\$581.55
		08/14/2020	21122	110111151	9859223294 0623-0722	\$54.25
		08/14/2020	21122	110141411	9859223294 0623-0722	\$30.02
		08/14/2020	21122	110141441	9859223294 0623-0722	\$54.25
		08/14/2020	21122	110515171	9859223294 0623-0722	\$271.87
		08/14/2020	21122	174222222	9859223294 0623-0722	\$776.44
		08/14/2020	21122	110111143	9859223294 0623-0722	\$228.52
		08/14/2020	21122	110212121	9859223294 0623-0722	\$3,459.06
		08/14/2020	21122	110323212	9859223294 0623-0722	\$54.25
		08/14/2020	21122	110404525	9859223294 0623-0722	\$108.50
		08/14/2020	21122	410515124	9859223294 0623-0722	\$30.02
		08/14/2020	21122	420515131	9859223294 0623-0722	\$867.32

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
184929	VERIZON WIRELESS	08/14/2020	21122	440515122	9859223294 0623-0722	\$54.25
		08/14/2020	21122	460141474	9859223294 0623-0722	\$217.00
		08/14/2020	21122	475141471	9859223294 0623-0722	\$972.66
		08/14/2020	21122	110111111	9859223294 0623-0722	\$54.25
		08/14/2020	21122	110141481	9859223294 0623-0722	\$54.25
		08/14/2020	21122	110222223	9859223294 0623-0722	\$1,145.78
		08/14/2020	21122	110323242	9859223294 0623-0722	\$54.25
		08/14/2020	21122	430515123	9859223294 0623-0722	\$737.05
VERIZON WIRELESS					Total Check Amount:	\$9,986.72
184930	VINTAGE CANYON SENIOR APARTMENTS	08/14/2020	29395	270323218	SENIOR SUBSIDY AUG20	\$762.00
VINTAGE CANYON SENIOR APARTMENTS					Total Check Amount:	\$762.00
184931	WESTSTAR LOAN SERVICING, INC	08/14/2020	25507	280323215	JULY MAINT FEE	\$2.00
		08/14/2020	25507	280323215	MAY19-JUN20 MNT FEE	\$228.00
WESTSTAR LOAN SERVICING, INC					Total Check Amount:	\$230.00
Check Subtotal						\$334,045.56
V42110	ABBA TERMITE & PEST CONTROL	08/14/2020	15614	341515112	BEE HIVE REMOVAL	\$245.00
ABBA TERMITE & PEST CONTROL					Total Check Amount:	\$245.00
V42111	ALTA LANGUAGE SERVICES, INC	08/14/2020	25953	110141481	BILINGUAL TEST	\$55.00
ALTA LANGUAGE SERVICES, INC					Total Check Amount:	\$55.00
V42112	ALTERNATIVE HOSE, INC.	08/14/2020	18488	480515161	HOSES	\$161.11
ALTERNATIVE HOSE, INC.					Total Check Amount:	\$161.11
V42113	ANIXTER, INC.	08/14/2020	20003	490515151	KEYWAYS	\$220.93
ANIXTER, INC.					Total Check Amount:	\$220.93
V42114	ARC IMAGING RESOURCES	08/14/2020	23273	110404211	FY 19/20 MNT	\$579.00
ARC IMAGING RESOURCES					Total Check Amount:	\$579.00
V42115	B & M LAWN AND GARDEN CENTER	08/14/2020	4699	110515141	EDGER BLADES	\$270.45
		08/14/2020	4699	110515144	EDGER BLADES	\$270.45
B & M LAWN AND GARDEN CENTER					Total Check Amount:	\$540.90
V42116	B & S GRAPHICS INC.	08/14/2020	24357	480515161	DECALS	\$164.25
B & S GRAPHICS INC.					Total Check Amount:	\$164.25
V42117	JESUS A BARBOSA	08/14/2020	6423	110212111	TACT COMM INSTR CRSE	\$24.00
JESUS A BARBOSA					Total Check Amount:	\$24.00
V42118	BEST LAWN MOWER SERVICE	08/14/2020	16230	480515161	CUTTER BAR ASSEMBLY	\$298.72
		08/14/2020	16230	480515161	OIL	\$272.71
		08/14/2020	16230	480515161	BACK PACK BLOWER	\$432.99
BEST LAWN MOWER SERVICE					Total Check Amount:	\$1,004.42
V42119	BREA DISPOSAL, INC	08/14/2020	3330	440515122	REFUSE COLLECTN JUL20	\$171,364.53

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
BREA DISPOSAL, INC						Total Check Amount:
						\$171,364.53
V42120	BRUCE CAMPBELL SAND AND GRAVEL	08/14/2020	21898	360515145	TOP DRESSING	\$743.48
BRUCE CAMPBELL SAND AND GRAVEL						Total Check Amount:
						\$743.48
V42121	C. WELLS PIPELINE MATERIALS INC	08/14/2020	13055	420515131	PLUMBING SUPPLIES	\$2,666.18
C. WELLS PIPELINE MATERIALS INC						Total Check Amount:
						\$2,666.18
V42122	CALIFORNIA DOMESTIC WATER CO	08/14/2020	3388	420515131	WTR CONSUMPTION JUL20	\$516,019.19
CALIFORNIA DOMESTIC WATER CO						Total Check Amount:
						\$516,019.19
V42123	CANNINGS ACE HARDWARE	08/14/2020	15828	480515161	CARRIAGE BOLTS	\$16.45
		08/14/2020	15828	480515161	CORNER BRACES	\$12.20
		08/14/2020	15828	480515161	BALL VALVE	\$15.14
		08/14/2020	15828	480515161	CORNER BRACE	(\$9.73)
CANNINGS ACE HARDWARE						Total Check Amount:
						\$34.06
V42124	CANON SOLUTIONS AMERICA, INC	08/14/2020	15260	110141441	3047 SR CTR JUN USAGE	\$12.87
		08/14/2020	15260	110141441	3112 COM/MKTG JUN USG	\$6.96
		08/14/2020	15260	110141441	3124 PD INV JUN USAGE	\$11.05
		08/14/2020	15260	110141441	3035 PD DISP JUN USG	\$2.78
		08/14/2020	15260	110141441	3054 PW JUN USAGE	\$12.12
		08/14/2020	15260	110141441	3056 BCC JUN USAGE	\$18.47
		08/14/2020	15260	110141441	5154 FIREDEPT JUN USG	\$35.35
		08/14/2020	15260	110141441	3110 PD REC 1 JUN USG	\$10.62
		08/14/2020	15260	110141441	3142 MGMTSVCS JUN USG	\$48.27
		08/14/2020	15260	110141441	3118 PD REC 2 JUN USG	\$16.85
		08/14/2020	15260	110141441	5327 FIRE ADM JUN USG	\$38.36
		08/14/2020	15260	110141441	6569 COMM DEV JUN USG	\$106.22
CANON SOLUTIONS AMERICA, INC						Total Check Amount:
						\$319.92
V42125	CDCE INCORPORATED	08/14/2020	19356	110212121	INSTALL TABLET ON VEH	\$1,700.00
CDCE INCORPORATED						Total Check Amount:
						\$1,700.00
V42126	COLONIAL LIFE PROCESSING CENTER	08/14/2020	26071	110	4504064 CRIT ILL JUL	\$302.94
		08/14/2020	26071	110	4504064 ST DISAB JUL	\$1,663.76
COLONIAL LIFE PROCESSING CENTER						Total Check Amount:
						\$1,966.70
V42127	CORE & MAIN LP	08/14/2020	27049	420515131	WATER METER ENCODERS	\$6,388.10
		08/14/2020	27049	420515131	WATER METERS+ENCODERS	\$3,039.26
CORE & MAIN LP						Total Check Amount:
						\$9,427.36
V42128	DELTA DENTAL PLAN OF CALIFORNIA	08/14/2020	3411	110	04253 DENTAL PPO AUG	\$16,616.07
DELTA DENTAL PLAN OF CALIFORNIA						Total Check Amount:
						\$16,616.07
V42129	DENNIS GRUBB & ASSOCIATES, LLC.	08/14/2020	25568	110000000	PLAN CHECK	(\$31.50)
		08/14/2020	25568	84022223P	PLAN CHECK	\$416.50

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
DENNIS GRUBB & ASSOCIATES, LLC.					Total Check Amount:	\$385.00
V42130	DOOLEY ENTERPRISES INC	08/14/2020	5421	110212131	AMMUNITION	\$6,247.50
		08/14/2020	5421	110212131	RECLASS 58208/57710	\$0.00
DOOLEY ENTERPRISES INC					Total Check Amount:	\$6,247.50
V42131	ELLIOT AUTO SUPPLY CO., INC.	08/14/2020	3504	480515161	SPARK PLUGS	\$95.94
		08/14/2020	3504	480515161	BRAKE SPRAY/SUPPLIES	\$57.87
		08/14/2020	3504	480515161	OIL	\$52.59
		08/14/2020	3504	480515161	BATTERIES	\$921.90
		08/14/2020	3504	480515161	BATTERY/CORE CREDIT	(\$1,033.88)
		08/14/2020	3504	480515161	DEF/BRAKE SPRAY	\$160.59
ELLIOT AUTO SUPPLY CO., INC.					Total Check Amount:	\$255.01
V42132	FIDELITY SECURITY LIFE INSURANCE	08/14/2020	23035	110	9827288 VISION AUG20	\$2,640.94
FIDELITY SECURITY LIFE INSURANCE					Total Check Amount:	\$2,640.94
V42133	FILARSKY & WATT LLP	08/14/2020	2043	470141483	LEGAL SVCS JULY 2020	\$817.50
FILARSKY & WATT LLP					Total Check Amount:	\$817.50
V42134	FIX AUTO LA HABRA	08/14/2020	28720	480515161	BODY REPAIR	\$1,493.60
		08/14/2020	28720	480515161	HOOD REPAIR	\$727.42
FIX AUTO LA HABRA					Total Check Amount:	\$2,221.02
V42135	FLEET SERVICES	08/14/2020	5658	480515161	BACK UP ALARM	\$164.53
FLEET SERVICES					Total Check Amount:	\$164.53
V42136	GLASBY MAINTENANCE SUPPLY CO	08/14/2020	6802	911515151	WIPES	\$599.63
GLASBY MAINTENANCE SUPPLY CO					Total Check Amount:	\$599.63
V42137	GRAINGER	08/14/2020	13634	480515161	LEAF RAKE	\$25.08
GRAINGER					Total Check Amount:	\$25.08
V42138	GUARANTEED JANITORIAL SERVICES, INC	08/14/2020	28695	490515151	JUL20 JAN SVCS:CCC	\$10,019.14
		08/14/2020	28695	490515151	DAY PORTERS JUL20	\$8,965.67
		08/14/2020	28695	490515151	JUL20 JAN SVCS:BCC	\$4,112.14
		08/14/2020	28695	490515151	JUL20 JAN SVCS:YARD	\$1,153.47
		08/14/2020	28695	490515151	JUL20 JAN SVCS:SR CTR	\$2,436.25
		08/14/2020	28695	110515125	JUL20 JAN SVCS:DT	\$2,560.39
GUARANTEED JANITORIAL SERVICES, INC					Total Check Amount:	\$29,247.06
V42139	HAAKER EQUIPMENT CO.	08/14/2020	4297	480515161	CLEAR HOSE	\$34.27
HAAKER EQUIPMENT CO.					Total Check Amount:	\$34.27
V42140	HCI SYSTEMS INC	08/14/2020	25112	110515125	ALARM REPAIR @ PS3	\$474.00
HCI SYSTEMS INC					Total Check Amount:	\$474.00
V42141	IMPERIAL SPRINKLER SUPPLY	08/14/2020	24260	110515141	IRRIGATION CONTROLLER	\$1,890.05
IMPERIAL SPRINKLER SUPPLY					Total Check Amount:	\$1,890.05
V42142	INFOSEND, INC.	08/14/2020	19016	110323214	INSERT:SHOP/DINE BREA	\$53.42

