

## City Council and Brea Public Financing Authority Agenda

**Tuesday, May 18, 2021**

6:15 p.m. - Closed Session

7:00 p.m. - General Session

***Steven Vargas, Mayor***

***Cecilia Hupp, Mayor Pro Tem***

***Christine Marick, Council Member***

***Glenn Parker, Council Member***

***Marty Simonoff, 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](http://www.cityofbrea.net). Materials related to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

### **Procedures for Addressing the Council**

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](mailto:cityclerksgroup@cityofbrea.net) no later than 12:00 p.m. on Tuesday, May 18, 2021. 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 and temperature checks are required. 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](mailto:cityclerksgroup@cityofbrea.net) no later than 12:00 p.m. on Tuesday, May 18, 2021 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](http://www.cityofbrea.net).

### **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**

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**CLOSED SESSION**  
**6:15 p.m. - Council Chamber**  
**Plaza Level**

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

**1. Public Comment**

Closed Session may convene to consider matters of purchase / sale of real property (G. C. §54956.8), pending litigation [G.C. §54956.9(d)(1)], potential litigation [G.C. §54956.9(d)(2)(3) or (4)], liability claims (G. C. §54961) or personnel items (G.C. §54957.6). Records not available for public inspection.
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- 2. Conference with 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); Brea Management Association (BMA); and the Brea Police Management Association (BPMA) - Chris Emeterio, Negotiator, Cindy Russell, Negotiator, and Mario E. Maldonado, Negotiator.**
- 3. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8.**  
Property: 3351 Birch Street (Oil and Gas Lease)  
City of Brea Negotiator: Tony Olmos, Public Works Director  
Negotiating Thompson Energy Resources, LLC  
Under Negotiation: Price and Terms of Payment

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

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

- 4. Pledge of Allegiance: Girl Scout Troop**
- 5. Invocation: Torrian Scott, Harvest International Church**
- 6. Proclamation: Older Adults Building Strong Community**
- 7. Community Announcements**

**8. Matters from the Audience**

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**9. 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."*

- 10. Water Shortage Contingency Response** – Introduce Ordinance No. 1221, regarding state mandated water shortage contingency plans and response, amending the Brea City Code for first reading by title only and waive further reading. There is no fiscal impact to the General Fund.
- 11. Approve Professional Services Agreement (PSA) with Kittelson & Associates for the Laurel Elementary Circulation & Parking Study** -Approve the Professional Services Agreement (PSA) with Kittelson & Associates in the amount of \$36,003 and authorize the City Engineer to issue Change Orders up to a "not to exceed" amount of 10% of the Professional Services Agreement fee. This item is 50% cost shared with Brea Olinda Unified School District (BOUSD), the City's portion of this study is paid from Fund 260 (Measure M).
- 12. FY 2021-22 Budget Workshop: Preview of Operating and Seven-Year Capital Improvement Program Budgets** - Staff recommends reviewing and approving the proposed decision packages for inclusion within the FY 2021-22 Operating Budget; and program \$8.14 million in American Rescue Plan Act (ARPA) funding to close the General Fund budget gap for FY 2020-21 and FY 2021-22 with any remainder to be used to balance future budgets.

**BREA PUBLIC FINANCING AUTHORITY/ CITY COUNCIL ADMINISTRATIVE ITEMS** - *This agenda category is for the Brea Public Financing Authority and 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."*

- 13. Issuance of the Brea Public Finance Authority 2021 Refunding Lease Revenue Bonds (Solar And Energy Efficiency Projects) to Refund the Brea Public Financing Authority's outstanding 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects)** - Adopt Resolution No. 2021-027 to approve the issuance and sale of the refunding lease revenue bonds by the Brea Public Financing Authority and approve related documents and actions. Based on current market conditions, subject to change, the refunding of the 2010 Bonds is projected to provide gross savings of approximately \$842,097, or an average annual savings of estimated at \$56,194. The 2021 Bonds have a projected 16.81% net present value savings to the City's General Fund.
- 14. Issuance of the Brea Public Finance Authority 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) to refund the Brea Public Financing Authority's outstanding 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects)** -Adopt Resolution No. A 2021-01 to authorize the issuance and sale of the Brea Public Finance Authority 2021 Refunding Lease Revenue Bonds and approve related documents and actions. Based on current market conditions, the refunding of the 2010 Bonds is projected to provide gross savings of approximately \$842,907, or an average annual savings of approximately \$56,194. The 2021 Bonds have a projected 16.81% net present value savings to the City's General Fund.

**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**

- 15. May 4, 2021 City Council Regular Meeting Minutes** - Approve.

16. **Amendment and Novation Agreement and Authorization to Examine Sales and Use Tax Records from the California Department of Tax and Fee Administration** -Approve the amendment and novation agreement with Avenu Insights and MuniServices, LLC and adopt Resolution No. 2021-028, authorizing Examination of Sales and Use Tax Records. There is no fiscal impact to the General Fund.
17. **Outgoing Payment Log and May 7 and 14, 2021 City Disbursement Registers** - Receive and file.

#### **ADMINISTRATIVE ANNOUNCEMENTS**

18. **City Manager**
19. **City Attorney**
20. **Council Requests**

#### **COUNCIL ANNOUNCEMENTS**

#### **ADJOURNMENT**



**City of Brea**

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**COUNCIL COMMUNICATION**

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

**FROM:** Bill Gallardo, City Manager

**DATE:** 05/18/2021

**SUBJECT:** Water Shortage Contingency Response – Introduction of Ordinance No. 1221

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**RECOMMENDATION**

Introduce Ordinance No. 1221 for first reading by title only and waive further reading.

**BACKGROUND/DISCUSSION**

On June 2, 2009, City Council adopted Ordinance 1123, which established the Brea Water Conservation and Water Supply Shortage Program (WCWSSP). This action was done as a result of the Governor's declaration of a statewide drought to address the California water shortage, thereby requesting all water users to reduce their water use and asking all water agencies to assist their customers in reducing their water use through a water conservation program. Along with the WCWSSP, City Council also approved adding Chapter 13.20 to the Municipal Code that established the Water Management Program.

The Water Management Program created four phases of water conservation with each phase accounting for an additional 10 percent reduction in water use. This program also added other items, such as limits on lawn irrigation, designated timeframes in which water leaks needed to be repaired, and established penalties for any of these violations.

In January 2014, after an extended period of dry conditions, the Governor declared a statewide drought emergency. On April 1, 2015, the Governor issued an Executive Order that required urban water supplier to cut back on water supplies, prevent the waste and unreasonable use of water, and promote water conservation. In accordance with this order, City Council approved moving into phase 2 of the Water Management Program, which called for a 20 percent reduction in the City's water demand. On May 2, 2017, after a couple of years of above average rainfall, the City Council approved moving back to Phase 1 where we currently sit today.

In 2018, the Legislature amended the Urban Water Management Planning Act (Water Code Section 10610 et seq.) to include new water shortage planning requirements. This amendment mandated new elements for Urban Water Management Plans (UWMP) and Water Shortage Contingency Plans (WSCP).

An UWMP is typically prepared by water suppliers every 5 years to document the water supplier's projected water supply and demand. Brea's UWMP has been completed and will be presented at a public hearing on June 1, 2021 for City Council consideration since the plan needs to be adopted by July 1, 2021. Notices for the public hearing have been lawfully posted

The WSCP is a new requirement as referenced in the UWMP and proposed Ordinance No.1221. The WSCP is intended to serve as a living document to identify specific anticipated water shortages to address statewide drought declarations, perform an annual drought risk assessment, provide detailed local water use restrictions and provide standardized water shortage designations. WSCP are approved by Resolution from time-to-time based on statewide drought declarations or City Council preference. A draft WSCP has been completed and will be presented at a public hearing on June 1, 2021 for City Council consideration. Notices for the Public Hearing have been lawfully posted.

The main purpose of proposed Ordinance No 1221 is to replace existing Chapter 13.20 of the municipal code with amended Chapter 13.20 to establish the framework for efficient water use and conservation, consistent with all other water agencies. Much of the amended Chapter 13.20 is similar to the existing code, except for the following main differences:

- Drought declarations are no longer “Phases” and are now referred to as “Levels” with Level 1 representing a 10% reduction to up Level 6 representing above a 50% reduction.
- Movement among any of the levels to be approved by City Council and public hearing required for movement along levels 3 to 6.
- Less details regarding specific water use restrictions for each level, since conservation details will now be included in the WSCP

### **FISCAL IMPACT/SUMMARY**

The fiscal impact is dependent on the drought level as declared by the State and ratified by City Council. All monitoring and enforcement is to be performed by in-house staff in conformance with the most recently adopted Water Shortage Contingency Plan and fully funded by the Water Fund (Fund 420). There is no impact to the General Fund.

### **RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Brian Ingallinera, Environmental Services Coordinator

Concurrence: Rudy Correa, Water Distribution Superintendent and Tony Olmos, P.E., Public Works Director

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### **Attachments**

Ordinance

Presentation

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## **ORDINANCE NO. 1221**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BREA REGARDING WATER SHORTAGE CONTINGENCY RESPONSE AND AMENDING THE BREA CITY CODE**

#### **THE CITY COUNCIL OF THE CITY OF BREA DOES ORDAIN AS FOLLOWS:**

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

(i) California, including Orange County, experienced significant dry year conditions in 2012-2017, which led local water agencies to declare water shortage conditions that triggered drought actions.

(ii) The City of Brea experienced a direct impact on the reliability of available water supplies. In response, the City initiated Phase 1 demand management measures in accordance with the City of Brea Water Conservation Water Supply Shortage Program (WCWSS Program) (Brea City Code Chapter 13.20) and further expanded into Phase 2 upon the State of California's emergency drought declaration. The actions taken are specified in the adopted 2015 Urban Water Management Plan and the WCWSS Program. The legal authority for implementation and enforcement of the demand management measures was made through the WCWSS Program.

(iii) Following the end of the drought, the Legislature amended the Urban Water Management Planning Act (Water Code Section 10610 et seq.) in 2018 to include new water shortage planning requirements. In addition, the Legislature mandated new elements for Urban Water Management Plans and Water Shortage Contingency Plans, including an annual drought risk assessment, standard water shortage levels, and statewide water use prohibitions.

(iv) Substantially concurrently with the City Council's adoption of this

June 1, 2021  
**ORD. 1221**

Ordinance, the Municipal Water District of Orange County (“MWDOC”) is adopting a 2020 Urban Water Management Plan that includes water conservation as a necessary and effective component of its programs to provide a reliable supply of water to meet the needs of its 28 member agencies, including the City of Brea. MWDOC’s Urban Water Management Plan also includes a contingency analysis of actions to be taken in response to water supply shortages. This Ordinance is consistent with MWDOC’s Urban Water Management Plan and Water Shortage Contingency Plan.

(v) The imported water supplies in the City of Brea and at MWDOC are subject to water shortage allocations determined by the Metropolitan Water District of Southern California (“MWD”). Subsequently, when triggered, MWDOC as a wholesaler of MWD’s supplies will be required to curtail deliveries of imported water based on MWDOC’s Water Shortage Allocation Plan, which from time to time in the future is expected to be activated when in a condition of shortage.

(vi) As of July 1, 2021 MWDOC and the City of Brea are required to prepare an Annual Water Supply and Demand Assessment and a Drought Risk Assessment as part of their Urban Water Management Plan for submission to the California Department of Water Resources.

(vii) The City of Brea has adopted a Water Shortage Contingency Plan to establish standards and procedures to enable implementation and enforcement of local water shortage contingency measures. These measures align with Water Code Section 353, which declares: “When the governing body has so determined and declared the existence of an emergency condition of water shortage within its service area, it shall thereupon adopt such regulations and restrictions on the delivery of water and the

consumption within said area of water supplied for public use as will in the sound discretion of such governing body conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.”