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V42142	INFOSEND, INC.	08/14/2020	19016	420141421	WATER:MAY20 POSTAGE	\$4,220.23
		08/14/2020	19016	420515131	INSERT:SAVING WTR-JAN	\$107.98
		08/14/2020	19016	420141421	WATER:JUN20 PRNT/MAIL	\$1,471.14
		08/14/2020	19016	420141421	WATER:MAY20 PRNT/MAIL	\$1,481.06
		08/14/2020	19016	911111161	INSERT:HEALTH HYGIENE	\$107.24
		08/14/2020	19016	110222231	INSERT:FIREWORKS	\$53.41
		08/14/2020	19016	110404311	INSERT:CS SUMMER UPD	\$107.24
		08/14/2020	19016	420141421	WATER:JUN20 POSTAGE	\$4,207.78
INFOSEND, INC.					Total Check Amount:	\$11,809.50
V42143	JACKSON'S AUTO SUPPLY	08/14/2020	1143	911515161	AUTO SUPPLIES APR20	\$199.36
		08/14/2020	1143	911515161	SAFETY EQUIP	\$10.63
		08/14/2020	1143	480515161	APR20 ADJ COVID19	(\$199.36)
		08/14/2020	1143	480515161	AUTO SUPPLIES JUN20	\$3,638.48
		08/14/2020	1143	480515161	AUTO SUPPLIES JUL20	\$3,227.88
		08/14/2020	1143	480515161	AUTO SUPPLIES MAY20	\$3,104.48
JACKSON'S AUTO SUPPLY					Total Check Amount:	\$9,981.47
V42144	KIMLEY-HORN AND ASSOCIATES, INC.	08/14/2020	26302	840141412	17-07 BREA IMPERIAL C	\$138.62
		08/14/2020	26302	840141412	ALVERO 19-16	\$61.87
		08/14/2020	26302	840141412	PACIFIC HIGHLAND14-10	\$215.05
		08/14/2020	26302	840141412	PR 20-04 WALT WHOLE E	\$76.56
		08/14/2020	26302	84032323P	BREA PLAZA EXP 19-09	\$1,580.00
		08/14/2020	26302	840141412	19-16 ALBERO	\$13.04
		08/14/2020	26302	840141412	BREA PLAZA EXP 19-09	\$72.68
		08/14/2020	26302	840141412	TPM 2020-148	\$22.94
		08/14/2020	26302	84032323P	ALVERO 19-16	\$1,345.00
		08/14/2020	26302	84032323P	LO LIMITS LEARN 19-19	\$2,505.00
		08/14/2020	26302	84032323P	PLAY LIVE NATION19-20	\$2,835.00
		08/14/2020	26302	84032323P	TPM 2020-148	\$475.00
		08/14/2020	26302	840141412	BREA IMPERIALCNT17-07	\$39.22
		08/14/2020	26302	840141412	LO LIMITS LEARN 19-19	\$115.23
		08/14/2020	26302	840141412	PLAY LIVE NATION19-20	\$130.41
		08/14/2020	26302	84032323P	19-16 ALBERO	\$270.00
		08/14/2020	26302	84032323P	PACIFIC HIGHLAND14-10	\$3,289.05
		08/14/2020	26302	840141412	19-09 BREA PLAZA	\$91.05
		08/14/2020	26302	84032323P	17-07 BREA IMPERIAL C	\$2,870.00
		08/14/2020	26302	84032323P	19-09 BREA PLAZA	\$1,885.00
		08/14/2020	26302	84032323P	BREA IMPERIALCNT17-07	\$852.50

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V42144	KIMLEY-HORN AND ASSOCIATES, INC.	08/14/2020	26302	84032323P	PR 20-04 WALT WHOLE E	\$1,585.00
KIMLEY-HORN AND ASSOCIATES, INC. Total Check Amount:						\$20,468.22
V42145	L.N. CURTIS & SONS	08/14/2020	1053	110222221	EQUIPMENT	\$1,111.98
L.N. CURTIS & SONS Total Check Amount:						\$1,111.98
V42146	SCOTT D. LAI	08/14/2020	10963	460141474	JUNE 2020 MILEAGE	\$315.16
SCOTT D. LAI Total Check Amount:						\$315.16
V42147	JULIE H. LEE	08/14/2020	29028	110404523	COUNSELING SVCS JUL20	\$3,960.00
JULIE H. LEE Total Check Amount:						\$3,960.00
V42148	LIEBERT CASSIDY WHITMORE	08/14/2020	2489	470141483	PROF SVCS 00001 JUN20	\$1,102.00
		08/14/2020	2489	470141483	PROF SVCS 00022 JUN20	\$404.00
		08/14/2020	2489	470141483	PROF SVCS 00021 JUN20	\$713.00
LIEBERT CASSIDY WHITMORE Total Check Amount:						\$2,219.00
V42149	LONG BEACH BMW	08/14/2020	18120	480515161	BRAKE PARTS	\$269.81
LONG BEACH BMW Total Check Amount:						\$269.81
V42150	MINER, LTD	08/14/2020	27173	490515151	BAY DOOR SERVICE	\$363.00
MINER, LTD Total Check Amount:						\$363.00
V42151	MUNICIPAL WATER DISTRICT	08/14/2020	3784	420515131	20/21 CONNECTION FEES	\$167,432.80
MUNICIPAL WATER DISTRICT Total Check Amount:						\$167,432.80
V42152	NTH GENERATION COMPUTING, INC.	08/14/2020	21379	475141471	48TB SOFTWARE STORAGE	\$20,311.95
NTH GENERATION COMPUTING, INC. Total Check Amount:						\$20,311.95
V42153	ORANGE COUNTY SANITATION DIST.	08/14/2020	14689	110	RES SEWER FEES JUL20	\$920.00
		08/14/2020	14689	110000000	5% COLL RES SF JUL20	(\$46.00)
ORANGE COUNTY SANITATION DIST. Total Check Amount:						\$874.00
V42154	OZUNA ELECTRIC CO.INC.	08/14/2020	18504	420515131	TRBLSHT CCYN UPS BATT	\$1,222.65
OZUNA ELECTRIC CO.INC. Total Check Amount:						\$1,222.65
V42155	PACIFIC TELEMAGEMENT SERVICES	08/14/2020	19696	475141471	7147920398 JUNE 2020	\$75.00
		08/14/2020	19696	475141471	7147920398 AUG 2020	\$78.00
PACIFIC TELEMAGEMENT SERVICES Total Check Amount:						\$153.00
V42156	PARACLETE FIRE AND SAFETY, INC.	08/14/2020	17760	110222223	EXTINGUISHER SERVICE	\$94.58
PARACLETE FIRE AND SAFETY, INC. Total Check Amount:						\$94.58
V42157	PARSONS TRANSPORTATION GROUP	08/14/2020	25626	510707251	57/LAMBERT INT JUN20	\$18,786.35
PARSONS TRANSPORTATION GROUP Total Check Amount:						\$18,786.35
V42158	PIPE TEC, INC.	08/14/2020	29480	510707609	SWR/CCTV:INSP JUN20	\$107,395.56
PIPE TEC, INC. Total Check Amount:						\$107,395.56
V42159	PLACEWORKS, INC.	08/14/2020	26720	840141412	PROF SVC- JULY 2020	\$349.28
		08/14/2020	26720	84032323P	PROF SVC- JULY 2020	\$17,463.75
PLACEWORKS, INC. Total Check Amount:						\$17,813.03
V42160	PLUMBING WHOLESALE OUTLET, INC.	08/14/2020	18392	110515141	IRRIGATION PARTS	\$23.89

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount	
V42160	PLUMBING WHOLESALE OUTLET, INC.	08/14/2020	18392	110515141	RR PARTS/CLEANERS	\$125.57	
		08/14/2020	18392	110515141	SC #S100410959.001	\$4.24	
		08/14/2020	18392	490515151	SC #S100414569.001	\$0.23	
					PLUMBING WHOLESALE OUTLET, INC.	Total Check Amount:	\$153.93
V42161	RICHARDS, WATSON & GERSHON	08/14/2020	8978	110111112	9999 GEN LGL SVCS JUN	\$21,608.00	
		08/14/2020	8978	110111112	9999 GEN LGL SVCS MAY	\$15,335.50	
		08/14/2020	8978	510707470	0001 GEN LGL SVCS MAY	\$19.00	
		08/14/2020	8978	840141412	0116 REIMB WORK MAY20	\$43,379.50	
		08/14/2020	8978	911323214	0001 GEN LGL SVCS JUN	\$152.00	
		08/14/2020	8978	110111112	0001 GEN LGL SVCS JUN	\$11,556.04	
		08/14/2020	8978	110111112	0116 REIMB WORK MAY20	\$139.50	
		08/14/2020	8978	510707470	9999 GEN LGL SVCS MAY	\$89.00	
		08/14/2020	8978	410515132	9999 GEN LGL SVCS MAY	\$374.00	
		08/14/2020	8978	420141421	0182 WTR RATES JUN20	\$111.60	
		08/14/2020	8978	840141412	0116 REIMB WORK JUN20	\$4,738.50	
		08/14/2020	8978	110111112	0001 GEN LGL SVCS MAY	\$11,620.64	
		08/14/2020	8978	280323215	9999 GEN LGL SVCS JUN	\$635.00	
		08/14/2020	8978	510707470	9999 GEN LGL SVCS JUN	\$485.00	
		08/14/2020	8978	911111112	0187 COVID19 JUN20	\$931.00	
					RICHARDS, WATSON & GERSHON	Total Check Amount:	\$111,174.28
V42162	RUSSELL SIGLER INC.	08/14/2020	21638	490515151	HVAC PARTS	\$251.03	
					RUSSELL SIGLER INC.	Total Check Amount:	\$251.03
V42163	SITEONE LANDSCAPE SUPPLY, LLC	08/14/2020	25942	110515141	IRRIGATION PARTS	\$2,578.53	
					SITEONE LANDSCAPE SUPPLY, LLC	Total Check Amount:	\$2,578.53
V42164	SO. CALIFORNIA FLEET SVCS. INC	08/14/2020	27570	480515161	ENGINE DIAGNOSIS	\$456.16	
					SO. CALIFORNIA FLEET SVCS. INC	Total Check Amount:	\$456.16
V42165	SOUTH COAST EMERGENCY VEHICLE SVC	08/14/2020	18619	480515161	PUMP SENSOR REPAIR	\$1,340.32	
		08/14/2020	18619	480515161	FOAM PRO REPAIR	\$2,962.00	
		08/14/2020	18619	480515161	VALVE KITS	\$607.64	
					SOUTH COAST EMERGENCY VEHICLE SVC	Total Check Amount:	\$4,909.96
V42166	SPICERS PAPER, INC.	08/14/2020	18883	110141441	PAPER	\$1,345.17	
					SPICERS PAPER, INC.	Total Check Amount:	\$1,345.17
V42167	STAPLES TECHNOLOGY SOLUTIONS	08/14/2020	22888	110404311	OFFICE SUPPLIES	\$145.68	
					STAPLES TECHNOLOGY SOLUTIONS	Total Check Amount:	\$145.68
V42168	STATE INDUSTRIAL PRODUCTS	08/14/2020	8572	911515151	NDC	\$449.96	
					STATE INDUSTRIAL PRODUCTS	Total Check Amount:	\$449.96
V42169	STEAMX LLC	08/14/2020	24072	480515161	PRESSURE WASHER HOSE	\$106.46	
					STEAMX LLC	Total Check Amount:	\$106.46

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V42170	STOTZ EQUIPMENT	08/14/2020	24388	480515161	FILLER CAP	\$27.09
STOTZ EQUIPMENT					Total Check Amount:	\$27.09
V42171	STOVER SEED COMPANY	08/14/2020	15803	360515145	GRASS SEED	\$1,511.19
STOVER SEED COMPANY					Total Check Amount:	\$1,511.19
V42172	TITAN WATER TECHNOLOGY, INC.	08/14/2020	25776	490515151	WATER TREATMENT SER	\$4,980.05
TITAN WATER TECHNOLOGY, INC.					Total Check Amount:	\$4,980.05
V42173	US BANK XX0338 CITY MGR	08/14/2020	24704	480515161	CALCARD MS 072220	\$58.08
		08/14/2020	24704	110111143	CALCARD MS 072220	\$524.42
US BANK XX0338 CITY MGR					Total Check Amount:	\$582.50
V42174	US BANK XX0312 HR	08/14/2020	24776	110141481	CALCARD HR 072220	\$1,255.53
		08/14/2020	24776	470141483	CALCARD HR 072220	\$160.29
US BANK XX0312 HR					Total Check Amount:	\$1,415.82
V42176	US BANK XX0593 COMM SVC	08/14/2020	24777	110404211	CALCARD-AC-072220	\$1,152.91
		08/14/2020	24777	110404311	CALCARD-JC-072220	\$90.00
		08/14/2020	24777	110404311	CALCARD-RH-072220	\$158.31
		08/14/2020	24777	110404428	CALCARD-VU-072220	\$600.85
		08/14/2020	24777	110404521	CALCARD-NG-072220	\$37.71
		08/14/2020	24777	110404541	CALCARD-AF-072220	\$18.11
		08/14/2020	24777	110	CALCARD CS 072220 ST	(\$15.84)
		08/14/2020	24777	110	CALCARD-AF-072220	\$33.57
		08/14/2020	24777	110111143	CALCARD-JM-072220	\$10.76
		08/14/2020	24777	110404211	CALCARD-NA-072220	\$58.06
		08/14/2020	24777	110404215	CALCARD-DA-072220	\$680.90
		08/14/2020	24777	110404428	CALCARD-MM-072220	\$157.90
		08/14/2020	24777	110404521	CALCARD-ER-072220	\$322.96
		08/14/2020	24777	110111143	CALCARD-CH-072220	\$15.19
		08/14/2020	24777	110404421	CALCARD-KS-072220	\$195.54
		08/14/2020	24777	110404425	CALCARD-MM-072220	\$295.12
		08/14/2020	24777	110404425	CALCARD-SS-072220	\$1,666.96
		08/14/2020	24777	110404521	CALCARD-TT-072220	\$1,080.13
		08/14/2020	24777	110404541	CALCARD-HB-072220	\$1.99
		08/14/2020	24777	110404542	CALCARD-EF-072220	\$671.24
		08/14/2020	24777	110404215	CALCARD-AC-072220	\$361.15
		08/14/2020	24777	110404311	CALCARD-JM-072220	\$103.34
		08/14/2020	24777	110404542	CALCARD-KK-072220	\$435.90
US BANK XX0593 COMM SVC					Total Check Amount:	\$8,132.76
V42177	US BANK XX0353 COMM DEV	08/14/2020	24779	110	CALCARD CD 072220	(\$96.00)
		08/14/2020	24779	110323212	CALCARD CD 072220	\$206.91

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V42177	US BANK XX0353 COMM DEV	08/14/2020	24779	911323231	CALCARD CD 072220	\$103.70
		08/14/2020	24779	110323231	CALCARD CD 072220	\$502.92
		08/14/2020	24779	110323241	CALCARD CD 072220	\$2,899.21
US BANK XX0353 COMM DEV					Total Check Amount:	\$3,616.74
V42178	US BANK XX0270 ADMIN SVCS	08/14/2020	24781	110141441	CALCARD ASFIN 072220	\$761.45
		08/14/2020	24781	911515141	CALCARD ASFIN 072220	\$77.36
		08/14/2020	24781	110111161	CALCARD CCLK 072220	\$1,078.91
		08/14/2020	24781	490515151	CALCARD ASFIN 072220	\$3,729.38
		08/14/2020	24781	911212131	CALCARD ASFIN 072220	\$351.24
		08/14/2020	24781	110141411	CALCARD ASFIN 072220	\$170.74
		08/14/2020	24781	110141431	CALCARD ASFIN 072220	\$8.98
US BANK XX0270 ADMIN SVCS					Total Check Amount:	\$6,178.06
V42179	US BANK XX0650 FIRE	08/14/2020	24782	110	CALCARD FIRE ST 0722	(\$1.47)
		08/14/2020	24782	110222231	CALCARD FIRE 072220	\$55.00
		08/14/2020	24782	174222222	CALCARD FIRE 072220	\$864.00
		08/14/2020	24782	110222211	CALCARD FIRE 072220	\$555.61
		08/14/2020	24782	110222221	CALCARD FIRE 072220	\$3,045.22
		08/14/2020	24782	110222223	CALCARD FIRE 072220	\$675.64
		08/14/2020	24782	480515161	CALCARD FIRE 072220	\$46.77
		08/14/2020	24782	911222211	CALCARD FIRE 072220	\$588.42
US BANK XX0650 FIRE					Total Check Amount:	\$5,829.19
V42180	US BANK XX0346 IT	08/14/2020	24783	110515125	CALCARD IT 072220	\$190.74
		08/14/2020	24783	460141474	CALCARD IT 072220	\$724.61
		08/14/2020	24783	475141471	CALCARD IT 072220	\$1,229.73
		08/14/2020	24783	510707954	CALCARD IT 072220	\$95.91
		08/14/2020	24783	110141411	CALCARD IT 072220	\$54.75
		08/14/2020	24783	911141471	CALCARD IT 072220	\$4,587.49
		08/14/2020	24783	110	CALCARD IT 072220	\$130.73
		08/14/2020	24783	110404154	CALCARD IT 072220	\$38.82
		08/14/2020	24783	280323215	CALCARD IT 072220	\$14.95
US BANK XX0346 IT					Total Check Amount:	\$7,067.73
V42182	US BANK XX0221 PW	08/14/2020	24784	110222221	CALCARD PW 072220	\$14.44
		08/14/2020	24784	110515144	CALCARD PW 072220	\$282.26
		08/14/2020	24784	346515112	CALCARD PW 072220	\$17.80
		08/14/2020	24784	360515145	CALCARD PW 072220	\$767.63
		08/14/2020	24784	510707944	CALCARD PW 072220	\$289.85
		08/14/2020	24784	911515151	CALCARD PW 072220	\$1,898.25

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V42182	US BANK XX0221 PW	08/14/2020	24784	110515125	CALCARD PW 072220	\$288.99
		08/14/2020	24784	360515147	CALCARD PW 072220	\$158.76
		08/14/2020	24784	410515124	CALCARD PW 072220	\$17.15
		08/14/2020	24784	480515161	CALCARD PW 072220	\$1,917.57
		08/14/2020	24784	110515143	CALCARD PW 072220	\$89.69
		08/14/2020	24784	911515141	CALCARD PW 072220	\$375.76
		08/14/2020	24784	110515121	CALCARD PW 072220	\$384.48
		08/14/2020	24784	110515141	CALCARD PW 072220	\$306.19
		08/14/2020	24784	420515131	CALCARD PW 072220	\$128.22
		08/14/2020	24784	430515123	CALCARD PW 072220	\$4.00
		08/14/2020	24784	490515151	CALCARD PW 072220	\$1,333.94
US BANK XX0221 PW					Total Check Amount:	\$8,274.98
V42184	US BANK XX0544 POLICE	08/14/2020	24785	110212141	CALCARD PD 072220	\$10,679.87
		08/14/2020	24785	110212131	CALCARD PD 072220	\$8,258.25
		08/14/2020	24785	110212134	CALCARD PD 072220	\$1,032.28
		08/14/2020	24785	480515161	CALCARD PD 072220	\$448.45
		08/14/2020	24785	110	CALCARD PD 072220	(\$262.69)
		08/14/2020	24785	110212121	CALCARD PD 072220	\$1,232.63
		08/14/2020	24785	110	CALCARD PD 0722 ST	(\$297.68)
		08/14/2020	24785	110212111	CALCARD PD 072220	\$745.68
		08/14/2020	24785	110212133	CALCARD PD 072220	\$1,517.68
US BANK XX0544 POLICE					Total Check Amount:	\$23,354.47
V42185	US BANK XX3401 PW- ADMIN	08/14/2020	24786	110515171	CALCARD PWA 072220	\$152.95
		08/14/2020	24786	410515132	CALCARD PWA 072220	\$14.49
		08/14/2020	24786	110	CALCARD PWA 072220	\$60.00
		08/14/2020	24786	110515111	CALCARD PWA 072220	\$121.77
US BANK XX3401 PW- ADMIN					Total Check Amount:	\$349.21
V42186	WALTERS WHOLESALE ELECTRIC	08/14/2020	1667	490515152	LED PARTS	\$441.34
WALTERS WHOLESALE ELECTRIC					Total Check Amount:	\$441.34
V42187	WAXIE SANITARY SUPPLY	08/14/2020	3332	911515151	COVID19	\$4,191.16
		08/14/2020	3332	911212131	HAND SOAP	\$474.30
WAXIE SANITARY SUPPLY					Total Check Amount:	\$4,665.46
V42188	WEST COAST ARBORISTS, INC.	08/14/2020	1556	510707251	TREE REMOVLS 57/LMBRT	\$6,408.72
WEST COAST ARBORISTS, INC.					Total Check Amount:	\$6,408.72
V42189	WESTERN GOLF PROPERTIES, LLC	08/14/2020	29071	465000000	BIRCH HLLS TIPS JUL20	\$2,619.54
WESTERN GOLF PROPERTIES, LLC					Total Check Amount:	\$2,619.54
V42190	WEST-LITE SUPPLY CO., INC.	08/14/2020	5192	490515152	LED LIGHTING @ FS2	\$1,988.16
		08/14/2020	5192	490515151	LIGHTING	\$287.18

City Disbursement Register

Between Aug 10, 2020 12:00 AM and Aug 14, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
WEST-LITE SUPPLY CO., INC.					Total Check Amount:	\$2,275.34
V42191	WILLDAN ENGINEERING	08/14/2020	12445	510707453	INSP SVCS JUNE 2020	\$4,882.22
		08/14/2020	12445	510707311	INSP SVCS JUNE 2020	\$8,543.85
		08/14/2020	12445	510707464	INSP SVCS JUNE 2020	\$4,010.43
WILLDAN ENGINEERING					Total Check Amount:	\$17,436.50
Voucher Subtotal						\$1,380,173.60

TOTAL \$1,714,219.16

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

DATE: 08/18/2020

SUBJECT: Annual Review of Statement of Investment Policy for the City of Brea/Successor Agency to the Brea Redevelopment Agency

RECOMMENDATION

Review and approve the City of Brea/Successor Agency to the Brea Redevelopment Agency Statement of Investment Policy.

BACKGROUND/DISCUSSION

State law allows the City Council to annually adopt the Statement of Investment Policy. Thus, per the City's fiscal policies, "The City Council will review and adopt annually an investment policy as recommended by the Investment Advisory Committee." The Investment Policy serves as a guideline for the investment of City and Successor Agency funds. The Brea Investment Advisory Committee annually reviews the Statement of Investment Policy for the City of Brea and the Successor Agency to the Brea Redevelopment Agency.

The below changes and additions have been recommended by Chandler Asset Management for review and approval by the Investment Advisory Committee. Chandler Asset Management, the City's Portfolio Manager, recommends the following to update the document to be consistent with their internal practices for the upcoming year:

1. **Investment Instruments Section (Pass Thru Securities)** – Delete the language related to Collateralized Mortgage Obligations (CMOs) to be in line with recommended best practices: *"Collateralized Mortgage Obligations must pass the Federal Financial Institution Examination Council (FFIEC) liquidity test to be an eligible investment for the City."* This line is recommended to be deleted because the Federal Financial Institution Examination Council (FFIEC) liquidity test is not in line with recognized best practices and limits the City's ability to take advantage of all permissible investments consistent with California Government Code.
2. **Investment Instruments Section (Mitigating Risk in the Portfolio)** – Add language regarding the downgrade of securities to enhance the risk mitigation measure of the policy. The following sentences are recommended to be added:
 - If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken.
 - Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner.
 - If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

At their July 27, 2020 meeting, the Investment Advisory Committee recommended the following for Item 2 under the first bullet underneath "If a security owned by the City...:

- Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer and *Administrative Services Director within two (2) business days.*"

For ease of reference, the current Investment Policy is attached along with the red-lined version with recommended changes. In addition, a clean version with the recommended changes is also attached.

COMMISSION/COMMITTEE RECOMMENDATION

The Investment Advisory Committee reviewed this item at their July 27, 2020 Meeting and is recommended for City Council approval.

FISCAL IMPACT/SUMMARY

There is no fiscal impact from the adoption of the Statement of Investment Policy.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Faith Madrazo, Revenue & Budget Manager

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Current Investment Policy Adopted 8-20-19

Recommended 2020 Investment Policy - Redline Version

Recommended 2020 Investment Policy

City Of Brea / Successor Agency to the Brea Redevelopment Agency

FINAL

**STATEMENT OF INVESTMENT POLICY
August 20, 2019**

Purpose: This statement is intended to provide a guideline for the prudent investment of funds and to outline the policies for maximizing the efficiency of the City of Brea and Successor Agency to the Brea Redevelopment Agency ("City") cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled funds. This investment policy has been prepared so as to be in conformance with all pertinent existing laws of the State of California for General Law cities.