(viii) The City Council adopts this Ordinance pursuant to its police power under California Constitution Article XI, Section 7 and pursuant to state law including California Constitution Article X, Section 2 and Water Code Section 375 et seq.

**B. ORDINANCE:**

**SECTION 1. Code Amendment.** Chapter 13.20 (Water Management Program) of Title 13 (Utilities) of Part I (Municipal Code) of the Brea City Code is amended to read as follows:

**“CHAPTER 13.20: WATER SHORTAGE CONTINGENCY RESPONSE**

**Section**

13.20.010	Title
13.20.020	Purpose
13.20.030	Definitions
13.20.040	Applicability
13.20.050	Water Shortage Determinations
13.20.060	Communications
13.20.070	Permanent Water Conservation Requirements
13.20.080	Correlation Between City and State Water Shortage Levels
13.20.090	Water Shortage Response Actions
13.20.100	Hardship Waiver
13.20.110	Penalty
13.20.120	Compliance Monitoring and Reporting
13.20.130	Water Shortage Contingency Plan Update
13.20.140	Miscellaneous

**§ 13.20.010 TITLE.**

This chapter shall be known and may be cited as the “Water Shortage Contingency Response Ordinance.”

June 1, 2021  
**ORD. 1221**

### **§ 13.20.020 PURPOSE.**

A. This chapter establishes water management requirements necessary to conserve water, enable effective water supply planning, assure reasonable and beneficial use of water, prevent waste of water, prevent unreasonable use of water, and prevent unreasonable method of use of water within the city in order to assure adequate supplies of water to meet the needs of the public and further the public health, safety, and welfare, recognizing that water is a scarce natural resource that requires careful management not only in times of drought, but at all times.

B. This chapter establishes restrictions to be implemented during times of declared water shortages or declared water shortage emergencies.

C. This chapter defines six levels of water shortage, most often triggered due to drought conditions, to provide defined response actions to be implemented during times of declared water shortage or declared water shortage emergency, with increasing restrictions on water use in response to worsening drought or emergency conditions and decreasing supplies.

D. Priority shall be given to response protocols in an adopted Hazard Mitigation Plan in the event of natural and human-caused disasters.

E. This chapter is intended solely to further the conservation of water. It is not intended to implement any provision of federal, state, or local law relating to protection of water quality or control of drainage or runoff.

### **§ 13.20.030 DEFINITIONS.**

The following words and phrases whenever used in this chapter have the meaning defined in this section:

**BILLING UNIT.** The unit of water used to apply water rates for purposes of calculating water charges for a person's water usage and equals seven hundred forty-eight (748) gallons of water.

**CITY MANAGER.** The city manager or such official's designee.

**COST.** The actual cost to the city, including all labor, material, supplies, equipment, and miscellaneous items, together with any applicable indirect and general charges plus general administrative overhead, in accordance with the accounting practices of the city.

**CUSTOMER.** Water customer or water user.

**EFFECTIVE DATE.** June 1, 2021.

**EXCESSIVE WATER USE PENALTY.** The administrative penalty that may be imposed by the city during a Level 3, 4, 5, or 6 water shortage as set forth in this chapter.

**FLOW RESTRICTING DEVICE OR FLOW RESTRICTOR.** A fitting inserted into the service connection to reduce flow capacity.

**GROWER.** A person engaged in growing plant material or raising animals.

**GRAY WATER.** Untreated wastewater that meets the then-current requirements of Cal. Health and Safety Code § 17922.12. In general, gray water includes wastewater from bathtubs, showers, bathroom washbasins, clothes washing machines, and laundry tubs, but does not include wastewater from kitchen sinks or dishwashers.

**GUIDELINES.** The Guidelines for Implementation of the Water Efficient Landscape Ordinance (Chapter 14.00 of this code), which describes procedures, calculations, and requirements for landscape projects subject to such ordinance.

**INCIDENTAL RUNOFF.** A minimal amount of irrigation water that escapes the area of intended use. Incidental runoff includes minor windblown overspray, mist extending onto sidewalks within a park, and minimal runoff from watering trees.

**IRRIGATION CUSTOMER.** A person who, according to city records, receives water service and has a dedicated irrigation meter for outdoor irrigation of landscaping.

**LANDSCAPE IRRIGATION SYSTEM.** An irrigation system with pipes, hoses, spray heads, or sprinkling devices that are operated by hand or through an automated system.

**LANDSCAPE PROJECT.** Total area of landscape in a project, as provided in the definition of “landscaped area,” in Section 14.00.070 of this code.

**LARGE LANDSCAPE AREAS.** A lawn, landscape, or other vegetated area, or combination thereof, equal to more than one (1) acre of irrigable land.

**MWD.** The Metropolitan Water District of Southern California, which is the wholesale urban water supplier of imported water to MWDOC.

**MWDOC.** The Municipal Water District of Orange County, which is the regional wholesale urban water supplier of imported water to Orange County.

**NEW CONSTRUCTION.** A new building with a landscape or a new landscape such as a park, playground, or greenbelt without an associated building.

**POTABLE WATER.** Water which is suitable for drinking.

**PREMISES.** The integral property or area, including improvements thereon, to which water service is provided or for which an application for service is filed.

**RECYCLED WATER.** The reclamation and reuse of nonpotable water for beneficial use.



**REHABILITATED LANDSCAPE.** Any relandscaping project that meets the applicability criteria of Section 14.00.030(A) of this code, where the modified landscape area is greater than two thousand five hundred (2,500) square feet.

**SERVICE CONNECTION.** The pipe or tubing, fittings, and valves necessary to conduct water from the distribution main to and through the meter.

**SINGLE PASS COOLING SYSTEM.** Equipment where water is circulated only once to cool equipment before being disposed.

**TURF.** A ground cover surface of mowed grass. Annual bluegrass, Kentucky bluegrass, Perennial ryegrass, Red fescue, and Tall fescue are cool-season grasses. Bermudagrass, Kikuyugrass, Seashore Paspalum, St. Augustinegrass, Zoysiagrass, and Buffalo grass are warm-season grasses.

**VALVE.** A device used to control the flow of water in an irrigation system.

**WATER ALLOCATION.** The amount of water a residential or irrigation customer may use in a billing cycle.

**WATER CUSTOMER.** The person in whose name service is rendered as evidenced by the signature on the application or agreement for that service, or, in the absence of a signed instrument, by the receipt and payment of bills regularly issued in the person's name, regardless of the identity of the actual user of the service.

**WATER FEATURE.** A design element where open water performs an aesthetic or recreational function. Water features include ponds, lakes, waterfalls, fountains, artificial streams, spas, and swimming pools (where water is artificially supplied). The surface area of water features is included in the high water use hydrozone of the landscaped area. Constructed wetlands used for on-site wastewater treatment, habitat protection, or storm

water best management practices that are not irrigated and used solely for water treatment or storm water retention are not water features and, therefore, are not subject to the water budget calculation.

**WATER SHORTAGE EMERGENCY.** A condition existing within the city in which the ordinary water demands and requirements of persons within the city cannot be satisfied without depleting the water supply of the city to the extent that there would be insufficient water for human consumption, sanitation, and fire protection. A water shortage emergency includes both an immediate emergency, in which the city is unable to meet current water needs of persons within the city, as well as a threatened water shortage, in which the city determines that its supply cannot meet an increased future demand.

**WATER USER.** Any user of water including a water customer.

**WSCP.** Water shortage contingency plan.

**§ 13.20.040 Applicability.**

A. The provisions of this chapter apply to any customer, person, and property using potable water provided by the city.

B. The provisions of this chapter do not apply to uses of water necessary to protect public health and safety or for essential government services such as police, fire, and other similar emergency services.

C. The provisions of this chapter do not apply to the use of gray water, except where expressly provided.

D. The provisions of this chapter do not apply to the use of water by commercial nurseries and commercial growers to sustain plants, trees, shrubs, crops, or other vegetation intended for commercial sale.

E. The provisions of this chapter do not apply to the use of water from private wells.

#### **§ 13.20.050 WATER SHORTAGE DETERMINATIONS.**

A. Under Cal. Water Code § 10632.1, the city is required to submit a water shortage assessment report to the California Department of Water Resources by July 1 of each year.

B. The city will follow the written decisionmaking process defined in its WSCP to assess water supply reliability on an annual basis.

C. The City Council may declare the existence of Level 1 or Level 2 water shortage conditions by resolution adopted at a regular or special meeting.

D. The City Council may declare the existence of Level, 3, 4, 5, or 6 water shortage emergency conditions by resolution adopted at a regular or special meeting after a public hearing held in accordance with Cal. Water Code § 350 et seq.

E. Upon determining that water shortage conditions continue to exist but have improved to the point that it is appropriate to move to a less restrictive level, the City Council shall adopt a resolution declaring the existence of the new water shortage level. Upon determining that water shortage conditions no longer exist, the City Council shall adopt a resolution declaring an end to the water shortage.

F. The public will be informed of water shortage determinations in accordance with § 13.20.060 of this chapter.

G. When the City Council has declared the existence of a water shortage and the City Manager determines that a sudden event has, or threatens to, significantly diminish the reliability or quality of the city's water supply, the City Manager may declare

a catastrophic water shortage and impose whatever emergency water allocation or conservation actions deemed necessary, in the City Manager's professional judgment, to protect the reliability and quality of the city's water supply, until the emergency passes or the city takes other action.

#### **§ 13.20.060 COMMUNICATIONS.**

Upon declaration of a water shortage, the city will inform all relevant stakeholders, such as customers, the public, interested parties, and local, regional, and state governments, of the effective date of the water shortage response actions associated with the relevant stage. Communications shall be made in accordance with the WSCP including:

- A. Any current or predicted shortages as determined by the annual water supply and demand assessment.
- B. Any shortage response actions triggered or anticipated to be triggered by the annual water supply and demand assessment.
- C. Any other relevant communications.

#### **§ 13.20.070 PERMANENT WATER CONSERVATION REQUIREMENTS.**

The following water conservation requirements are effective at all times and are permanent. Violations of this section will be considered waste and an unreasonable use of water:

- A. Washing down sidewalks, walkways, driveways, parking areas, or other paved surfaces is prohibited. This prohibition does not apply to washing that is both (i) required to dispose of dangerous liquids or alleviate safety or sanitary hazards; and (ii)

performed by use of a hand-held bucket, pressure washer, or hand-held hose equipped with a positive self-closing water shut-off device.

B. Using water to wash a vehicle (including any automobile, truck, van, bus, motorcycle, boat, or trailer) is prohibited. This prohibition does not apply to washing that is performed by use of a hand-held bucket or hand-held hose equipped with a positive self-closing device or water shut-off nozzle. Additionally, this prohibition does not apply to any commercial car washing facility.

C. The use of water to clean, fill, or maintain levels in decorative fountains, ponds, lakes, or other similar aesthetic structures is prohibited. This prohibition does not apply if such water is part of a recirculating system. Additionally, this prohibition does not apply to a water feature listed in the National Register of Historic Places, where water use is deemed necessary for the integrity of the feature.

D. The use of water to irrigate outdoor landscapes during or within forty-eight (48) hours after measurable rainfall is prohibited.

E. The irrigation with potable water of ornamental turf on public street medians is prohibited.

F. The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development is prohibited.

G. All leaks, breaks, or other malfunctions in the water user's plumbing, irrigation, or distribution system must be repaired within seventy-two (72) hours of notification by the city unless other arrangements are made with the city.