Objective: The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain a market rate of return without incurring undue risk to principal. The objectives of such investments are: 1) preserve capital, 2) maintain financial flexibility/liquidity, and 3) obtain a competitive rate of return on the City's investments.

Scope: This investment policy applies to the decisions and activities of the City with regard to investing the financial assets of all funds, including the following: General Fund, Special Revenue Funds, Assessment Funds, Enterprise Funds, Internal Service Funds, Capital Projects Funds, Debt Service Funds, Reserve Funds, Trust and Agency Funds, and any other funds that may be created from time to time. This policy does not apply retiree health care savings/trust/plan(s) or deferred compensation plans.

Investment Responsibility: Investment decisions of the City funds are the responsibility of the City Treasurer and/or Administrative Services Director, and shall comply with the Investment Policy of the City. These responsibilities include the authority to open accounts with banks, brokers and dealers, establish safekeeping accounts or other arrangements for the custody of securities and to execute such documents as may be necessary.

Those authorized to execute transactions for the City include the: 1) City Treasurer, 2) Administrative Services Director, 3) Revenue and Budget Manager, and 4) those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk. The City Treasurer and Administrative Services Director shall insure that an authorized person is available at all times to execute the City's investments. Investment managers, brokers and dealers are to be provided with a list of specified names of those persons authorized to execute transactions. The City Council may authorize the delegation of investments to an outside investment manager.

Reporting: The Administrative Services Director shall be responsible for reporting the status of investments to the City Council and City Manager on a monthly basis. These reports will disclose, at a minimum, the following information about the characteristics of the City's portfolio:

- A. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate.
- B. Monthly transactions for the period.
- C. A one-page summary report that shows:

1. Average maturity of the portfolio and modified duration of the portfolio;
 2. Maturity distribution of the portfolio;
 3. Average portfolio credit quality; and,
 4. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months, year to date, and since inception compared to the City's market benchmark returns for the same periods;
- D. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
- E. A statement that the City has adequate funds to meet its cash flow requirements for the next six months.

Reports are to be submitted to the City Council and City Manager by the 3rd City Council meeting following the end of the reporting month.

The Investment Advisory Committee will review the status of investments on a quarterly basis. These reports shall include the type of investment, institution, face amount, market value, book value, interest rate, date of maturity, compliance to the investment policy.

If the City has an outside Investment Manager, the Investment Manager shall periodically report on the activity and results of the funds being managed by the Investment Manager. Additionally, the Investment Manager shall notify the Investment Advisory Committee when investment portfolios demonstrate low performance, if any, which occurs between each periodic report.

Prudence: The standard of prudence to be applied by the City Treasurer, Administrative Services Director, Revenue and Budget Manager, and those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk shall be the "prudent investor" standard, as defined under Government Code Section 53600.3 which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Ethics and Conflicts of Interest: Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio. City employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Investment Instruments: Funds of the City may be invested in any instrument allowable under current legislation of the State of California (Government Code Section 53600 et sec.)

so long as the investment is appropriate and consistent with this Investment Policy taking into consideration the City's investment objectives. Investment instruments may include:

- U.S. Treasury Obligations (Bills, Notes and Bonds)
- U.S. Government Agency Securities and Instrumentality's of Government Sponsored Corporations, including a maximum of 5% in callable bonds issued by such agencies
- Banker's Acceptances
- Commercial Paper
- Repurchase Agreements (requires a master repurchase agreement to be signed and on file with the bank or broker/dealer)
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Interest Bearing Checking Accounts
- Medium Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)
- County of Orange Investment Fund (County Pool)
- Other investments that are, or may become, legal investments through the State of California Government Code.

Provisions of Government Code Section 53601 shall be adhered to at all times. This includes, but is not limited to, the following restrictions:

- Bankers Acceptances cannot exceed 40% of the portfolio nor exceed 180 days;
- Commercial Paper cannot exceed 25% of the portfolio. Commercial Paper must be rated P-1 (Moody's), A-1 (Standard & Poor's) and cannot exceed 270 days;
- Money Market Funds cannot exceed 20% of the portfolio;
- Medium Term Corporate Notes cannot exceed 30% of the portfolio and must carry a minimum A rating;
- Pass-through securities including Collateralized Mortgage Obligations cannot exceed 20% of the portfolio.
 - Collateralized Mortgage Obligations must pass the Federal Financial Institution Examination Council (FFIEC) liquidity test to be an eligible investment for the City
 - Asset Backed Securities are limited to a maximum of 10% of the portfolio at time of purchase
 - Maximum maturity of 5 years
 - Asset Backed Security must be rated AA or higher
- Supranational Securities must be rated AA or higher, cannot exceed 15% of the portfolio and no more than 5% of portfolio per issuer. The maximum maturity cannot exceed 5 years.
- Additionally, the City will use the guidelines established by the joint committee of the California Municipal Treasurers Association and the California Society of Municipal Finance Officers as the basis for investing in government investment pools.

For purposes of complying with legal investment limitations, the percentage references pertaining to the above refers to the maturity value of the portfolio at the time of purchase.

Prohibited Investments: The City shall not invest any funds in derivatives, inverse floaters, range notes, or interest- only strips that are derived from a pool of mortgages. The City shall

not invest any funds in any security that could result in a zero interest accrual if held to maturity.

Collateralization: Collateralization shall be required on two types of investments: Certificates of deposit and repurchase (and reverse repurchase) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit.

Collateral shall be held by an independent third party with whom the City has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted in accordance with the following requirements:

- A. Certificates of Deposit
 - 1. Government securities used as collateral require one hundred and ten (110) percent of market value to the face amount of the deposit
 - 2. Promissory notes secured by first trust deeds used as collateral require one hundred and fifty (150) percent of market value to the face amount of the deposit
 - 3. Irrevocable letters of Credit issued by the Federal Home Loan Bank of San Francisco require one hundred and five (105) percent of market value to the face amount of the deposit
- B. Repurchase and Reverse Repurchase Agreements
 - 1. Only U.S. Treasury securities or federal agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed one hundred and two (102) percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one (1) day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.
 - 2. The City or its trustee shall have perfected first security interest under the Uniform Commercial Code in all securities subject to a repurchase agreement.

Investment Criteria: Criteria for selecting investments and the order of priority are:

- A. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe.
- B. Liquidity

This refers to the ability to convert an investment into cash at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality when there is an occasional need for funds. The potential fluctuations in market value and the expected future availability of reasonable bids in the market are to be important considerations when selecting an investment.
- C. Yield

Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return.

Diversification: The City will diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, or individual financial institutions. In no case, without prior notification and approval from the City Council, shall the amount invested in one entity at the time of purchase exceed 5% of the total portfolio, with the following exceptions:

- U.S. Federal Government Agency Obligations of one specific entity cannot exceed 25% of the maturity value of the portfolio at the time of purchase.
- U.S. Treasury Obligations (Treasury Bills, Treasury Strips, Bonds, Notes) directly backed by the full faith and credit of the United States for payment of principal and interest shall not be subject to a maximum percentage of the portfolio.
- Approved State and County investment pools together cannot exceed 60% of the maturity value of the portfolio at the time of purchase, and no more than 40% of the maturity value at the time of purchase can be deposited in any one particular pool.

Investment Pools: The City Treasurer, Administrative Services Director and City Council have determined that use of investment pools is a practical investment option. The City will utilize guidelines established by the California Municipal Treasurers Association and California Society of Municipal Finance Officers to ensure the safety of investment pools which includes a thorough investigation of the pool/fund prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

Maturity Limitations: Every investment instrument purchased must have a term remaining to maturity of less than five years, unless the investment is for the Senior Low Cost Housing Subsidy Program, bond proceeds for the Reserve Fund, funded/capitalized interest fund; or the City Council has granted express authority to make that investment, either specifically or as part of an investment program approved by the City Council no more than three months prior to the investment. When possible, a minimum of 25% of the portfolio should be in maturities of one year or less.

Safekeeping and Custody: All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis which ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian designated

by the City and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, direct time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require authorization.

Monthly trust statements are reconciled to the Investment Reports by the City's Accountant. The City's Accountant performs reconciliation of the monthly bank statements. The periodic review of the investment portfolio, including investment types, purchase price, market values, maturity dates, and investment yields as well as conformance to the stated investment policy will be performed by the Investment Advisory Committee.

Qualified Broker/Dealers: For those investments managed directly by the City, the City shall maintain a listing of broker/dealers that are approved by the Investment Advisory Committee for investment purposes. All broker/dealers who desire to bid for investment transactions must supply the City with the following information; a completed broker/dealer questionnaire, audited financial statements, proof of National Association of Security Dealers' certification, trading resolution, proof of California registration, and certification of having read the City of Brea's investment policy.

The Investment Advisory Committee will conduct an annual review of the qualified broker/dealers. The decision to add or subtract from the authorized list of broker/dealers will be based on many factors to include, but not limited to, products offered, service levels, references, etc. No single factor will determine the Committee's final decision. A current audited financial statement is required to be on file for each broker/dealer with which the City of Brea invests. The City's authorized brokers/dealers shall provide written confirmation of having read and understood the City's investment policy and that all investments recommended by them will be suitable for the City of Brea.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

Monitoring and Adjusting the Portfolio: The City Treasurer and Administrative Services Director will routinely monitor the contents, performance and risk profile of the investment portfolio, the investment alternatives, and the relative values of competing investment instruments and will adjust the portfolio accordingly based on the approved Statement of Investment Policy on a quarterly basis. The City Council shall also bear a responsibility for monitoring the implementation of this policy and the safeguarding of the City's Treasury.

Performance Standards: The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Administrative Services Director shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the monthly report of investments. The Treasurer and Administrative Services Director shall select an appropriate, readily available index to use as a market benchmark.

Bond Funds/Arbitrage: The U.S. Tax Reform Act of 1986 requires the City to perform annual arbitrage calculations and rebate excess earnings from investments of proceeds of bond issues sold after the effective date of this law to the U.S. Treasury. This arbitrage calculation may be contracted with an outside source to provide the necessary technical assistance to comply with this regulation. Funds subject to the 1986 Tax Reform Act will be kept segregated from other funds and records will be kept in a fashion to facilitate the calculations. The City's investment position relative to the new arbitrage restrictions is to continue pursuing the maximum yield on applicable investments while ensuring the safety of capital and liquidity. It is a fiscally sound position to continue maximization of yield and to rebate excess earnings, if necessary.

Review/or Modification: The Investment Advisory Committee shall be responsible for reviewing and recommending modifications to the Statement of Investment Policy and submitting it to the City Council for approval on an annual basis. However, the City Treasurer and Administrative Services Director may, at any time, further restrict the investments approved for purchase as deemed appropriate.

Internal Controls: The City Treasurer and Administrative Services Director shall organize the investment function so that specific responsibility for the performance of duties is assigned with a clear line of authority and reporting. The functions of authorizing, executing and recording transactions, custody of investments and performing reconciliation's will be handled by separate persons to reduce the risk that anyone person is in a position to conceal errors or fraud in the normal course of duty. While no internal control system, however elaborate, can guarantee absolute assurance that the City's assets are safeguarded, it is the intent of the City's internal control system to provide reasonable assurance that management of the investment function meets the City's objectives. These internal controls shall be reviewed annually by the independent auditor who shall review and comment upon the content of this policy, the effectiveness of its implementation and applicable management controls with regard to its implementation and the safeguarding of the City's Treasury funds.

Investment Advisory Committee: An Investment Advisory Committee ("Committee") is established to review and make recommendations on the Investment Policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency and to strengthen the internal control of the management of the City's funds. The following are the duties and responsibilities of the Committee:

A. Purpose

1. To review and make recommendations on investment policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency.
2. To review the City's investments on a periodic basis and to recommend any exceptions and/or changes to the policy, to the City Council for review and approval.

B. Composition of Committee

1. City Treasurer
2. City Council Member, who serves as the Chair (selected by the City Council)
3. Administrative Services Director

4. Revenue and Budget Manager
5. Three (3) Brea Citizens (selected by the City Council with the City Treasurer as subcommittee members)

C. Functions

1. Annually (or as needed)
 - a. To review and approve Statement of Investment Policy
 - b. To review the financial condition and registrations of qualified broker/dealers (Only required when investments are managed by the City)
2. Monthly or Quarterly
 - a. To review the City's investments
 - b. To recommend any modifications to the Investment Policy
 - c. To develop and carry out the ongoing investment strategy in accordance with the Investment Policy
 - d. To provide a status report at a study session of the City Council as requested

The function of the Committee is not to inhibit the daily operation of the Administrative Services Department, but to provide policy guidelines within which to work on a day-to-day basis. By this, it is meant that each individual trade need not be approved by the Committee at the time it is transacted provided that it falls within the scope of the Statement of Investment Policy.

Disclosure: Members of the Committee shall be required to comply with the Fair Political Practices Act reporting requirements (Form 700) on an annual basis and submit filings to the City Clerk's Office.

**SEGREGATION OF RESPONSIBILITIES
(External)**

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	Administrative Services Director Revenue and Budget Manager
Recommend modifications to Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Review formal Statement of Investment Policy and recommend a Council action	City Treasurer Investment Advisory Committee
Adopt formal Statement of Investment Policy	City Council
Select investments	Outside Investment Manager
Execute investment transactions and fax or email completed trade information to City	Outside Investment Manager
Review transactions for compliance with investment policy	City Treasurer Administrative Services Director or Revenue and Budget Manager
Investment verification (match broker confirmation to trade information provided by outside Investment Manager to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to Administrative Services Director and City Treasurer	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director.

SEGREGATION OF RESPONSIBILITIES
(Internal)

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Recommend modifications to Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager Investment Advisory Committee
Review formal Statement of Investment Policy and recommend City Council action	Investment Advisory Committee
Annually review and adopt a formal Statement of Investment Policy	City Council
Select investments	Administrative Services Director or Revenue and Budget Manager
Approve transactions	Administrative Services Director
Execute investment transactions	Administrative Services Director
Investment verification (match broker confirmation to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to the Administrative Services Director	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director

GLOSSARY OF INVESTMENTS TERMS

AGENCIES: Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB: The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB: The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC: Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “Freddie MacFreddieMac” issues discount notes, bonds and mortgage pass-through securities.

FNMA: Like FHLB and Freddie MacFreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “Fannie MaeFannieMae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA: The Government National Mortgage Association, known as “Ginnie MaeGinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO: The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA: The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASSET BACKED SECURITIES: Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE: In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER’S ACCEPTANCE: A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

BENCHMARK: A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BROKER: A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION (CMTA): Is the professional society of active public treasurers of California counties, cities and special districts. It sets ethical standards for the treasury profession in state and local governments in California.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS (CSMFO): Is a professional association of state, county and local government finance officers in

California. CSMFO is the statewide organization serving all of California municipal finance professionals, an affiliate of the nationwide Government Finance Officers Association (GFOA).

CALLABLE: A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS): A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL: COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED BANK DEPOSIT: A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COLLATERALIZED TIME DEPOSIT: Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

PAPER: The short-term unsecured debt of corporations.

COUPON: The rate of return at which interest is paid on a bond.

CREDIT RISK: The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DEBENTURE: A bond secured only by the general credit of the issuer.

VS. PAYMENT (DVP): A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE: Any security that has principal and/or interest payments which are subject

to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (*e.g., U.S. Treasury Bills.*)

DIVERSIFICATION: Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION: The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes in interest rates.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, *e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.*

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INVERSE FLOATER: A bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes. This investment is prohibited under in the City's and Successor Agency to the Brea Redevelopment Agency Investment Policy.

FEDERALLY INSURED TIME DEPOSIT: A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

LEVERAGE: Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY: The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

POOL: Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL: A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN: The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK: The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE: The price at which a security can be traded.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES: Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION: The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MARKET: The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MONEY MARKET MUTUAL FUND: A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

MORTGAGE PASS-THROUGH SECURITIES: A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES: Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND: An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO): A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating

agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CERTIFICATE OF DEPOSIT (CD): A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PASSBOOK SAVINGS ACCOUNT: A savings account in which deposits and withdrawals are recorded in the depositor's passbook.

PASS-THROUGH SECURITY: A pool of fixed income securities backed by a package of assets (i.e. mortgages) where the holder receives the principal and interest payments.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRINCIPAL: The face value or par value of an investment.

PRUDENT INVESTOR STANDARD: Is a standard defined under State Government Code Section 53600.3 that states when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

PRUDENT PERSON (PRUDENT INVESTOR) RULE: A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT: Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to bank customers whereby securities are held by the bank in the customer's name.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND SECURITIES AND EXCHANGE COMMISSION (SEC): The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

SECURITIES AND EXCHANGE COMMISSION (SEC) RULE 15c3-1: An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

STRUCTURED NOTE: A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATURAL: A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS: All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD TO MATURITY: The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

City Of Brea / Successor Agency to the Brea Redevelopment Agency

~~FINAL~~DRAFT

STATEMENT OF INVESTMENT POLICY

August ~~18, 2020~~, 2019

Purpose: This statement is intended to provide a guideline for the prudent investment of funds and to outline the policies for maximizing the efficiency of the City of Brea and Successor Agency to the Brea Redevelopment Agency ("City") cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled funds. This investment policy has been prepared so as to be in conformance with all pertinent existing laws of the State of California for General Law cities.

Objective: The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain a market rate of return without incurring undue risk to principal. The objectives of such investments are: 1) preserve capital, 2) maintain financial flexibility/liquidity, and 3) obtain a competitive rate of return on the City's investments.

Scope: This investment policy applies to the decisions and activities of the City with regard to investing the financial assets of all funds, including the following: General Fund, Special Revenue Funds, Assessment Funds, Enterprise Funds, Internal Service Funds, Capital Projects Funds, Debt Service Funds, Reserve Funds, Trust and Agency Funds, and any other funds that may be created from time to time. This policy does not apply retiree health care savings/trust/plan(s) or deferred compensation plans.

Investment Responsibility: Investment decisions of the City funds are the responsibility of the City Treasurer and/or Administrative Services Director, and shall comply with the Investment Policy of the City. These responsibilities include the authority to open accounts with banks, brokers and dealers, establish safekeeping accounts or other arrangements for the custody of securities and to execute such documents as may be necessary.

Those authorized to execute transactions for the City include the: 1) City Treasurer, 2) Administrative Services Director, 3) Revenue and Budget Manager, and 4) those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk. The City Treasurer and Administrative Services Director shall insure that an authorized person is available at all times to execute the City's investments. Investment managers, brokers and dealers are to be provided with a list of specified names of those persons authorized to execute transactions. The City Council may authorize the delegation of investments to an outside investment manager.

Reporting: The Administrative Services Director shall be responsible for reporting the status of investments to the City Council and City Manager on a monthly basis. These reports will disclose, at a minimum, the following information about the characteristics of the City's portfolio:

- A. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate.

- B. Monthly transactions for the period.
- C. A one-page summary report that shows:
 - 1. Average maturity of the portfolio and modified duration of the portfolio;
 - 2. Maturity distribution of the portfolio;
 - 3. Average portfolio credit quality; and,
 - 4. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months, year to date, and since inception compared to the City's market benchmark returns for the same periods;
- D. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
- E. A statement that the City has adequate funds to meet its cash flow requirements for the next six months.

Reports are to be submitted to the City Council and City Manager by the 3rd City Council meeting following the end of the reporting month.

The Investment Advisory Committee will review the status of investments on a quarterly basis. These reports shall include the type of investment, institution, face amount, market value, book value, interest rate, date of maturity, compliance to the investment policy.

If the City has an outside Investment Manager, the Investment Manager shall periodically report on the activity and results of the funds being managed by the Investment Manager. Additionally, the Investment Manager shall notify the Investment Advisory Committee when investment portfolios demonstrate low performance, if any, which occurs between each periodic report.

Prudence: The standard of prudence to be applied by the City Treasurer, Administrative Services Director, Revenue and Budget Manager, and those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk shall be the "prudent investor" standard, as defined under Government Code Section 53600.3 which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Ethics and Conflicts of Interest: Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio. City employees and officers shall refrain

from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Investment Instruments: Funds of the City may be invested in any instrument allowable under current legislation of the State of California (Government Code Section 53600 et sec.) so long as the investment is appropriate and consistent with this Investment Policy taking into consideration the City's investment objectives. Investment instruments may include:

- U.S. Treasury Obligations (Bills, Notes and Bonds)
- U.S. Government Agency Securities and Instrumentality's of Government Sponsored Corporations, including a maximum of 5% in callable bonds issued by such agencies
- Banker's Acceptances
- Commercial Paper
- Repurchase Agreements (requires a master repurchase agreement to be signed and on file with the bank or broker/dealer)
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Interest Bearing Checking Accounts
- Medium Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)
- County of Orange Investment Fund (County Pool)
- Other investments that are, or may become, legal investments through the State of California Government Code.

Provisions of Government Code Section 53601 shall be adhered to at all times. This includes, but is not limited to, the following restrictions:

- Bankers Acceptances cannot exceed 40% of the portfolio nor exceed 180 days;
- Commercial Paper cannot exceed 25% of the portfolio. Commercial Paper must be rated P-1 (Moody's), A-1 (Standard & Poor's) and cannot exceed 270 days;
- Money Market Funds cannot exceed 20% of the portfolio;
- Medium Term Corporate Notes cannot exceed 30% of the portfolio and must carry a minimum A rating;
- Pass-through securities including Collateralized Mortgage Obligations cannot exceed 20% of the portfolio.
 - ~~Collateralized Mortgage Obligations must pass the Federal Financial Institution Examination Council (FFIEC) liquidity test to be an eligible investment for the City~~
 - Asset Backed Securities are limited to a maximum of 10% of the portfolio at time of purchase
 - Maximum maturity of 5 years
 - Asset Backed Security must be rated AA or higher
- Supranational Securities must be rated AA or higher, cannot exceed 15% of the portfolio and no more than 5% of portfolio per issuer. The maximum maturity cannot exceed 5 years.
- Additionally, the City will use the guidelines established by the joint committee of the

Commented [CM1]: Recommend updating the language on CMO's to be consistent with best practices and CA code

California Municipal Treasurers Association and the California Society of Municipal Finance Officers as the basis for investing in government investment pools.

For purposes of complying with legal investment limitations, the percentage references pertaining to the above refers to the maturity value of the portfolio at the time of purchase.

If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

- Any actions taken related to the downgrade by the investment manager will be communicated to the City Treasurer and the Administrative Services Director within two (2) business days.
- If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

Prohibited Investments: The City shall not invest any funds in derivatives, inverse floaters, range notes, or interest- only strips that are derived from a pool of mortgages. The City shall not invest any funds in any security that could result in a zero interest accrual if held to maturity.

Collateralization: Collateralization shall be required on two types of investments: Certificates of deposit and repurchase (and reverse repurchase) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit.

Collateral shall be held by an independent third party with whom the City has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted in accordance with the following requirements:

- A. Certificates of Deposit
 1. Government securities used as collateral require one hundred and ten (110) percent of market value to the face amount of the deposit
 2. Promissory notes secured by first trust deeds used as collateral require one hundred and fifty (150) percent of market value to the face amount of the deposit
 3. Irrevocable letters of Credit issued by the Federal Home Loan Bank of San Francisco require one hundred and five (105) percent of market value to the face amount of the deposit
- B. Repurchase and Reverse Repurchase Agreements
 1. Only U.S. Treasury securities or federal agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed one hundred and two (102) percent of the total dollar value of the money invested

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Commented [MF2]: Recommended by IAC Chair to keep practice consistent with Investment Policy

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Commented [DW4]: We recommend adding language regarding the downgrade of securities to enhance the risk mitigation measure of the policy.

by the City for the term of the investment. For any repurchase agreement with a term of more than one (1) day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.

2. The City or its trustee shall have perfected first security interest under the Uniform Commercial Code in all securities subject to a repurchase agreement.

Investment Criteria: Criteria for selecting investments and the order of priority are:

A. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe.

B. Liquidity

This refers to the ability to convert an investment into cash at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality when there is an occasional need for funds. The potential fluctuations in market value and the expected future availability of reasonable bids in the market are to be important considerations when selecting an investment.