H. Watering or irrigating of any lawn, landscape, or other vegetated area in a manner that causes or allows more than incidental runoff or water flows or runoff from the property onto an adjoining sidewalk, driveway, street, alley, gutter, or ditch is prohibited.

I. Watering of lawn, landscape, or other turf areas between the hours of 10:00 a.m. and 4:00 p.m. Pacific Standard Time on any day is prohibited. Hand-held water cans, buckets, or similar containers reasonably used to convey water for irrigation purposes are not subject to these time restrictions. Additionally, a hand-held hose equipped with a fully functioning, positive self-closing water shut-off nozzle, pressure washer or similar device may be used during the otherwise restricted period. If necessary, and for very short periods of time for the purpose of adjusting or repairing a landscape irrigation system, a person may operate a landscape irrigation system during the otherwise restricted period.

J. Hotels, motels, and other commercial lodging establishments shall provide customers the option of not having towels and linen laundered daily. Commercial lodging establishments shall prominently display notice of this option in each bathroom using plain language.

K. Food preparation establishments such as restaurants or cafes are prohibited from using non-water conserving dish wash pre-rinse spray valves.

L. No restaurant, hotel, cafe, cafeteria, or other public place where food is sold, served, or offered for sale shall serve drinking water to any customer unless expressly requested.

M. Non-recirculating water systems shall not be installed or operated in commercial car wash and laundry systems.

N. Single pass cooling systems shall not be installed or operated in buildings requesting new water service.

**§ 13.20.080 CORRELATION BETWEEN CITY AND STATE WATER SHORTAGE LEVELS.**

The city water shortage levels are aligned with the six standard water shortage levels specified in Cal. Water Code § 10632 as follows.

<b>CA Water Code Defined Water Shortage Levels</b>	<b>Percent Shortage</b>
Shortage Level 1	Up to 10%
Shortage Level 2	Up to 20%
Shortage Level 3	Up to 30%
Shortage Level 4	Up to 40%
Shortage Level 5	Up to 50%
Shortage Level 6	Above 50%

**§ 13.20.090 WATER SHORTAGE RESPONSE ACTIONS.**

A. The response actions that align with each water shortage level are defined in the city's WSCP and include all of the following:

1. Locally appropriate supply augmentation actions.
2. Locally appropriate demand reduction actions to adequately respond to shortages.
3. Locally appropriate operational changes.
4. Mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions and are appropriate to the local conditions.
5. For each action, an estimate of the extent to which the gap between supplies and demand will be reduced by implementation of the action.

B. Each elevated shortage level will include the elements of the previous shortage level(s), including the mandatory restrictions on water waste detailed in the WSCP, and each elevated shortage level is intended to be more restrictive than the previous level(s).

C. As deemed necessary, an allocation of water supply under a water supply emergency condition beyond WSCP defined actions may be implemented when water supply conditions dictate necessity.

D. No person shall violate any provisions of the City's WSCP applicable to a particular water shortage level during a period in which conditions of such water shortage level have been declared to exist.

#### **§ 13.20.100 HARDSHIP WAIVER.**

A. If, due to unique circumstances, a specific requirement of this chapter would result in undue hardship to a person using water or to property upon which water is used, that is disproportionate to the impacts to water users generally or to similar property of classes of water users, then the person may apply for a hardship waiver.

B. A hardship waiver may be granted or conditionally granted only upon a written finding of the existence of facts demonstrating an undue hardship to a person using water or to property upon which water is used, that is disproportionate to the impacts to water users generally or to similar property or classes of water use due to specific and unique circumstances of the user or the user's property.

C. Application for a hardship waiver shall be on a form prescribed by the city and accompanied by a non-refundable processing fee in an amount set by City Council



resolution. The application shall be accompanied by photographs, maps, drawings, and other information, including a written statement of the applicant.

D. An application for a hardship waiver shall be denied unless the City Manager finds, based on the information provided in the application or such additional information as may be requested, and based on water use information for the property as shown by city records, all of the following:

1. That the hardship waiver does not constitute a grant of special privilege inconsistent with the limitations upon other residents and businesses.

2. That because of special circumstances applicable to the property or its use, the strict application of this chapter would have a disproportionate impact on the property of use that exceeds the impacts to residents and businesses generally.

3. That the authorizing of the hardship waiver will not be of substantial detriment to adjacent properties, and will not materially affect the ability of the city to effectuate the purpose of this chapter and will not be detrimental to the public interest.

4. That the subject property's condition, situation, or intended use for which the hardship waiver is sought is not common, recurrent, or general in nature.

E. The City Manager shall act upon a complete application no later than ten (10) days after submittal and may approve, conditionally approve, or deny the hardship waiver. The applicant shall be promptly notified in writing of any action taken. Unless otherwise specified, a hardship waiver will apply to the subject property during the period of the mandatory water shortage condition. The decision of the City Manager will be final.

**§ 13.20.110 PENALTY.**

A. It shall be unlawful for any customer of the city to fail to comply with any of the provisions of this chapter. The penalties set forth in this section shall be additional to those penalties provided in any other section of this code or in state law.

B. The penalties for failure to comply with this chapter shall be as set forth below. The penalty for a second, third, fourth, or subsequent violation within the preceding twelve (12) calendar months shall be applicable regardless of whether prior violations within such period involved the same provision of this chapter.

1. First Violation. The city will issue a written warning and deliver a copy of this chapter by mail or posting (i.e., door hanger).

2. Second Violation. A second violation within the preceding twelve (12) calendar months is punishable by a fine not to exceed one hundred dollars (\$100).

3. Third Violation. A third violation within the preceding twelve (12) calendar months is punishable by a fine not to exceed two hundred and fifty (\$250).

4. Fourth and Subsequent Violations. A fourth and any subsequent violation is punishable by a fine not to exceed five hundred (\$500).

C. In addition to any fines, the city may install a water flow restrictor device of approximately one (1) gallon per minute.

D. In addition to any fines, the city may disconnect and/or terminate a customer's water service for a willful violation.

E. A person or entity that violates this chapter is responsible for payment of the city's charges for installing a flow restrictor or disconnecting and/or reconnecting service. A conservation fee equal to the termination and restoration of service charges per the city's Schedule of Fees and Charges as then in effect will be assessed to the

customer's water account. All associated fees must be paid in full prior to service restoration. Nonpayment will be subject to the same remedies as nonpayment of basic water rates.

F. Except for violations of this chapter subject to excessive water use penalties, if any person fails or refuses to comply with this chapter, the City Manager shall provide that person with written notice of the violation and an opportunity to correct the noncompliance. The written notice shall:

1. Be posted or presented at the site of the noncompliance.
2. State the time, date, and place of violation.
3. State a general description of the violation.
4. State the means to correct the violation.
5. State a date by which correction is required.
6. State the possible consequences of failing to correct the violation.

A written notice shall be mailed to the address of the violation, to the party who is billed for the water, or to the owner of the property, as appropriate.

G. A customer may appeal the Notice of Violation by filing a written notice of appeal with the city no later than the close of business on the day before the date scheduled for enforcement action. Any Notice of Violation not timely appealed will be final. Upon receipt of a timely appeal, a hearing on the appeal will be scheduled, and the city will mail written notice of the hearing date to the customer at least ten (10) days before the date of the hearing.

H. Pending receipt of a written appeal or pending a hearing pursuant to an appeal, the city may take steps to prevent the unauthorized use of water as appropriate to the nature and extent of the violations and the current declared water shortage level.

**§ 13.20.120 COMPLIANCE MONITORING AND REPORTING.**

To ensure compliance with state reporting requirements, the city will collect, track, and analyze relevant data per the procedures defined in the WSCP.

**§ 13.20.130 WATER SHORTAGE COMPLIANCE PLAN UPDATE.**

To ensure water shortage risk tolerance is adequate and appropriate water shortage mitigation strategies are implemented as needed, the city's WSCP will be reviewed and evaluated as defined by the procedures identified in the WSCP.

**§ 13.20.140 MISCELLANEOUS.**

A. The city may limit or withhold the issuance of building permits which require new or expanded water service, except to protect the public health, safety and welfare, or in cases which meet the city's adopted conservation offset requirements.

B. The city may, by written request, require all commercial, residential and industrial customers using twenty-five thousand (25,000) or more billing units per year to submit a water conservation plan and to submit quarterly progress reports on such plan. The conservation plan must include recommendations for increased water savings and separation of uses including increased water recycling based on feasibility, and the reports must include progress to date on implementation of such recommendations.

C. The city may establish a water waste hotline for residents to report violations of this chapter.

D. An allocation of water supply under a water supply emergency condition, beyond WSCP defined actions, may be implemented when water supply conditions dictate necessity.

E. The city may provide water efficiency devices either directly or through supported programs. Such devices shall remain within the city's service area at all times. Devices provided by the city shall be used to conserve water, and shall not be modified in any way or sold.

**SECTION 2. CEQA.** The City Council determines that the adoption of this Ordinance is exempt from environmental review under the California Environmental Quality Act ("CEQA") pursuant to Title 14, Section 15307 of the California Code of Regulations.

**SECTION 3. Severability.** If any section, subsection, sentence, clause, or phrase in this of this Ordinance, or the application thereof to any person or circumstances, is for any reason held invalid by a court of competent jurisdiction, the validity of the remainder of the Ordinance or the application of such provision to other persons or circumstances shall not be affected. The City Council hereby declares that it would have passed this this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases is declared invalid.

**SECTION 4. Effective Date.** This Ordinance shall become effective upon adoption in accordance with Water Code Section 376.

**SECTION 5. Certification.** The City Clerk shall certify to the passage of this Ordinance and cause the same or a summary thereof to be published within fifteen (15) days after adoption in a newspaper of general circulation, printed and published in the City of Brea.

June 1, 2021  
**ORD. 1221**

**APPROVED AND ADOPTED** this 1st day of June, 2021.

\_\_\_\_\_  
Steve Vargas, Mayor

ATTEST: \_\_\_\_\_  
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Brea held on the 18th day of May, 2021, and was finally passed at a regular meeting of the City Council of the City of Brea held on the 1st day of June, 2021, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DATED: \_\_\_\_\_, 2021

\_\_\_\_\_  
Lillian Harris-Neal, City Clerk



# ORDINANCE NO. 1221

AMENDING CHAPTER 13.20 OF THE BREA CITY CODE  
REGARDING WATER MANAGEMENT PROGRAM

MAY 18, 2021





# PREVIOUS CITY COUNCIL ACTION

- Ordinance No. 1123 (June 2009) – established the Brea Water Conservation and Water Supply Shortage Program & Title 13 of the Municipal Code
  - Statewide drought declared by Governor
  - Requested all water users to reduce their water use
  - Added Chapter 13.20 to the municipal code, Water Management Program
- Council Action (2015) activated Phase 2 shortage to comply with state mandated reductions.
  - Requested all water users to reduce their water use to 20% target
- Council Action (2017) activated Phase 1 shortage (Current Phase).
  - Requested all water users to reduce their water use to 10% target

# CHANGES TO LEGISLATION



- In 2018, the State Amended the Urban Water Management Planning Act
  - Created new water shortage planning requirements
  - Reduced water supply dependencies on the Delta
- Proposed Ordinance No. 1221 is needed to establish the framework for efficient water use and conservation
  - Legal Authorization and Definitions

# PROPOSED ORDINANCE NO. 1221



- Replaces Chapter 13.20 (Water Management Program) to Chapter 13.20 Water Shortage Contingency Response
  - Establishes water shortage planning requirements
  - Establishes statewide water use prohibitions
  - Changes terminology from “phases” to “levels” for water reductions
  - Less details regarding specific water use restrictions in the ordinance but now in the WSCP

# RECOMMENDATION



- Introduction of Ordinance No. 1221 for first reading by title only and waive further reading

**City of Brea**

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**COUNCIL COMMUNICATION**

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

**FROM:** Bill Gallardo, City Manager

**DATE:** 05/18/2021

**SUBJECT:** Professional Services Agreement (PSA) with Kittelson & Associates for the Laurel Elementary Circulation & Parking Study

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**RECOMMENDATION**

1. Approve the Professional Services Agreement (PSA) with Kittelson & Associates in the amount of \$36,003, and
2. Authorize the City Engineer to issue Change Orders up to a "not-to-exceed" amount of 10% of the fee.