C. Yield

Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return.

Diversification: The City will diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, or individual financial institutions. In no case, without prior notification and approval from the City Council, shall the amount invested in one entity at the time of purchase exceed 5% of the total portfolio, with the following exceptions:

- U.S. Federal Government Agency Obligations of one specific entity cannot exceed 25% of the maturity value of the portfolio at the time of purchase.
- U.S. Treasury Obligations (Treasury Bills, Treasury Strips, Bonds, Notes) directly backed by the full faith and credit of the United States for payment of principal and interest shall not be subject to a maximum percentage of the portfolio.
- Approved State and County investment pools together cannot exceed 60% of the maturity value of the portfolio at the time of purchase, and no more than 40% of the maturity value at the time of purchase can be deposited in any one particular pool.

Investment Pools: The City Treasurer, Administrative Services Director and City Council have determined that use of investment pools is a practical investment option. The City will utilize guidelines established by the California Municipal Treasurers Association and California Society of Municipal Finance Officers to ensure the safety of investment pools which includes a thorough investigation of the pool/fund prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

Maturity Limitations: Every investment instrument purchased must have a term remaining to maturity of less than five years, unless the investment is for the Senior Low Cost Housing Subsidy Program, bond proceeds for the Reserve Fund, funded/capitalized interest fund; or the City Council has granted express authority to make that investment, either specifically or as part of an investment program approved by the City Council no more than three months prior to the investment. When possible, a minimum of 25% of the portfolio should be in maturities of one year or less.

Safekeeping and Custody: All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis which ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian designated by the City and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, direct time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require authorization.

Monthly trust statements are reconciled to the Investment Reports by the City's Accountant. The City's Accountant performs reconciliation of the monthly bank statements. The periodic review of the investment portfolio, including investment types, purchase price, market values, maturity dates, and investment yields as well as conformance to the stated investment policy will be performed by the Investment Advisory Committee.

Qualified Broker/Dealers: For those investments managed directly by the City, the City shall maintain a listing of broker/dealers that are approved by the Investment Advisory Committee for investment purposes. All broker/dealers who desire to bid for investment transactions must supply the City with the following information; a completed broker/dealer questionnaire, audited financial statements, proof of National Association of Security Dealers' certification, trading resolution, proof of California registration, and certification of having read the City of Brea's investment policy.

The Investment Advisory Committee will conduct an annual review of the qualified broker/dealers. The decision to add or subtract from the authorized list of broker/dealers will be based on many factors to include, but not limited to, products offered, service levels,

references, etc. No single factor will determine the Committee's final decision. A current audited financial statement is required to be on file for each broker/dealer with which the City of Brea invests. The City's authorized brokers/dealers shall provide written confirmation of having read and understood the City's investment policy and that all investments recommended by them will be suitable for the City of Brea.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

Monitoring and Adjusting the Portfolio: The City Treasurer and Administrative Services Director will routinely monitor the contents, performance and risk profile of the investment portfolio, the investment alternatives, and the relative values of competing investment instruments and will adjust the portfolio accordingly based on the approved Statement of Investment Policy on a quarterly basis. The City Council shall also bear a responsibility for monitoring the implementation of this policy and the safeguarding of the City's Treasury.

Performance Standards: The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Administrative Services Director shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the monthly report of investments. The Treasurer and Administrative Services Director shall select an appropriate, readily available index to use as a market benchmark.

Bond Funds/Arbitrage: The U.S. Tax Reform Act of 1986 requires the City to perform annual arbitrage calculations and rebate excess earnings from investments of proceeds of bond issues sold after the effective date of this law to the U.S. Treasury. This arbitrage calculation may be contracted with an outside source to provide the necessary technical assistance to comply with this regulation. Funds subject to the 1986 Tax Reform Act will be kept segregated from other funds and records will be kept in a fashion to facilitate the calculations. The City's investment position relative to the new arbitrage restrictions is to continue pursuing the maximum yield on applicable investments while ensuring the safety of capital and liquidity. It is a fiscally sound position to continue maximization of yield and to rebate excess earnings, if necessary.

Review/or Modification: The Investment Advisory Committee shall be responsible for reviewing and recommending modifications to the Statement of Investment Policy and submitting it to the City Council for approval on an annual basis. However, the City Treasurer and Administrative Services Director may, at any time, further restrict the investments approved for purchase as deemed appropriate.

Internal Controls: The City Treasurer and Administrative Services Director shall organize the investment function so that specific responsibility for the performance of duties is assigned with a clear line of authority and reporting. The functions of authorizing, executing and recording transactions, custody of investments and performing reconciliations will be handled by separate persons to reduce the risk that anyone person is in a position to conceal errors or fraud in the normal course of duty. While no internal control system, however elaborate, can guarantee absolute assurance that the City's assets are safeguarded, it is the intent of the City's internal control system to provide reasonable assurance that management of the investment function meets the City's objectives. These internal controls shall be reviewed annually by the independent auditor who shall review and comment upon the content of this policy, the effectiveness of its implementation and applicable management controls with regard to its implementation and the safeguarding of the City's Treasury funds.

Investment Advisory Committee: An Investment Advisory Committee ("Committee") is established to review and make recommendations on the Investment Policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency and to strengthen the internal control of the management of the City's funds. The following are the duties and responsibilities of the Committee:

- A. Purpose
 - 1. To review and make recommendations on investment policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency.
 - 2. To review the City's investments on a periodic basis and to recommend any exceptions and/or changes to the policy, to the City Council for review and approval.
- B. Composition of Committee
 - 1. City Treasurer
 - 2. City Council Member, who serves as the Chair (selected by the City Council)
 - 3. Administrative Services Director
 - 4. Revenue and Budget Manager
 - 5. Three (3) Brea Citizens (selected by the City Council with the City Treasurer as subcommittee members)
- C. Functions
 - 1. Annually (or as needed)
 - a. To review and approve Statement of Investment Policy
 - b. To review the financial condition and registrations of qualified broker/dealers (Only required when investments are managed by the City)
 - 2. Monthly or Quarterly
 - a. To review the City's investments
 - b. To recommend any modifications to the Investment Policy
 - c. To develop and carry out the ongoing investment strategy in accordance with the Investment Policy
 - d. To provide a status report at a study session of the City Council as requested

The function of the Committee is not to inhibit the daily operation of the Administrative Services Department, but to provide policy guidelines within which to work on a day-to-day basis. By this, it is meant that each individual trade need not be approved by the

Committee at the time it is transacted provided that it falls within the scope of the Statement of Investment Policy.

Disclosure: Members of the Committee shall be required to comply with the Fair Political Practices Act reporting requirements (Form 700) on an annual basis and submit filings to the City Clerk's Office.

**SEGREGATION OF RESPONSIBILITIES
(External)**

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	Administrative Services Director Revenue and Budget Manager
Recommend modifications to Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Review formal Statement of Investment Policy and recommend a Council action	City Treasurer Investment Advisory Committee
Adopt formal Statement of Investment Policy	City Council
Select investments	Outside Investment Manager
Execute investment transactions and fax or email completed trade information to City	Outside Investment Manager
Review transactions for compliance with investment policy	City Treasurer Administrative Services Director or Revenue and Budget Manager
Investment verification (match broker confirmation to trade information provided by outside Investment Manager to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to Administrative Services Director and City Treasurer	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director.

SEGREGATION OF RESPONSIBILITIES
(Internal)

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Recommend modifications to Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager Investment Advisory Committee
Review formal Statement of Investment Policy and recommend City Council action	Investment Advisory Committee
Annually review and adopt a formal Statement of Investment Policy	City Council
Select investments	Administrative Services Director or Revenue and Budget Manager
Approve transactions	Administrative Services Director
Execute investment transactions	Administrative Services Director
Investment verification (match broker confirmation to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to the Administrative Services Director	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director

GLOSSARY OF INVESTMENTS TERMS

AGENCIES: Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB: The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB: The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC: Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "Freddie MacFreddieMac" issues discount notes, bonds and mortgage pass-through securities.

FNMA: Like FHLB and Freddie MacFreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as "Fannie MaeFannieMae," issues discount notes, bonds and mortgage pass-through securities.

GNMA: The Government National Mortgage Association, known as "Ginnie MaeGinnieMae," issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO: The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA: The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASSET BACKED SECURITIES: Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE: In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER'S ACCEPTANCE: A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which "accepts" the obligation to pay the investor.

BENCHMARK: A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BROKER: A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION (CMTA): Is the professional society of active public treasurers of California counties, cities and special districts. It sets ethical standards for the treasury profession in state and local governments in California.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS (CSMFO): Is a professional association of state, county and local government finance officers in

California. CSMFO is the statewide organization serving all of California municipal finance professionals, an affiliate of the nationwide Government Finance Officers Association (GFOA).

CALLABLE: A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS): A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL: COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED BANK DEPOSIT: A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COLLATERIALIZED TIME DEPOSIT: Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

PAPER: The short-term unsecured debt of corporations.

COUPON: The rate of return at which interest is paid on a bond.

CREDIT RISK: The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.
A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DEBENTURE: A bond secured only by the general credit of the issuer.

VS. PAYMENT (DVP): A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE: Any security that has principal and/or interest payments which are subject

to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g., *U.S. Treasury Bills*.)

DIVERSIFICATION: Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION: The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes in interest rates.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INVERSE FLOATER: A bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes. This investment is prohibited under in the City's and Successor Agency to the Brea Redevelopment Agency Investment Policy.

FEDERALLY INSURED TIME DEPOSIT: A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

LEVERAGE: Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY: The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

POOL: Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL: A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN: The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK: The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE: The price at which a security can be traded.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES: Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION: The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MARKET: The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MONEY MARKET MUTUAL FUND: A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

MORTGAGE PASS-THROUGH SECURITIES: A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES: Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND: An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO): A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating

agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CERTIFICATE OF DEPOSIT (CD): A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PASSBOOK SAVINGS ACCOUNT: A savings account in which deposits and withdrawals are recorded in the depositor's passbook.

PASS-THROUGH SECURITY: A pool of fixed income securities backed by a package of assets (i.e. mortgages) where the holder receives the principal and interest payments.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRINCIPAL: The face value or par value of an investment.

PRUDENT INVESTOR STANDARD: Is a standard defined under State Government Code Section 53600.3 that states when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

PRUDENT PERSON (PRUDENT INVESTOR) RULE: A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT: Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to bank customers whereby securities are held by the bank in the customer's name.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND SECURITIES AND EXCHANGE COMMISSION (SEC): The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

SECURITIES AND EXCHANGE COMMISSION (SEC) RULE 15c315c3-1: An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

STRUCTURED NOTE: A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATURAL: A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS: All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD TO MATURITY: The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

City Of Brea / Successor Agency to the Brea Redevelopment Agency

DRAFT

STATEMENT OF INVESTMENT POLICY

August 18, 2020

Purpose: This statement is intended to provide a guideline for the prudent investment of funds and to outline the policies for maximizing the efficiency of the City of Brea and Successor Agency to the Brea Redevelopment Agency ("City") cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled funds. This investment policy has been prepared so as to be in conformance with all pertinent existing laws of the State of California for General Law cities.

Objective: The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain a market rate of return without incurring undue risk to principal. The objectives of such investments are: 1) preserve capital, 2) maintain financial flexibility/liquidity, and 3) obtain a competitive rate of return on the City's investments.

Scope: This investment policy applies to the decisions and activities of the City with regard to investing the financial assets of all funds, including the following: General Fund, Special Revenue Funds, Assessment Funds, Enterprise Funds, Internal Service Funds, Capital Projects Funds, Debt Service Funds, Reserve Funds, Trust and Agency Funds, and any other funds that may be created from time to time. This policy does not apply retiree health care savings/trust/plan(s) or deferred compensation plans.

Investment Responsibility: Investment decisions of the City funds are the responsibility of the City Treasurer and/or Administrative Services Director, and shall comply with the Investment Policy of the City. These responsibilities include the authority to open accounts with banks, brokers and dealers, establish safekeeping accounts or other arrangements for the custody of securities and to execute such documents as may be necessary.

Those authorized to execute transactions for the City include the: 1) City Treasurer, 2) Administrative Services Director, 3) Revenue and Budget Manager, and 4) those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk. The City Treasurer and Administrative Services Director shall insure that an authorized person is available at all times to execute the City's investments. Investment managers, brokers and dealers are to be provided with a list of specified names of those persons authorized to execute transactions. The City Council may authorize the delegation of investments to an outside investment manager.

Reporting: The Administrative Services Director shall be responsible for reporting the status of investments to the City Council and City Manager on a monthly basis. These reports will disclose, at a minimum, the following information about the characteristics of the City's portfolio:

- A. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate.

- B. Monthly transactions for the period.
- C. A one-page summary report that shows:
 - 1. Average maturity of the portfolio and modified duration of the portfolio;
 - 2. Maturity distribution of the portfolio;
 - 3. Average portfolio credit quality; and,
 - 4. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months, year to date, and since inception compared to the City's market benchmark returns for the same periods;
- D. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
- E. A statement that the City has adequate funds to meet its cash flow requirements for the next six months.

Reports are to be submitted to the City Council and City Manager by the 3rd City Council meeting following the end of the reporting month.

The Investment Advisory Committee will review the status of investments on a quarterly basis. These reports shall include the type of investment, institution, face amount, market value, book value, interest rate, date of maturity, compliance to the investment policy.

If the City has an outside Investment Manager, the Investment Manager shall periodically report on the activity and results of the funds being managed by the Investment Manager. Additionally, the Investment Manager shall notify the Investment Advisory Committee when investment portfolios demonstrate low performance, if any, which occurs between each periodic report.

Prudence: The standard of prudence to be applied by the City Treasurer, Administrative Services Director, Revenue and Budget Manager, and those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk shall be the "prudent investor" standard, as defined under Government Code Section 53600.3 which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Ethics and Conflicts of Interest: Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio. City employees and officers shall refrain

from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Investment Instruments: Funds of the City may be invested in any instrument allowable under current legislation of the State of California (Government Code Section 53600 et sec.) so long as the investment is appropriate and consistent with this Investment Policy taking into consideration the City's investment objectives. Investment instruments may include:

- U.S. Treasury Obligations (Bills, Notes and Bonds)
- U.S. Government Agency Securities and Instrumentality's of Government Sponsored Corporations, including a maximum of 5% in callable bonds issued by such agencies
- Banker's Acceptances
- Commercial Paper
- Repurchase Agreements (requires a master repurchase agreement to be signed and on file with the bank or broker/dealer)
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Interest Bearing Checking Accounts
- Medium Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)
- County of Orange Investment Fund (County Pool)
- Other investments that are, or may become, legal investments through the State of California Government Code.

Provisions of Government Code Section 53601 shall be adhered to at all times. This includes, but is not limited to, the following restrictions:

- Bankers Acceptances cannot exceed 40% of the portfolio nor exceed 180 days;
- Commercial Paper cannot exceed 25% of the portfolio. Commercial Paper must be rated P-1 (Moody's), A-1 (Standard & Poor's) and cannot exceed 270 days;
- Money Market Funds cannot exceed 20% of the portfolio;
- Medium Term Corporate Notes cannot exceed 30% of the portfolio and must carry a minimum A rating;
- Pass-through securities including Collateralized Mortgage Obligations cannot exceed 20% of the portfolio.
 - Asset Backed Securities are limited to a maximum of 10% of the portfolio at time of purchase
 - Maximum maturity of 5 years
 - Asset Backed Security must be rated AA or higher
- Supranational Securities must be rated AA or higher, cannot exceed 15% of the portfolio and no more than 5% of portfolio per issuer. The maximum maturity cannot exceed 5 years.
- Additionally, the City will use the guidelines established by the joint committee of the California Municipal Treasurers Association and the California Society of Municipal Finance Officers as the basis for investing in government investment pools.

For purposes of complying with legal investment limitations, the percentage references pertaining to the above refers to the maturity value of the portfolio at the time of purchase.

If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

- Any actions taken related to the downgrade by the investment manager will be communicated to the City Treasurer and the Administrative Services Director within two (2) business days.
- If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

Prohibited Investments: The City shall not invest any funds in derivatives, inverse floaters, range notes, or interest- only strips that are derived from a pool of mortgages. The City shall not invest any funds in any security that could result in a zero interest accrual if held to maturity.

Collateralization: Collateralization shall be required on two types of investments: Certificates of deposit and repurchase (and reverse repurchase) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit.

Collateral shall be held by an independent third party with whom the City has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted in accordance with the following requirements:

- A. Certificates of Deposit
 1. Government securities used as collateral require one hundred and ten (110) percent of market value to the face amount of the deposit
 2. Promissory notes secured by first trust deeds used as collateral require one hundred and fifty (150) percent of market value to the face amount of the deposit
 3. Irrevocable letters of Credit issued by the Federal Home Loan Bank of San Francisco require one hundred and five (105) percent of market value to the face amount of the deposit
- B. Repurchase and Reverse Repurchase Agreements
 1. Only U.S. Treasury securities or federal agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed one hundred and two (102) percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one (1) day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions.

Market value must be calculated each time there is a substitution of collateral.

2. The City or its trustee shall have perfected first security interest under the Uniform Commercial Code in all securities subject to a repurchase agreement.

Investment Criteria: Criteria for selecting investments and the order of priority are:

A. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe.

B. Liquidity

This refers to the ability to convert an investment into cash at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality when there is an occasional need for funds. The potential fluctuations in market value and the expected future availability of reasonable bids in the market are to be important considerations when selecting an investment.

C. Yield

Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return.

Diversification: The City will diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, or individual financial institutions. In no case, without prior notification and approval from the City Council, shall the amount invested in one entity at the time of purchase exceed 5% of the total portfolio, with the following exceptions:

- U.S. Federal Government Agency Obligations of one specific entity cannot exceed 25% of the maturity value of the portfolio at the time of purchase.
- U.S. Treasury Obligations (Treasury Bills, Treasury Strips, Bonds, Notes) directly backed by the full faith and credit of the United States for payment of principal and interest shall not be subject to a maximum percentage of the portfolio.
- Approved State and County investment pools together cannot exceed 60% of the maturity value of the portfolio at the time of purchase, and no more than 40% of the maturity value at the time of purchase can be deposited in any one particular pool.

Investment Pools: The City Treasurer, Administrative Services Director and City Council have determined that use of investment pools is a practical investment option. The City will utilize guidelines established by the California Municipal Treasurers Association and California Society of Municipal Finance Officers to ensure the safety of investment pools which includes a thorough investigation of the pool/fund prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and

losses are treated.

- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

Maturity Limitations: Every investment instrument purchased must have a term remaining to maturity of less than five years, unless the investment is for the Senior Low Cost Housing Subsidy Program, bond proceeds for the Reserve Fund, funded/capitalized interest fund; or the City Council has granted express authority to make that investment, either specifically or as part of an investment program approved by the City Council no more than three months prior to the investment. When possible, a minimum of 25% of the portfolio should be in maturities of one year or less.

Safekeeping and Custody: All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis which ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian designated by the City and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, direct time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require authorization.

Monthly trust statements are reconciled to the Investment Reports by the City's Accountant. The City's Accountant performs reconciliation of the monthly bank statements. The periodic review of the investment portfolio, including investment types, purchase price, market values, maturity dates, and investment yields as well as conformance to the stated investment policy will be performed by the Investment Advisory Committee.

Qualified Broker/Dealers: For those investments managed directly by the City, the City shall maintain a listing of broker/dealers that are approved by the Investment Advisory Committee for investment purposes. All broker/dealers who desire to bid for investment transactions must supply the City with the following information; a completed broker/dealer questionnaire, audited financial statements, proof of National Association of Security Dealers' certification, trading resolution, proof of California registration, and certification of having read the City of Brea's investment policy.

The Investment Advisory Committee will conduct an annual review of the qualified broker/dealers. The decision to add or subtract from the authorized list of broker/dealers will be based on many factors to include, but not limited to, products offered, service levels, references, etc. No single factor will determine the Committee's final decision. A current audited financial statement is required to be on file for each broker/dealer with which the City of Brea invests. The City's authorized brokers/dealers shall provide written

confirmation of having read and understood the City's investment policy and that all investments recommended by them will be suitable for the City of Brea.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

Monitoring and Adjusting the Portfolio: The City Treasurer and Administrative Services Director will routinely monitor the contents, performance and risk profile of the investment portfolio, the investment alternatives, and the relative values of competing investment instruments and will adjust the portfolio accordingly based on the approved Statement of Investment Policy on a quarterly basis. The City Council shall also bear a responsibility for monitoring the implementation of this policy and the safeguarding of the City's Treasury.

Performance Standards: The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Administrative Services Director shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the monthly report of investments. The Treasurer and Administrative Services Director shall select an appropriate, readily available index to use as a market benchmark.

Bond Funds/Arbitrage: The U.S. Tax Reform Act of 1986 requires the City to perform annual arbitrage calculations and rebate excess earnings from investments of proceeds of bond issues sold after the effective date of this law to the U.S. Treasury. This arbitrage calculation may be contracted with an outside source to provide the necessary technical assistance to comply with this regulation. Funds subject to the 1986 Tax Reform Act will be kept segregated from other funds and records will be kept in a fashion to facilitate the calculations. The City's investment position relative to the new arbitrage restrictions is to continue pursuing the maximum yield on applicable investments while ensuring the safety of capital and liquidity. It is a fiscally sound position to continue maximization of yield and to rebate excess earnings, if necessary.

Review/or Modification: The Investment Advisory Committee shall be responsible for reviewing and recommending modifications to the Statement of Investment Policy and submitting it to the City Council for approval on an annual basis. However, the City Treasurer and Administrative Services Director may, at any time, further restrict the investments approved for purchase as deemed appropriate.

Internal Controls: The City Treasurer and Administrative Services Director shall organize the investment function so that specific responsibility for the performance of duties is assigned with a clear line of authority and reporting. The functions of authorizing,

executing and recording transactions, custody of investments and performing reconciliation's will be handled by separate persons to reduce the risk that anyone person is in a position to conceal errors or fraud in the normal course of duty. While no internal control system, however elaborate, can guarantee absolute assurance that the City's assets are safeguarded, it is the intent of the City's internal control system to provide reasonable assurance that management of the investment function meets the City's objectives. These internal controls shall be reviewed annually by the independent auditor who shall review and comment upon the content of this policy, the effectiveness of its implementation and applicable management controls with regard to its implementation and the safeguarding of the City's Treasury funds.

Investment Advisory Committee: An Investment Advisory Committee ("Committee") is established to review and make recommendations on the Investment Policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency and to strengthen the internal control of the management of the City's funds. The following are the duties and responsibilities of the Committee:

A. Purpose

1. To review and make recommendations on investment policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency.
2. To review the City's investments on a periodic basis and to recommend any exceptions and/or changes to the policy, to the City Council for review and approval.

B. Composition of Committee

1. City Treasurer
2. City Council Member, who serves as the Chair (selected by the City Council)
3. Administrative Services Director
4. Revenue and Budget Manager
5. Three (3) Brea Citizens (selected by the City Council with the City Treasurer as subcommittee members)

C. Functions

1. Annually (or as needed)
 - a. To review and approve Statement of Investment Policy
 - b. To review the financial condition and registrations of qualified broker/dealers (Only required when investments are managed by the City)
2. Monthly or Quarterly
 - a. To review the City's investments
 - b. To recommend any modifications to the Investment Policy
 - c. To develop and carry out the ongoing investment strategy in accordance with the Investment Policy
 - d. To provide a status report at a study session of the City Council as requested

The function of the Committee is not to inhibit the daily operation of the Administrative Services Department, but to provide policy guidelines within which to work on a day-to-day basis. By this, it is meant that each individual trade need not be approved by the Committee at the time it is transacted provided that it falls within the scope of the Statement of Investment Policy.

Disclosure: Members of the Committee shall be required to comply with the Fair Political Practices Act reporting requirements (Form 700) on an annual basis and submit filings to the City Clerk's Office.

**SEGREGATION OF RESPONSIBILITIES
(External)**

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	Administrative Services Director Revenue and Budget Manager
Recommend modifications to Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Review formal Statement of Investment Policy and recommend a Council action	City Treasurer Investment Advisory Committee
Adopt formal Statement of Investment Policy	City Council
Select investments	Outside Investment Manager
Execute investment transactions and fax or email completed trade information to City	Outside Investment Manager
Review transactions for compliance with investment policy	City Treasurer Administrative Services Director or Revenue and Budget Manager
Investment verification (match broker confirmation to trade information provided by outside Investment Manager to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to Administrative Services Director and City Treasurer	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director.