**BACKGROUND/DISCUSSION**

At the February 16, 2021 City Council Meeting, City Council discussed concerns with traffic issues related to the pick-up and drop-off of students at Laurel Elementary School. At the meeting, City Council directed staff to work with the school district and prepare a traffic feasibility study to look for ways to improve traffic circulation, manage traffic queuing within the public right-of-way during pick-up and drop-off of students and to address any additional parking needs.

As a result, a Request For Proposal (RFP) was sent out to eight traffic engineering consultant teams for the preparation of a traffic circulation and parking study. On March 31, 2021, City staff received a total of three proposals. Proposals were evaluated based on the qualifications, proposed study team and organization, work plan, and fee proposal. Upon review and evaluation of the proposals, City staff has selected Kittelson & Associates to complete the scope of services identified in the RFP.

The proposed scope of work for the proposed project includes the following items:

**Task 1 – Background Research**

This task will include the review of the reference material provided as part of the RFP and providing a list of all additional material needed from the City of Brea to complete the scope of services. This task also includes performing one (1) site visit to the study area to observe existing conditions, traffic circulation, and parking after Laurel Elementary Magnet School has opened classes for the year.

**Task 2 – Traffic Circulation & Parking Study Report Preparation**

The consultant will prepare a Traffic Circulation & Parking Study that identifies a list of potential improvements (both physical and operational) that can address the circulation

and operational challenges at Laurel Elementary Magnet School. The potential improvements identified are to meet the intent of facilitating enhanced pedestrian safety, reducing queuing within the public right-of-way, and/or adding additional parking for the patrons of the school. This task includes up to four (4) rounds of revisions based on review and comment from City staff, Laurel Elementary School and/or Brea Olinda Unified School District (BOUSD) staff, City's Traffic Committee, or City Council.

#### Task 3 – Presentation Preparation

Upon completion of the Draft Traffic Circulation & Parking Study Report, an internal working group consisting of City staff, BOUSD School Board, and Laurel Elementary School staff will review the draft study. After internal comments are incorporated, the study will be presented to the City Traffic Committee, BOUSD School Board, and City Council.

#### Task 4 – Meetings & Coordination

This task is not to exceed fifteen (15) hours of effort associated with meetings and coordination with City staff, as well as participation in four (4) presentations (to internal working group, City's Traffic Committee, BOUSD School Board, and City Council), to be used on an hourly as-needed basis.

#### Task 5 – Additional Meetings & Coordination

This task is not to exceed fifteen (15) hours of additional effort that may be required for additional meetings and coordination associated with the Laurel Elementary School Traffic Circulation & Parking Study, beyond the effort outlined in Task 4. Note that this task will only be authorized by the City as needed, and that this task will be used only on an hourly as-needed basis.

Provided below is a summary and review of the proposed fees. All fees outlined below are not to exceed fees, based on the scope of work as outlined herein.

Task 1 - Background Research	\$4,560
Task 2 - Traffic Circulation & Parking Study Report Preparation	\$20,086
Task 3 - Presentation Preparation	\$5,961
Task 4 - Meetings & Coordination	\$2,736
Task 5 - Additional Meetings & Coordination	\$2,660
<b>Total</b>	<b>\$36,003</b>

#### **FISCAL IMPACT/SUMMARY**

The proposed cost for this study is not-to-exceed \$36,003. Brea Olinda Unified School District has agreed to pay for half of the cost. The remaining half will be paid from Public Works Operations Budget, Fund 260 (Measure M). There is no General Fund Impact.

#### **RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

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

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

Tony Olmos, P.E., Public Works Director

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## **Attachments**

Attachment 1 - Professional Services Agreement

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**Contract # 2021031501**  
**PROFESSIONAL SERVICES AGREEMENT**

This Professional Services Agreement (“Agreement”) is dated **April 12, 2021** for reference purposes and is executed by the City of Brea, a California municipal corporation (“City”), and **Kittelson & Associates, Inc. a S Corporation** (“Consultant”).

**RECITALS**

- A. City desires to retain Consultant as an independent contractor to provide the following professional services: **Laurel Elementary Traffic Circulation & Parking Study**
- B. Consultant represents that it is duly licensed, fully authorized by law, and has the necessary experience and qualifications, to provide such services.

**NOW, THEREFORE**, the parties agree as follows:

**AGREEMENT**

**1. Scope of Services.**

Consultant shall perform the services referenced in the Recitals and more specifically described in the Scope of Services set forth in the attached Exhibit A, and as otherwise required by this Agreement, all to City’s satisfaction (collectively, “Services”).

**2. Compensation.**

A. City shall pay for the Services satisfactorily performed, in accordance with the Fee Schedule set forth in the attached **Attachment 1 to Exhibit A**.

B. In no event shall the total amount paid for the Services exceed the all-inclusive sum of **\$36,003** (“Contract Amount”). This amount covers and is inclusive of all labor, materials, and any and all other costs incurred by Consultant in performing the Services. Consultant shall be deemed to have made all inquiries and site inspections deemed necessary by Consultant prior to execution of this Agreement.

C. Unless the Fee Schedule calls for payment of a one-time flat fee, periodic payments for undisputed work shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Consultant’s invoices shall indicate the amount of time spent on each task and the applicable rate.

D. Unless the Fee Schedule calls for payment on a different schedule, Consultant shall invoice City on a monthly basis.

**3. Contingency Work.**

The parties may agree on contingency work to be provided as part of the Services. A written amendment to this Agreement shall be executed for contingency work that increases the Contract Amount by more than **ten (10)** percent. The **City Manager** is authorized to approve, in writing, contingency work that is below the foregoing limit. Consultant’s monthly invoice shall include a detailed description of any approved, contingency work. Any work performed by Consultant

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**PROFESSIONAL SERVICES AGREEMENT**

without a written amendment or approval of the **City Manager** shall be deemed to be work included within the Services.

**4. Term.**

A. The term of this Agreement shall commence on **April 26, 2021** ("Effective Date"). Unless extended or earlier terminated as provided herein, this Agreement shall expire on **April 26, 2023** or upon satisfactory completion of the Services, whichever occurs first.

**5. Time of Performance.**

A. Consultant shall commence the Services on the above **April 26, 2021** or the date shown in any City-provided notice to proceed, whichever occurs later and complete the Services within **one (1) year**, and shall meet any other schedules and deadlines as agreed upon in writing.

B. Force Majeure. Neither party shall be considered in default of this Agreement for delays in performance caused by a force majeure event. As used in this Agreement, the term "force majeure event" means circumstances beyond the reasonable control of the non-performing party and includes the following: abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; or judicial restraint. Consultant's lack of financial capability, shall not constitute a force majeure event unless directly attributable to any of the foregoing events.

C. Should a force majeure event occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

**6. Maintenance of Records.**

Books, documents, papers, accounting records, and other evidence pertaining to the Services, including costs incurred, shall be maintained by Consultant and made available for review by City at all reasonable times during the term of this Agreement and for four (4) years from the date of final payment by City.

**7. Standard of Care.**

Consultant's Services shall be performed in accordance with the generally accepted professional standards of practice and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently performing similar services under similar conditions. Consultant shall maintain all professional licenses and certifications required to lawfully perform the Services.

**8. Compliance with Law.**

A. Consultant shall comply with all applicable laws including Cal/OSHA requirements.

B. Consultant shall obtain a City of Brea business license.

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**PROFESSIONAL SERVICES AGREEMENT**

**9. Assignment and Subcontracting.**

A. Consultant shall not assign or transfer this Agreement or any rights or obligations under, or any interest in this Agreement, or subcontract any required performance hereunder, without the prior written consent of City, which may be withheld for any reason. City shall be deemed to have approved Consultant's utilization of subcontractors identified in Consultant's proposal for the Services.

B. Any attempt to so assign, transfer, or subcontract without City's prior written consent shall be void and shall constitute grounds for City's termination of this Agreement. Authorized subcontracts shall contain a provision making the subcontractor subject to all requirements of this Agreement.

C. If use of a subcontractor is approved, then City may withhold 5% of each monthly payment to Consultant. Such retention shall be released upon City's receipt of an unconditional release of all claims signed by any such subcontractor, as to work performed to date.

**10. Independent Contractor.**

A. Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant is or shall become an employee of City.

B. 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. 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. Consultant's personnel shall not use any City e-mail address or City telephone number in the performance of the Services. Consultant shall acquire and maintain at its sole cost and expense such vehicles, equipment and supplies as Consultant's personnel require to perform the Services. Consultant shall perform the 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, or as may be necessary to inspect or visit City locations. 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.

D. Consultant shall be responsible for and pay all wages, salaries, benefits and other amounts due to Consultant's personnel in connection with the Services. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Consultant and its officers, employees, agents, and subcontractors shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit or any incident of employment by City, including 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

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**PROFESSIONAL SERVICES AGREEMENT**

contribution to be paid by City for employer contributions or employee contributions for PERS benefits or any other retirement benefits.

**11. PERS Compliance.**

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 the Services, Consultant shall assure compliance with the Public Employees' Retirement Law (Government Code Section 20000 et seq.), the regulations of PERS, and the Public Employees' Pension Reform Act of 2013 (Government Code Section 7522 et seq.). 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.

**12. Insurance.**

Unless otherwise permitted or waived in writing by City's Risk Manager, Consultant shall not commence work until it has secured all insurance required under this section and provided evidence thereof that is acceptable to City. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

A. Commercial General Liability

i. Consultant shall take out and maintain, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to City.

ii. Coverage for Commercial General Liability insurance shall be at least as broad as the following:

a. Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

iii. Commercial General Liability Insurance must include coverage for the following:

- a. Bodily Injury and Property Damage
- b. Personal Injury/Advertising Injury
- c. Premises/Operations Liability
- d. Products/Completed Operations Liability
- e. Aggregate Limits that Apply per Project

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- f. Contractual Liability with respect to this Agreement
- g. Broad Form Property Damage
- h. Independent Consultants Coverage

iv. The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to this Agreement.

v. The policy shall be endorsed to name City, its officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of City officials, as additional insureds using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

vi. The general liability coverage may utilize deductibles or provide coverage excess of a self-insured retention, only if approved by City's Risk Manager in writing, and further provided that such deductibles shall not apply to coverage of the additional insureds.

**B. Automobile Liability**

i. Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to City.

ii. Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

iii. The policy shall be endorsed to name City, its officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of City officials, as additional insureds.

iv. Subject to City's written approval, the automobile liability coverage may utilize deductibles or provide coverage excess of a self-insured retention, provided that such deductibles shall not apply to coverage of the additional insureds.

**C. Workers' Compensation/Employer's Liability**

i. Consultant certifies that Consultant is aware of the provisions of Labor Code Section 3700 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 he/she/it will comply with such provisions before commencing work under this Agreement.

ii. Consultant shall maintain full compensation insurance for its employees in accordance with the Workers' Compensation and Insurance Act (Labor Code Section 3200 et seq.) and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all

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subcontractors to obtain and maintain workers' compensation coverage of the same type and limits as specified in this section.

**D. Professional Liability (Errors and Omissions)**

Consultant shall maintain professional liability or errors and omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to City and with the limits required herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy coverage form specifically designed to protect against acts, errors or omissions of Consultant in the performance of professional services. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

**E. Cyber Liability**

If Cyber Liability is included in the Minimum Policy Limits Required below, then Consultant shall maintain cyber liability insurance providing protection against claims and liabilities arising from: (i) errors and omissions in connection with maintaining security of City Data (as defined below); (ii) data breach including theft, destruction, and/or unauthorized use of City Data; (iii) identity theft including bank charges assessed; and (iv) violation of privacy rights due to a breach of City Data.

**F. Minimum Policy Limits Required**

**i. A.M. Best's Rating**

Each policy of insurance required herein shall be from a company or companies having a current A.M. Best's rating of no less than A:VII and admitted and authorized to transact the business of insurance in the State of California.

**ii. The following insurance limits are required for this Agreement:**

If <input checked="" type="checkbox"/> , then required	<u>Combined Single Limit</u>
<input checked="" type="checkbox"/> Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
<input checked="" type="checkbox"/> Automobile Liability	\$2,000,000 per occurrence (any auto) for bodily injury and property damage
<input checked="" type="checkbox"/> Workers' Compensation	In the amount required by California law
<input checked="" type="checkbox"/> Employer's Liability	\$1,000,000 per occurrence
<input checked="" type="checkbox"/> Professional Liability	\$2,000,000 per claim and aggregate (errors and omissions)
<input type="checkbox"/> Cyber Liability	\$2,000,000 per occurrence

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iii. Defense costs shall be payable in addition to the limits.

iv. Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as additional insured pursuant to this Agreement.

**G. Proof of Insurance**

Within five days of execution of this Agreement, but prior to commencement of the Services, Consultant shall file with City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

**H. Policy Provisions Required**

i. Consultant shall provide City at least 30 days prior written notice of cancellation of any policy required by this Agreement, except that Consultant shall provide at least 10 days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, Consultant shall deliver renewal certificate(s) including the required additional insured endorsement to City at least 10 days prior to the effective date of cancellation or expiration.

ii. The Commercial General Liability Policy and Automobile Liability Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by City or any additional insureds shall not be called upon to contribute to any loss.

iii. The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. If a "claims-made" professional liability policy is provided, it shall include an extended reporting period of not less than three years.

iv. All required insurance coverages, except for the professional and cyber liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of City, its officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of City officials, or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subcontractors.

v. The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve Consultant from liability in excess of

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such coverage, nor shall it limit Consultant's indemnification obligations to City or preclude City from taking such other actions available to City under other provisions of this Agreement or law.

**I. Additional Insurance Provisions**

i. The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of such insurance by City, are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Consultant pursuant to this Agreement, including the provisions concerning indemnification.

ii. If at any time during the term of this Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may terminate this Agreement for cause.

iii. City may require Consultant to provide for inspection by City, complete copies of all insurance policies in effect for the duration of the Agreement.

iv. No City official, officer, employee, agent or volunteer shall be personally responsible for any liability arising under or by virtue of this Agreement.

v. 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 Consultant under this Agreement.

**J. Subcontractor Insurance Requirements**

Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to City that it has secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors shall be endorsed to name City, its officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of City officials as additional insureds, using ISO form CG 20 38 04 13 or an endorsement providing the same coverage. If requested by Consultant, City may approve different scopes or minimum limits of insurance for particular subcontractors.

**13. Indemnification.**

A. Other than in the performance of professional services, and to the fullest extent permitted by law, Consultant shall defend (with counsel reasonably approved by City), indemnify and hold City, its officials, officers, attorneys, agents, employees, servants, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City



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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, and destruction, or unauthorized access to, use, and/or theft of City Data (collectively, “Claims”) in any manner and to the extent arising out of, pertaining to, or incidental to any act, error, omission, or willful misconduct of Consultant, its owners, officials, officers, employees, servants, subcontractors, consultants or agents (and/or any entity or individual for whom Consultant shall bear legal liability) in connection with the performance of the Services including the payment of all damages, expert witness fees and attorney’s fees and other related costs and expenses actually incurred in connection with such defense. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, or by City or any of the other Indemnitees. Consultant shall have no liability hereunder for claims and liabilities arising out of the sole, active negligence of any of the Indemnitees.

B. Professional Services. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, protect, defend, hold harmless and indemnify the Indemnitees, from and against any and all Claims, whether actual, alleged or threatened, to the extent arising out of, pertaining to, or relating to, in whole or in part, the negligence, recklessness or willful misconduct of Consultant, and/or its officers, agents, servants, employees, subcontractors, contractors or their officers, agents, servants or employees (and/or any entity or individual for whom Consultant shall bear legal liability) in the performance of professional services under this Agreement. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Claims with counsel of the Indemnitees’ choice, and shall pay all costs and expenses, including all attorneys’ fees and experts’ costs, actually incurred in connection with such defense.

C. Consultant’s obligations under this Section shall survive the expiration or termination of this Agreement.

**14. Laws and Venue.**

This Agreement shall be interpreted in accordance with the laws of the State of California without regard for change of venue laws. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Orange, State of California. Consultant must comply with the claim procedures set forth in the Government Claims act (Government Code Section 810 et seq.) prior to filing any lawsuit against City.

**15. Termination.**

A. City may terminate any portion or all of the Services or this Agreement with or without cause by giving 10 days’ written notice to Consultant. In such event, City shall be immediately given title to and possession of all Work Product (as defined) below and original field notes, drawings and specifications, written reports and all other documents produced or developed pursuant to this Agreement. Provided Consultant is not then in breach, City shall pay Consultant for any portion of the Services satisfactorily completed prior to termination. If termination occurs prior to completion of any specific task for which a payment request has not been received, the charge for Services performed shall be the reasonable value of such Services, based on an amount

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agreed to by the parties. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed Services, and shall not be entitled to damages or compensation resulting from such termination.

B. Consultant may terminate this Agreement only for cause and by serving written notice of termination to City, provided Consultant has first served City with a written notice of default and demand to cure, and City has failed to cure such default within 30 days of receipt of such notice.

**16. Ownership of Work Product.**

A. All draft and final reports, documents, and other written material, and any and all images, ideas, concepts, designs including website designs, sourcecode, object code, electronic data and files, and/or other media whatsoever created or developed by Consultant in the performance of this Agreement (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 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, provided that any such use shall be at City's sole risk. Consultant shall not obtain or attempt to obtain copyright protection as to any of the Work Product. Consultant agrees that the compensation set forth in Section 2 of this Agreement includes conveyance to City of ownership of all Work Product, including intellectual property rights, as provided in this Section 16.

B. Consultant hereby assigns to City all rights of ownership to the Work Product, including any and all related intellectual property and proprietary rights, that are not otherwise vested in City pursuant to subsection A above.

C. Consultant warrants and represents that it has secured all necessary licenses, consents or approvals necessary to the production of the Work Product, and that upon final payment or Consultant's default, City shall have full legal title to the Work Product, and full legal authority and the right to use and reproduce the Work Product for any purpose. Consultant shall defend, indemnify and hold City, and the other Indemnitees harmless from any and all losses, claims or liabilities in any way related to a claim that City's use of any of the Work Product violates federal, state or local laws, or any contractual provisions, or any rights or laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in products, ideas 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 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. Consultant's obligations under this Section shall survive the expiration or termination of this Agreement.

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**17. Data Security.**

A. As used in this Agreement, “City Data” means any and all information and data provided or made accessible, directly or indirectly, to Consultant by City, or otherwise acquired from City, in connection with Consultant’s performance of the Services. Except where subject to a third party’s intellectual property rights, any and all City Data is solely owned by City. Consultant is granted a limited, non-exclusive, and revocable license to use City Data solely as necessary to perform the Services. At no time shall Consultant use City Data for its own purposes, or sell, disclose or disseminate City Data, except as required by law or to provide the Services. At all times herein, Consultant shall protect and maintain the security of City Data using methods providing not less than the level of security Consultant uses for its own confidential data, and that otherwise comply with recognized industry data security standards applicable to similar kinds of governmental data and information.

B. To the extent any City Data consists of personal information as defined in Consumer Privacy Act (Civil Code Section 1798.100 et seq.), Consultant shall comply with that statute and with Civil Code Section 1798.82 including providing the required notifications in the event of any unauthorized access of personal information stored, maintained, accessed, used or transmitted by Consultant in connection with this Agreement. Notwithstanding the foregoing, Consultant shall within 24 hours notify the City Representative by telephone and in writing of any unauthorized access of City Data. Thereafter, Consultant shall render any assistance to City and law enforcement as necessary to ascertain the nature and extent of such unauthorized access.

C. Consultant shall not store City Data using cloud-based storage without City’s prior, written consent, unless the use of such storage is clearly described in the Scope of Services. Where permitted herein, any and all cloud based storage shall be on servers and other hardware located within the continental United States, and shall be in compliance with ISO/IEC 27001 - 27018, as applicable, unless otherwise agreed to in writing by the City Representative.

**18. Party Representatives.**

A. Consultant hereby designates **Fernando Sotelo**, or such person’s designee, as Consultant’s Representative for this Agreement, unless and until written notice of a new representative acceptable to City is provided to City.

B. City hereby designates **Tony Olmos** or such person’s designee, as the City Representative for this Agreement.

C. The foregoing representatives shall be authorized to provide consent where required herein, and to make other administrative decisions that will be binding on their respective party, except as otherwise specifically required herein.

**19. Notices.**

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 before or during the receiving party’s regular business hours; (b) the business day after delivery, if delivered by e-mail after the receiving party’s regular business hours;

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or (c) on the second business day following deposit in the United States mail, certified mail with return receipt requested and postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from time to time, designate in writing.

**City**

**City of Brea**

**1 Civic Center Circle**

**Brea, CA 92821**

**United States**

**Michael Ho**

**michaelh@cityofbrea.net**

**714-990-7657**

**Consultant**

**Kittelson & Associates, Inc.**

**750 The City Drive, Suite 410**

**Orange, CA 92868**

**United States**

**Fernando Sotelo**

**fsotelo@kittelson.com**

**714-468-1186**

**20. Third Party Rights.**

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than City and Consultant.

**21. Conflicts of Interest.**

A. Consultant covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services. Consultant certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of City.

B. Consultant further covenants that, in the performance of this Agreement, no subcontractor or person having any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services shall be employed. Consultant has provided City with a list of all City-approved subcontractors and the key personnel for such subcontractors that are retained or to be retained by Consultant in connection with the performance of the Services, to assist City in affirming compliance with this Section.

C. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. If required, Consultant further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the City Clerk as required under state law in the performance of the Services. For breach or violation of this warranty, City shall have the right to terminate this Agreement without liability. No director, official, officer or employee of City, during the term of his or her service with City, shall have any

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direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

**22. Severability.**

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

**23. Successors and Assigns.**

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of the parties.

**24. Non-Waiver.**

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specified in writing, and any such waiver shall be limited to that set of circumstances and not to any future circumstances unless another written waiver is executed.

**25. Time of Essence.**

Time is of the essence in each and every provision of this Agreement.

**26. City's Right to Employ Other Consultants.**

City reserves its right to employ other consultants to provide the Services or similar services.