SEGREGATION OF RESPONSIBILITIES
(Internal)

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Recommend modifications to Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager Investment Advisory Committee
Review formal Statement of Investment Policy and recommend City Council action	Investment Advisory Committee
Annually review and adopt a formal Statement of Investment Policy	City Council
Select investments	Administrative Services Director or Revenue and Budget Manager
Approve transactions	Administrative Services Director
Execute investment transactions	Administrative Services Director
Investment verification (match broker confirmation to City investment records)	Administrative Services Director or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to the Administrative Services Director	City Accountant
Security	All investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director

GLOSSARY OF INVESTMENTS TERMS

AGENCIES: Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB: The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB: The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC: Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “Freddie MacFreddieMac” issues discount notes, bonds and mortgage pass-through securities.

FNMA: Like FHLB and Freddie MacFreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “Fannie MaeFannieMae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA: The Government National Mortgage Association, known as “Ginnie MaeGinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO: The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA: The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASSET BACKED SECURITIES: Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE: In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER’S ACCEPTANCE: A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

BENCHMARK: A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BROKER: A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION (CMTA): Is the professional society of active public treasurers of California counties, cities and special districts. It sets ethical standards for the treasury profession in state and local governments in California.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS (CSMFO): Is a professional association of state, county and local government finance officers in

California. CSMFO is the statewide organization serving all of California municipal finance professionals, an affiliate of the nationwide Government Finance Officers Association (GFOA).

CALLABLE: A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS): A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL: COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED BANK DEPOSIT: A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COLLATERALIZED TIME DEPOSIT: Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

PAPER: The short-term unsecured debt of corporations.

COUPON: The rate of return at which interest is paid on a bond.

CREDIT RISK: The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DEBENTURE: A bond secured only by the general credit of the issuer.

VS. PAYMENT (DVP): A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE: Any security that has principal and/or interest payments which are subject

to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (*e.g., U.S. Treasury Bills.*)

DIVERSIFICATION: Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION: The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes in interest rates.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, *e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.*

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INVERSE FLOATER: A bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes. This investment is prohibited under in the City's and Successor Agency to the Brea Redevelopment Agency Investment Policy.

FEDERALLY INSURED TIME DEPOSIT: A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

LEVERAGE: Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY: The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

POOL: Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL: A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN: The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK: The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE: The price at which a security can be traded.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES: Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION: The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MARKET: The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MONEY MARKET MUTUAL FUND: A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

MORTGAGE PASS-THROUGH SECURITIES: A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES: Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND: An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO): A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating

agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CERTIFICATE OF DEPOSIT (CD): A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PASSBOOK SAVINGS ACCOUNT: A savings account in which deposits and withdrawals are recorded in the depositor's passbook.

PASS-THROUGH SECURITY: A pool of fixed income securities backed by a package of assets (i.e. mortgages) where the holder receives the principal and interest payments.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRINCIPAL: The face value or par value of an investment.

PRUDENT INVESTOR STANDARD: Is a standard defined under State Government Code Section 53600.3 that states when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

PRUDENT PERSON (PRUDENT INVESTOR) RULE: A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT: Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to bank customers whereby securities are held by the bank in the customer's name.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES AND SECURITIES AND EXCHANGE COMMISSION (SEC): The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

SECURITIES AND EXCHANGE COMMISSION (SEC) RULE 15C315c3-1: An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

STRUCTURED NOTE: A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATURAL: A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS: All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD TO MATURITY: The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: Monthly Report of Investments for the Successor Agency to the Brea Redevelopment Agency for Period Ending June 30, 2020

RECOMMENDATION

Receive and file.

BACKGROUND/DISCUSSION

The Monthly Report of Investments is in accordance with Government Code Section 53607 and contains information on the investment activities for the month of June. Funds received by the Successor Agency are typically spent within three to six months; therefore are not invested long-term. The Successor Agency's Local Agency Investment Fund (LAIF) is used for short-term investments and functions like a savings account until funds are required to meet expenditures needs. Attachment A includes a Portfolio Summary and Holdings Report prepared by Chandler Asset Management for the funds invested on behalf of the Successor Agency. As of June 30, 2020, the market value, including accrued interest on the Successor Agency's Local Agency Investment Fund (LAIF), was \$18,860.48 in comparison to \$18,841.90 at May 31, 2020. The Successor Agency to the Brea Redevelopment Agency has sufficient cash flow to meet its expected expenditures for the next six months.

The Successor Agency also has restricted (fiscal agent) cash and investment accounts related to its various bond reserve accounts which are managed by Chandler Asset Management. Attachment A includes a portfolio report from Chandler Asset Management for each bond reserve account that is invested. As of June 30, 2020, the market value of these funds, including short-term cash and accrued interest was \$12,964,595.12 as compared to \$12,885,529.29 as of May 31, 2020.

COMMISSION/COMMITTEE RECOMMENDATION

On July 27, 2020, the Investment Advisory Committee reviewed the Monthly Report of Investments and recommended that the City Council receive and file.

FISCAL IMPACT/SUMMARY

During the month of June, the total value of the Successor Agency to the Brea Redevelopment Agency's investment portfolio increased by \$18.58 due to market rate adjustments. The total value of the restricted cash and investments increased by \$79,065.83 in an anticipation of debt service payments for the 2004 and 2010 Lease Revenue Bonds that are due to the bond holders on July 1, 2020.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Attachment A

Successor Agency to the Brea Redevelopment Agency
Cash and Investment Information
 June 30, 2020

		Cost Value	Market Value*
Demand and Interest-Bearing Checking Accounts	Citizen's Bank	\$ 222,182.72	\$ 222,182.72
Local Agency Investment Fund	LAIF	\$ 18,794.55	\$ 18,860.48
<u>Fiscal Agent Cash & Investments</u>			
2004 Brea Public Financing Authority Lease Revenue Bond	Chandler/BNY	\$ 351,471.55	\$ 351,471.55
2010 Brea Public Financing Authority Lease Revenue Bond	Chandler/BNY	\$ 1,040,208.33	\$ 1,040,208.33
2013 Tax Allocation Bonds	Chandler/BNY	\$ 9,291,033.89	\$ 9,291,033.89
2016 Tax Allocation Refunding Bonds, Series A & B	Chandler/BNY	\$ 1,227,029.89	\$ 1,227,029.89
2017 Tax Allocation Refunding Bonds, Series A & B	Chandler/BNY	\$ 1,054,851.46	\$ 1,054,851.46
Sub-total - Fiscal Agent Cash & Investments		\$ 12,964,595.12	\$ 12,964,595.12
Grand Total		\$ 13,205,572.39	\$ 13,205,638.32

* Includes accrued interest on invested funds

Successor Agency to the Brea Redevelopment Agency
Cash and Investment Information
 June 30, 2020

Fiscal Agent Cash & Investments Detail	Cost Value	Market Value
2004 Brea Public Financing Authority Lease Revenue Bond - CHANDLER	\$ -	\$ -
Short-Term Treasury Funds - BNY	\$ 351,471.55	\$ 351,471.55
Sub-total	\$ 351,471.55	\$ 351,471.55
2010 Brea Public Financing Authority Lease Revenue Bond - CHANDLER	\$ -	\$ -
Short-Term Treasury Funds - BNY	\$ 1,040,208.33	\$ 1,040,208.33
Sub-total	\$ 1,040,208.33	\$ 1,040,208.33
2013 Tax Allocation Bonds - CHANDLER	\$ -	\$ -
Short-Term Treasury Funds - BNY	\$ 9,291,033.89	\$ 9,291,033.89
Sub-total	\$ 9,291,033.89	\$ 9,291,033.89
2016 Tax Allocation Refunding Bonds, Series A & B - CHANDLER	\$ -	\$ -
Short-Term Treasury Funds - BNY	\$ 1,227,029.89	\$ 1,227,029.89
Sub-total	\$ 1,227,029.89	\$ 1,227,029.89
2017 Tax Allocation Refunding Bonds, Series A & B - CHANDLER	\$ -	\$ -
Short-Term Treasury Funds - BNY	\$ 1,054,851.46	\$ 1,054,851.46
Sub-total	\$ 1,054,851.46	\$ 1,054,851.46
Report Grand Total	\$ 12,964,595.12	\$ 12,964,595.12



Account #10166

As of June 30, 2020

PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.00
Average Coupon	1.15%
Average Purchase YTM	1.15%
Average Market YTM	1.15%
Average S&P/Moody Rating	NR/NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

ACCOUNT SUMMARY

	Beg. Values as of 5/31/20	End Values as of 6/30/20
Market Value	18,795	18,795
Accrued Interest	47	66
Total Market Value	18,842	18,860
Income Earned	22	19
Cont/WD		0
Par	18,795	18,795
Book Value	18,795	18,795
Cost Value	18,795	18,795

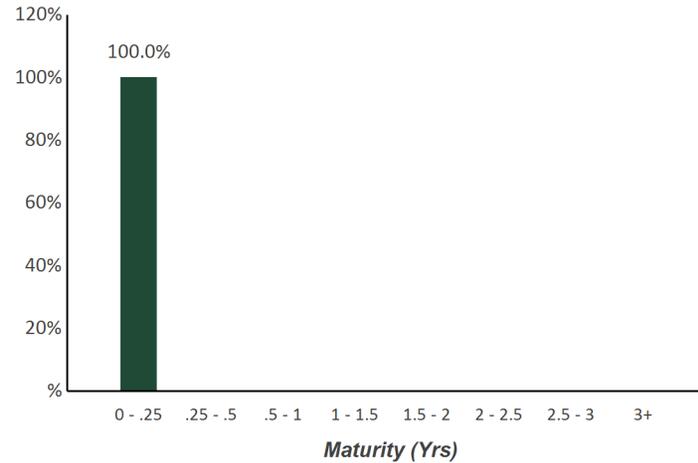
TOP ISSUERS

Local Agency Investment Fund	100.0%
Total	100.0%

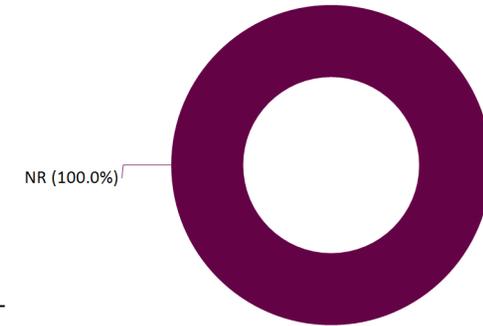
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)





CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	18,794.55	Various 1.15%	18,794.55 18,794.55	1.00 1.15%	18,794.55 65.93	100.00% 0.00	NR / NR NR	0.00 0.00
Total LAIF		18,794.55	1.15%	18,794.55	1.15%	18,794.55 65.93	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		18,794.55	1.15%	18,794.55	1.15%	18,794.55 65.93	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						18,860.48			

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 08/18/2020

SUBJECT: June Outgoing Payment Log and Successor Agency Disbursement Register for
Between July 27 - 31, 2020 - Receive and file

RECOMMENDATION

Receive and file.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Alicia Brenner

Attachments

June SA Outgoing Payment Log

07-31-2020 SA Check Disbursement

**Successor Agency to the Brea Redevelopment Agency
Outgoing Payment Log
June 2020**

Effective Date	Vendor	Description	Amount
<u>Electronic payments</u>			
6/29/2020	THE RETAIL PROPERTY TRUST	Brea Mall Payment	\$ 1,673,065.00
			<u>\$ 1,673,065.00</u>

Successor Agency Disbursement Register

Between Jul 27, 2020 12:00 AM and Jul 31, 2020 11:59 PM

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount	
2806	THE BANK OF NEW YORK MELLON	07/31/2020	4202	813000000	2003 TAX ALLOC BOND	\$2,565.20	
					THE BANK OF NEW YORK MELLON	Total Check Amount:	\$2,565.20
2807	CITY OF BREA	07/31/2020	1003	511	REIMB COST 19/20 JUN	\$898.19	
					CITY OF BREA	Total Check Amount:	\$898.19
						Check Subtotal	\$3,463.39
						TOTAL	\$3,463.39