**27. Exhibits.**

The attached **Exhibit A and Attachment 1 to Exhibit A** are incorporated herein by reference. In the event of any conflict or inconsistency between the provisions of this Agreement and any Exhibit, the provisions of this Agreement shall govern. In the event of any conflict or inconsistency between the provisions of this Scope of Services and Specifications Requirements and the Consultant's Proposal set forth in the attached **Attachment 1 to Exhibit A**, the provisions of the Scope of Services and Specifications Requirements shall govern.

**28. Entire Agreement.**

This Agreement (including the attached Exhibits) represents the entire understanding of the parties as to the Services, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both parties. This is an integrated Agreement.

**[SIGNATURES ON FOLLOWING PAGE]**

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**TO EXECUTE THIS AGREEMENT**, the Parties have caused their authorized representatives to sign below. Digital Signatures are acceptable if they conform to all requirements of California Government Code Section 16.5.

**Kittelson & Associates, Inc.**

By: 

**Marc Butorac, PE, PTOE, PMP**  
**Vice President**  
**mbutorac@kittelson.com**

Date Signed: 4/13/21

**CORPs: Chairperson, President, Vice President;**  
**LLCs: Manager**

By: 

**Larry Van Dyke, CPA, CGMA**  
**Chief Finance Officer**  
**lvandyke@kittelson.com**

Date Signed: 4/13/21

**CORPs: Secretary, Asst. Secretary, Chief Finance**  
**Officer, Asst. Treasurer**  
**LLCs: Manager**

[Corporation: pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line. Limited liability company: 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**

**Attest (if over \$25,000)**

By: \_\_\_\_\_  
**Steven Vargas**  
**Mayor**

By: \_\_\_\_\_  
**Lillian Harris-Neal**  
**City Clerk**

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

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**EXHIBIT A**  
**Scope of Services**  
(attached)

## **I. PROPOSED SCOPE OF SERVICES**

### **BACKGROUND**

On December 28, 2020, the City of Brea Planning Commission approved a proposed drive-thru restaurant development at the northwest corner of South Flower Avenue and East Imperial Highway, at 255 East Imperial Highway. Following this decision, an appeal was submitted on the project approval, on behalf of a group of parents at Laurel Elementary Magnet School, citing that the project would increase the risk of collisions due to the proximity of the restaurant to the school and Imperial Highway. Following the appeal application, a number of conversations were held between City staff and the appellant team and members of the Brea Olinda Unified School District (BOUSD) School Board, to help answer technical questions about the drive-thru development and to discuss potential solutions to minimize the influence of the increased traffic on school operations.

In these conversations, it was acknowledged that there were both circulation and operational challenges that had previously existed and that needed to be addressed in moving forward. In addition, it was identified that due to the circumstances of the COVID-19 pandemic, the school has been operating on hybrid school hours and that these hours, as well as the standard hours of operation, need to be considered with any potential solutions. On February 16, 2021, the project appeal was denied by the City of Brea City Council, and the City Council made a commitment to partner with Laurel Elementary in moving forward. Please see Attachments 1-10 for additional information that may aid in proposal preparation and in performing the scope of services requested.

Potential improvement options that have been previously discussed, intending to address the circulation and operational challenges at Laurel Elementary School, include but are not limited to the following items:

- Adding parallel or head-in parking within the alley to the east of Laurel Elementary
- Adding parallel or head-in parking within the right-of-way fronting the property on Flower Avenue
- Adding a westbound right-turn lane to the intersection of Flower Avenue & Imperial Highway
- Signalization of the intersection of Flower Avenue & Imperial Highway
- Restricting Flower Avenue to one-way traffic
- On-site improvements to Laurel Elementary to add additional parking
- Modifying existing driveway access to Laurel Elementary
- Attaining shared parking agreements with adjacent property owners
- Operational improvements to enhance student and pedestrian safety (crossing guards, etc.)



## PURPOSE

The City of Brea has been coordinating with BOUSD to identify potential methods to facilitate enhanced pedestrian safety, to reduce queueing within the public right-of-way, and to add additional parking for the patrons of Laurel Elementary Magnet School. The purpose of the Laurel Elementary School Traffic Circulation & Parking Study is to identify a list of potential improvements (both physical and operational) that can address the circulation and operational challenges at Laurel Elementary, to narrow this list to the most optimum recommendations based on the consultant's professional judgement, and to provide an analysis that identifies both the physical and cost impacts associated with each recommendation option. Ultimately the Circulation & Parking Study will be presented to the City Traffic Committee, the BOUSD School Board and/or Laurel Elementary Magnet School staff, and the City Council for feedback and direction on the next phases of this potential improvement project.

## STUDY AREA

The Circulation & Parking Study is intended to identify a number of potential solutions that may address the circulation and operational challenges facing the patrons of Laurel Elementary Magnet School, located at 200 S. Flower Avenue in the City of Brea. As such, the Circulation & Parking Study may identify potential improvements located within the Laurel Elementary School property or within the public right-of-way in the vicinity of the school property. Laurel Elementary Magnet School is bound by Lagos De Moreno Park and E. Birch Street to the north, Imperial Highway to the south, an existing Alley and residential development to the east, and S. Flower Avenue to the west.

## SCOPE

The scope of the Laurel Elementary School Traffic Circulation & Parking Study shall include, but is not limited to the following items:

1. Background Research – This task shall include the review of the reference material provided as part of the RFP, as Attachments 1-10. A listing of all additional material needed from the City of Brea to complete the scope of services shall be provided as part of this task. This task shall also include performing one (1) site visit to the study area to observe existing conditions, traffic circulation, and parking after Laurel Elementary Magnet School has opened classes for the year, anticipated to be on August 16, 2021.
2. Traffic Circulation & Parking Study Report Preparation – Consultant shall prepare a Traffic Circulation & Parking Study that identifies a list of potential improvements (both physical and operational) that can address the circulation and operational challenges at Laurel Elementary Magnet School. The potential improvements identified shall meet the intent of facilitating enhanced pedestrian safety, reducing queueing within the public right-of-way, and/or adding additional parking for the patrons of the school. This task shall include

up to four (4) rounds of revisions based on the review and comment from City staff, Laurel Elementary School and/or BOUSD Staff, the City's Traffic Committee, or City Council.

The Traffic Circulation & Parking Study shall include and clearly identify the following items and sections:

- a. Introduction & Executive Summary – Providing brief introduction to the topic of consideration and the report, providing a summary of the recommended improvements identified later within the report document.
  - b. Background Discussion – Detailing the understanding of the circulation and operational challenges at Laurel Elementary School and clearly identifying the purpose of the Circulation & Parking Study.
  - c. Discussion of Methodology & Approach – Identifying and outlining the thought process in coming to the conclusions identified later within the report.
  - d. Findings & Considerations – A section of the Circulation & Parking Study shall identify a list of all relevant issues and improvements that were considered for later discussion, identifying the benefit of each item, and detailing why this item was not included for further discussion and analysis in the report.
  - e. Analysis of Options – Identifying a list of the top recommended improvement options that address the items outlined above, that have been included for further consideration. This section shall include a detailed description of each improvement option, the identification of the benefits and setbacks to each option, and a listing of the physical and cost impacts associated with each option. This section, and/or the report appendix, shall include a cost estimate for each improvement identified, accompanied by a schematic exhibit identifying any impacts as well as the physical layout of the improvement option. Please note that the City is requesting that a list of 5 optimal improvement options be provided in this section, but the consultant may revise the length of this list based on analysis and professional judgement.
  - f. Conclusion – Providing a summary of the report as a whole, providing a summary of the items included in the analysis of options, and identifying the final recommendation based on the report analysis.
3. Presentation Preparation – Upon completion of the Draft Traffic Circulation & Parking Study Report, a presentation shall be prepared for presentation to a Working Group consisting of City staff, BOUSD School Board, and Laurel Elementary School staff. After the Working Group Discussion, the provided

comments shall be incorporated into the Traffic Circulation & Parking Study. Upon completion of the Final Draft Traffic Circulation & Parking Study Report Preparation, presentations shall be prepared for presentation to the City Traffic Committee, the BOUSD School Board, and City Council. The presentations shall include a summary as to the items included within the report, a detailed discussion on the improvement options identified in the Analysis of Options, the schematic exhibits provided within the Circulation & Parking Study, and a comparison of costs associated with each recommended option. This presentation shall be provided in Microsoft PowerPoint format to City staff for review, comment, and incorporation into the City's Traffic Committee, the BOUSD School Board, and the City Council meeting agendas. This task includes up to four (4) rounds of revisions based on comments from City staff, Laurel Elementary School and/or BOUSD Staff, the City's Traffic Committee, or City Council.

4. Meetings & Coordination – This task shall not exceed fifteen (15) hours of effort associated with meetings and coordination with City staff, as well as participation in four (4) presentations (to the Working Group, the City's Traffic Committee, the BOUSD School Board, and the City Council), to be used on an hourly as needed basis.
5. (Optional Task) Additional Meetings & Coordination – This task shall not exceed fifteen (15) hours of additional effort that may be required for additional meetings and coordination associated with the Laurel Elementary School Traffic Circulation & Parking Study, beyond that which is outlined in Task 4 noted above. Note that this task will only be authorized by the City as needed, and that this task shall be used only on an hourly as needed basis.

## ASSUMPTIONS

The following items are City assumptions that shall be incorporated in to the scope of services of this proposal:

1. The scope of the Laurel Elementary School Traffic Circulation & Parking Study shall end upon receiving direction from City Council on the preferred recommendation option.
2. Scope of work beyond the initial Traffic Circulation & Parking Study phase, or that includes civil design, is not included within this request for proposal.
3. All communication with Laurel Elementary School and/or BOUSD Staff is anticipated to be completed by City staff, and is not included within the scope of services.
4. All public outreach is anticipated to be completed by City staff, and is not included within the scope of services.

## SCHEDULE

The Consultant shall provide a draft study to the City for review within 32 days.

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**Attachment 1 to Exhibit A**  
**Consultant's Proposal and Fee Schedule**  
(attached)





750 THE CITY DRIVE, SUITE 410  
ORANGE, CA 92868

MARCH 31, 2021

# PROPOSAL FOR LAUREL ELEMENTARY TRAFFIC CIRCULATION & PARKING STUDY







750 THE CITY DRIVE, SUITE 410  
ORANGE, CA 92868  
P 714.468.1997

March 31, 2021

Ryan S. Chapman, PE  
City of Brea Public Works Department, Engineering Division  
1 Civic and Cultural Center  
Brea, CA 92821

RE: RFP for the Laurel Elementary Traffic Circulation and Parking Study

Dear Mr. Chapman:

This letter presents the proposal from [Kittelison & Associates, Inc.](#) (Kittelison) for completing a circulation and parking study for the Laurel Elementary School at 200 S Flower Avenue in Brea, California. This study provides the City of Brea (City) and the Brea Olinda Unified School District (BOUSD) with an opportunity to identify and prioritize actions and improvements that will balance the safety and circulation needs of students, staff, and parents at Laurel Elementary. Kittelison will work with the City to provide a circulation assessment for the school and recommend physical and operational improvements for the drop-off and pick-up areas at the school and within the surrounding vicinity.

Traffic circulation and safety is one of Kittelison's core practice areas. As demonstrated in our proposal, the Kittelison team is well-suited and has extensive recent experience in similar types of projects conducting the tasks needed to

deliver design and operational solutions to improve circulation and address safety and community concerns in the vicinity of the school. In addition, Kittelison staff has worked on several transportation planning and traffic engineering projects within the region, including within the neighboring cities of Fullerton, Yorba Linda and Placentia. Through these efforts, we have developed a solid understanding of the access and circulation challenges faced at Laurel Elementary.

To conduct this study, Kittelison has assembled a team of professionals including licensed traffic engineers with extensive experience developing circulation and parking plans for schools, and strong backgrounds in identifying solutions to improve traffic and pedestrian flow while addressing safety and neighborhood traffic concerns. Our team has demonstrated experience with school facility planning, traffic and pedestrian circulation, and safety around schools. Our staff has worked on complex school projects under contract for cities, school districts, and architects in developing circulation plans and improving existing school operations.

Based on his experience in delivering similar projects for jurisdictions within the region and throughout California, [Fernando Sotelo, TE, PTP](#), will serve as the Kittelison team's project manager and will be the primary point of contact during the proposal evaluation period. Fernando will be supported by Joceline Suhaimi,

EIT and Michael Sahimi, AICP as key staff, and Erin Ferguson, PE, RSP, who will serve as an advisor for safety aspects. Tim Erney, AICP, PTP, CTP, a resident of Fullerton, will serve as project principal and is an officer authorized to negotiate on behalf of and bind Kittelson to a contract.

Kittelson acknowledges the receipt of Response to Questions (March 26, 2021) and attests that all information submitted with this proposal is true and correct.

This proposal will remain valid for a period of no less than 90 days from the date of submittal and may be extended by written authorization from our firm.

Our team looks forward to working with the City of Brea.

Sincerely,



**Fernando Sotelo, TE, PTP**

*Associate Engineer / Project Manager /  
Primary Point of Contact*

750 The City Drive, Suite 410  
Orange, CA 92868  
714-468-1186  
fsotelo@kittelson.com



**Tim Erney, AICP, PTP, CTP**

*Senior Principal / Project Principal /  
Authorized Signatory*

750 The City Drive, Suite 410  
Orange, CA 92868  
714-468-1181  
terney@kittelson.com

## 3. TECHNICAL PROPOSAL

### A. Qualifications, Related Experience, and References of Offeror

#### A1. FIRM PROFILE

**Kittelson & Associates, Inc.**

(Kittelson) provides comprehensive transportation planning, engineering, and research services to government agencies and private organizations.

Founded in 1985, Kittelson is an S-Corporation with a staff of over 250 in 24 offices (see Table 1). The firm's California offices include Orange, Oakland, and Sacramento. Kittelson offers services in transportation safety analysis, multimodal and complete

streets planning, bicycle/pedestrian planning, planning for emerging technologies, roadway design, traffic operations analysis, travel demand modeling, transit planning, and data collection/analytics. Kittelson's Southern California regional office, located in Orange, was established in 2014 and is staffed by engineers and planners who have been providing traffic engineering/operations, safety and multimodal planning services to cities and agencies throughout Los Angeles and Orange Counties. Through this work, Kittelson has developed deep familiarity with local,



regional, and state transportation engineering and design requirements, including best-practices and context-sensitive treatments; we have experience working with guidance and requirements from the California

Manual of Uniform Traffic Control Devices (CAMUTCD) and the California Highway Design Manual (HDM), and have contributed to national guidance such as the Highway Safety Manual (HSM).

*Table 1. Kittelson Office Locations*

<b>Baltimore</b> 20 South Charles St, Suite 406 Baltimore, MD 21201	<b>Bend</b> 1001 SW Emkay Dr, Suite 140 Bend, OR 97702	<b>Boise</b> 101 S. Capital Blvd, Suite 600 Boise, ID 83702	<b>Boston</b> 33 Arch St, Suite 1700 Boston, MA 02110
<b>Charlotte</b> 809 West Hill St, Suite D Charlotte, NC 28208	<b>Chicago</b> PO Box 256517 Chicago, IL 60625	<b>Cincinnati</b> 11 Garfield Pl Cincinnati, OH 45202	<b>Fort Lauderdale</b> 100 SE 3rd Ave, Suite 1000 Fort Lauderdale, FL 33394
<b>Harrisburg</b> 922 North 3rd St, First Floor Harrisburg, PA 17102	<b>Miami</b> 200 South Biscayne Blvd, Suite 19-131 Miami, FL 33131	<b>Oakland</b> 155 Grand Ave, Suite 505 Oakland, CA 94612	<b>Orange</b> 750 The City Dr, Suite 410 Orange, CA 92868
<b>Orlando</b> 225 East Robinson St, Suite 355 Orlando, FL 32801	<b>Philadelphia</b> 1635 Market St, Suite 1600 Philadelphia, PA 19103	<b>Phoenix</b> 40 North Central Ave, Suite 1920 Phoenix, AZ 85004	<b>Portland – Corporate Office</b> 851 SW 6th Ave, Suite 600 Portland, OR 97204
<b>Raleigh</b> 1053 East Whitaker Mill Rd, Suite 115 Raleigh, NC 27604	<b>Reston</b> 11480 Commerce Park Dr, Suite 450 Reston, VA 20191	<b>Sacramento</b> 2510 J St, Suite 200 Sacramento, CA 95816	<b>Tallahassee</b> 124 Marriott Dr, Suite 205 Tallahassee, FL 32301
<b>Tampa</b> 400 North Tampa St, Suite 1460 Tampa, FL 33602	<b>Tucson</b> 2 East Congress St, Suite 705 Tucson, AZ 85701	<b>Washington, DC</b> 100 M St SE, Suite 910 Washington, DC 20003	<b>Wilmington</b> 272 North Front St, Suite 410 Wilmington, NC 28401

## A2. FIRM FINANCIAL CONDITION

Kittelson & Associates, Inc. has the financial capacity to provide all the services for this project. Kittelson, an Oregon Subchapter S-Corporation, was incorporated January 4, 1988 and has grown to include 24 office locations with offices in Oregon, Florida, Washington DC, Virginia, North Carolina, Maryland, California, Arizona, Idaho, Pennsylvania, Massachusetts, Ohio and Illinois. Since incorporation, Kittelson has consistently maintained a strong financial position, and presently employs more than 200 professionals.

Kittelson's average annual revenue for the last 5 years is \$40,000,000, with 2018 annual revenue of over \$48,000,000. We are not aware of any known existing conditions that may impede our ability to complete this project. Kittelson's substantial

financial resources, talented staff, and strong insurance program ensure that Kittelson has the financial and personnel resources to provide the services required by this effort.

## A3. RELEVANT PROJECT EXPERIENCE

### Center Street Elementary School Drop-off Reconfiguration

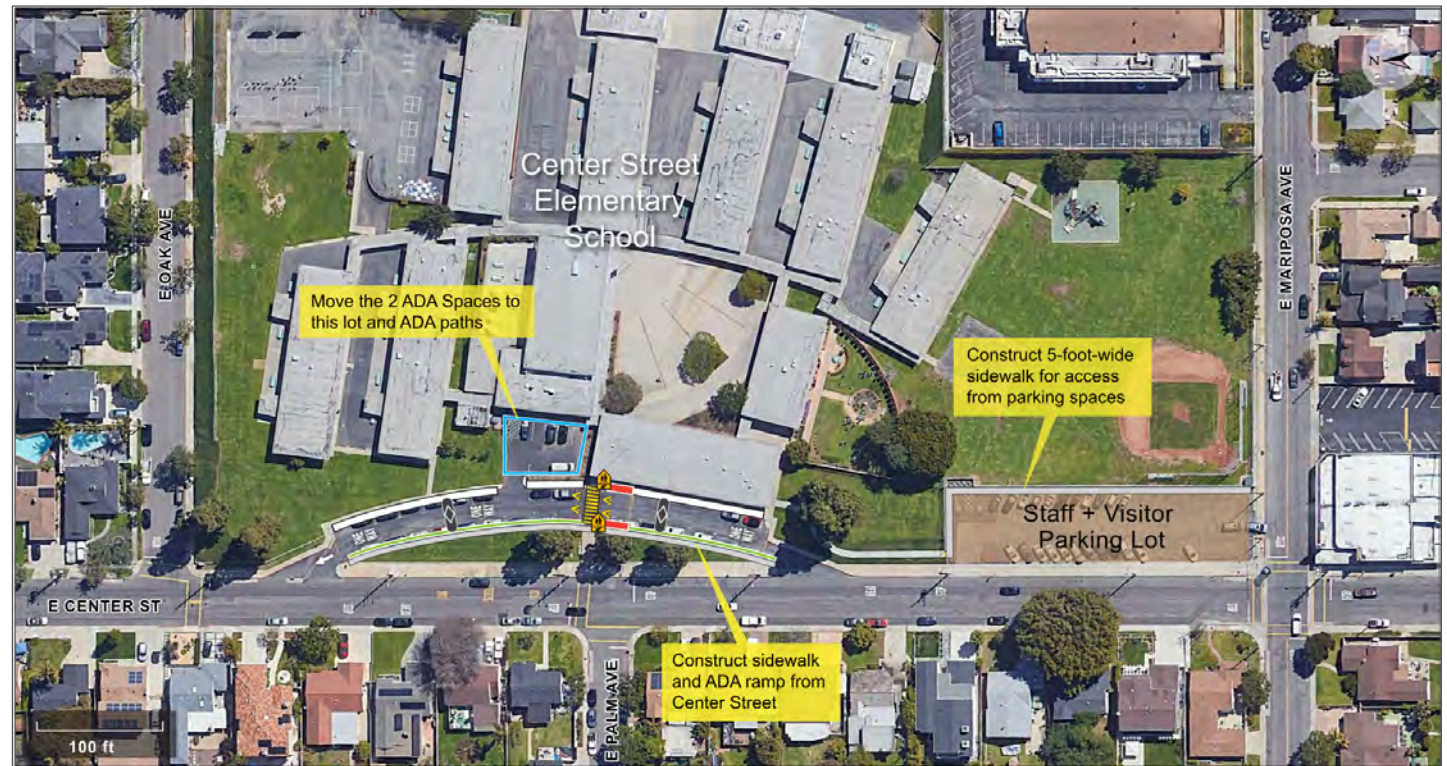
**Location:** El Segundo, CA

**Staff:** Fernando Sotelo (Project Manager); Erin Ferguson (Project Principal); Joceline Suhaimi (Key Staff)

Kittelson was retained to assist the El Segundo Unified School District (District) in assessing current operations in drop-off area at the Center Street Elementary School and to provide recommendations to improve safety and pedestrian and traffic flow. Kittelson collected historic counts, reviewed accident data and conducted a meeting with parents and school

and District staff at the school site to identify issues and discuss concerns. Concerns were primarily related to traffic and pedestrian activity in the drop-off area such as driver behavior (speeding, illegal turns, double parking), pedestrian-vehicular conflict areas, vehicles blocking the crosswalk, and long queues extending to public streets. Kittelson analyzed the configuration of the drop-off area in terms of traffic flow and safety and reviewed the parking lot spaces for their usage, occupancy, and affects on traffic flow and pedestrian patterns. Kittelson developed recommendations consisting of short-term low-cost changes in the drop-off area and operational measures to improve the student drop-off and pick-up activities, and long-term recommendations that would require a higher level of investment to be implemented. The recommendations

### Center Street Elementary School Drop-off Reconfiguration



included reallocating parking spaces, adding restrictions, installing a speed table, pavement markings, signage, improvements to the sidewalks, crosswalks, management of the drop-off and pick-up area, and education and enforcement measures.

### **Malibu High School Campus Master Plan Traffic Impact Analysis**

**Location:** Malibu, CA

**Staff:** Fernando Sotelo (Project Manager); Joceline Suhaimi (Key Staff)

Kittelson is conducting a traffic impact analysis to evaluate potential traffic impacts associated with implementation of the Malibu Middle School and High School Campus Master Plan project. An evaluation of site access and circulation, safety, vehicles miles travel, traffic operations,

and temporary impacts to parking and drop-off/pick-up activities due to construction are being conducted for this project.

### **Long Beach PCH/2nd Project Traffic Engineering**

**Location:** Long Beach, CA

**Staff:** Tim Erney (Project Manager)

CenterCal's 2nd & PCH project is a 220,000 square-foot shopping center

located in Long Beach. Kittelson was retained by CenterCal to coordinate with the City and conduct a peer review of the traffic study that was prepared for the site. As the project progressed, Kittelson conducted sensitivity testing for several access and circulation options. The analysis consisted of operational analysis at the proposed project driveways as well as preparing a simulation model to visualize how different access and circulation options would operate. Kittelson coordinated with the parking consultant and analyzed paid parking control options. Additionally, Kittelson coordinated with Caltrans District 7 to prepare a Permit Engineering Evaluation Report (PEER) document for the proposed signal at one of the project driveways on Pacific Coast Highway. This included detailed roadway operations and intersection operations analysis,

development of signal timing plans and signal interconnect plans, queuing evaluations, review of safety factors, and direct coordination with Caltrans staff.

### **Additional Experience**

Fernando Sotelo (Project Manager) brings extensive experience in conducting traffic studies for schools throughout Southern California. He has completed the following projects with a previous firm:

- » Traffic Impact Analysis for Canyon Springs High School Athletic Complex; Moreno Valley, CA
- » Traffic Analysis for the Real Journey Academy; Highland, CA
- » Traffic Impact Analysis for the San Juan Hills High School Improvements; Orange County, CA
- » Charter School Peer Review Memorandum; San Bernardino, CA
- » Traffic Impact Analysis for the Summit Leadership Academy - High Desert; Hesperia, CA
- » Del Mar School District New Elementary School Traffic Assessment; Del Mar, CA
- » Wilson Middle School Multipurpose Fields Traffic and Parking Study; Glendale, CA
- » Paramount School District Schools Circulation and Parking Improvements; Paramount and Long Beach, CA
- » Traffic and Pedestrian Circulation Analyses for the Beverly Hills Unified School Districtwide Schools Reconfiguration; Beverly Hills, CA
- » Pedestrian Safety Study for the Riverside Polytechnic High School; Riverside, CA
- » Traffic Impact Analysis, Orange County Educational Arts Academy (OCEAA); Santa Ana, CA
- » Traffic and Pedestrian Circulation Assessment for the Betsy Ross Elementary School; Anaheim, CA
- » Traffic Impact Study for Wedgeworth Elementary School; Los Angeles County, CA

- » Traffic Impact Analysis; Griffin Academy; Vallejo, CA

## **A4. PROJECT EXPERIENCE WITH GOVERNMENT AGENCY COORDINATION**

### **Caltrans**

Kittelson has conducted studies for projects on and near Caltrans facilities. Because Laurel Elementary School is adjacent to Imperial Highway (SR 90), potential operational and design measures to address school traffic operations could result in operational and safety impacts to Imperial Highway and may require coordination with Caltrans. Kittelson's familiarity with Caltrans standards and practices allows us to effectively balance the priorities of the school, the City, and Caltrans. It shall be noted that Caltrans recently released Traffic Safety Bulletin 20-02-R1, which provide instructions to Caltrans personnel, lead agencies and



consultants conducting safety reviews and land use projects and plans affecting the State Highway System. These guidelines address how to conduct a safety analysis approach.

Orange County Transportation Authority (OCTA)

Multiple OCTA bus lines have stops near Laurel Elementary School. Kittelson has experience working with OCTA on multiple projects.

Relevant Projects

/ Beach Boulevard Corridor Study

- » Client: OCTA
- » Coordination with cities and Caltrans

/ Long Beach PCH/2nd Project Traffic Engineering

- » Client: City of Long Beach and CenterCal Properties
- » Coordination with Caltrans

/ OCTA Master Plan of Arterial Highways Complete Streets Assessment

- » Client: OCTA
- » Coordination with cities

A5. PROJECT EXPERIENCE WITH IMPACTS TO SCHOOLS

Our staff is united by collective expertise offering decades of progressive research, technological innovation, and a diverse portfolio of industry-leading work. Kittelson’s traffic engineers and transportation planners combine technical traffic and parking expertise with a deep understanding of school planning and operations, the regulatory requirements under CEQA and the California Department of Education (CDE), and safety planning practice to prepare defensible transportation analyses for school facilities. From access studies to comprehensive traffic impact analyses for improvement projects and new school campuses, Kittelson has been successfully supporting

school districts and charter schools with defensible analysis while being responsive to clients needs. Our unique understanding of school facility planning combined with our statewide safety practice enables us to identify potential access issues and address common problems characteristic of school operations such as congestion and queuing during student drop-off and pick-up, conflicts between vehicles, bus access and pedestrians, parking and safety. Kittelson staff has assisted school districts with feasibility studies, to review current practices for student drop-off and pick-up, and to

identify solutions to improve traffic and access conditions. Kittelson recently prepared a parking/circulation study for the renovation of the Central Street Elementary School in El Segundo, CA. A detailed assessment of the student drop-off/pick-up was conducted to identify major issues during those periods and recommend operational and engineering measures to improve traffic operations and safety.

A6. REFERENCES

Client references who can attest to project work performed by Kittelson staff are provided in Table 2.

Table 2. Kittelson Client References






Project	Client Reference
Center Street Elementary School Drop-off Reconfiguration	Preeti D’Souza, Program Manager, TELACU Construction Management, 604 N Eckhoff Street, Orange, CA 92868, 714-788-2617, pdsouza@TELACU.com
Malibu High School Campus Master Plan Traffic Impact Analysis	Julian F. Capata, Environmental Programs, Massetti Consulting, 14012 Alberta Dr, Culver City, CA 90230, 310-713-5897, julian@massetticonsulting.com
Long Beach PCH/2nd Project Traffic Engineering	Jack McGregor, Owner, Dorado Company, 1151 Pomona Road, Suite H, Corona, CA 92882, 951-280-0401, jmcgregor@doradocompany.com

## B. Proposed Staffing and Project Organization

### B1. PROJECT KEY STAFF AND STAFF RESUMES

Kittelson has identified a team of transportation planning and traffic engineering experts to support the City of Brea on this project. The following presents the major roles and staff within the Kittelson team. Resumes for our team members, including our project management team and technical leads, are included in the following pages. Relevant experience, education and professional credentials are also provided in these resumes.

*Table 3. Proposed Staff Roles and Availability*

<b>Name</b> Title, Location Years with Firm, Total Years of Experience Proposed Role	<b>Current Assignments and Level of Commitment</b>	<b>Availability for this Assignment</b>
<b>Fernando Sotelo, TE, PTP</b> Associate Engineer, Orange, CA 1 Year with Firm, 20 Years of Experience Project Manager	<ul style="list-style-type: none"> <li>Caltrans Transportation Analysis Framework (15%)</li> <li>Montebello General Plan Update (15%)</li> <li>Malibu High School Master Plan Campus Traffic Impact Analysis (10%)</li> </ul>	
<b>Tim Erney, AICP, PTP, CTP</b> Senior Principal, Orange, CA 6 Years with Firm, 24 Years of Experience Project Principal	<ul style="list-style-type: none"> <li>City of Glendale Land Use and Circulation Element Update/Transportation Impact Fee/SB 743 Implementation/Travel Demand Model Update (20%)</li> <li>California High Speed Rail Palmdale to Burbank Section Environmental/Engineering (10%)</li> <li>I-5 from Avenida Pico to San Diego County Line PA/ED (20%)</li> </ul>	
<b>Joceline Suhaimi, EIT</b> Transportation Analyst, Orange, CA 1 Year with Firm, 2 Years of Experience Deputy Project Manager and Engineering Support	<ul style="list-style-type: none"> <li>City of Los Banos General Plan Update (20%)</li> <li>City of San Jacinto General Plan Update (20%)</li> <li>Halsey Street/Fairview Parkway Roundabout Final Design (25%)</li> </ul>	
<b>Erin Ferguson, PE, RSP</b> Principal Engineer, Oakland, CA 16 Years with Firm, 16 Years of Experience Technical Advisor – Safety	<ul style="list-style-type: none"> <li>Fresno Council of Governments Regional Transportation Safety Improvement Plan (20%)</li> <li>Fresno Council of Governments Multijurisdictional Local Road Safety Plan (25%)</li> <li>City of Stockton Systemic Safety Analysis Report/Local Road Safety Plan (15%)</li> </ul>	
<b>Michael Sahimi, AICP</b> Senior Planner, Orange, CA 3 Years with Firm, 6 Years of Experience Planning Support	<ul style="list-style-type: none"> <li>Norwalk Citywide Bicycle Master Plan (20%)</li> <li>City of Glendale Land Use and Circulation Element Update/Transportation Impact Fee/SB 743 Implementation/Travel Demand Model Update (20%)</li> <li>City of San Marcos General Plan Update (10%)</li> </ul>	

### B2. PROPOSED KEY STAFF ROLES AND AVAILABILITY

The Kittelson team will commit the time and labor needed to achieve the goals of this project in a timely and efficient manner. Our team of individuals bring skills, passion, and commitment to the transportation practice. **Table 3** summarizes the current commitments of personnel and demonstrates that the team has the time available to execute project needs in a manner consistent with the schedule provided in the RFP.



**Fernando Sotelo, TE, PTP**

*Associate Engineer  
20 Years of Experience*

**CREDENTIALS**

- » MS Civil Engineering (Transportation), University of Southern California
- » BS Naval Engineering, University of Sao Paulo, Brazil
- » Professional Traffic Engineer: CA #TR 2770
- » Professional Transportation Planner #502

Fernando Sotelo is an associate engineer with 20 years of experience in traffic engineering and transportation planning and will serve as the technical lead. He has extensive experience in CEQA and the technical aspects of transportation planning, including travel demand forecasting, traffic impact analyses, and parking demand and shared parking studies. Much of

his experience has included preparing analyses for schools such as conceptual circulation and plans, assessment of student drop-off and pick-up operations, vehicular queuing, traffic and pedestrian safety, and traffic and parking management plans for school stadiums. Fernando has worked on several projects in coordination with school facilities and operations staff, city public works, and enforcement officers in developing site improvements, operational plans, and pedestrian and vehicular routes to improve circulation and parking conditions for several school campuses in Southern and Northern California. Fernando has also been involved with assisting cities in the implementation of VMT metrics for CEQA review to comply with SB 743. These efforts include reviewing strategies and programs to identify reductions to the use of single occupancy automobile use, promote the use of TDM measures to reduce VMT from land use projects, and identify potential VMT reduction programs.

**Traffic and Pedestrian Circulation Analyses for the Beverly Hills Unified School Districtwide Schools Reconfiguration; Beverly Hills, CA.** Fernando served as the technical lead to assist the school district with an evaluation of student drop-off/pick-up, parking, and pedestrian and vehicular circulation for all elementary and middle schools in the district. Vehicular access and circulation

were reevaluated for each school to include new drop-off areas, eliminate bottlenecks, and to address potential vehicular and pedestrian conflicts. This work involved close coordination with several agencies including the police department, city planning, public works departments, school staff, and district staff to identify existing issues and innovative operational and engineering solutions. This project identified enhanced operational procedures that include school staff, parents and police, recommended engineering-level improvements to school access, parking and drop-off areas, and developed route plans for automobiles and pedestrians.

**Pedestrian Safety Study for the Riverside Polytechnic High School;**

**Riverside, CA.** Fernando served as technical lead for a pedestrian safety study to accommodate the development of ball fields off a high school campus. The study reviewed potential issues with students and staff crossing a major intersection and six lanes of traffic to access the project site. Crash data and an identification of crash factors were reviewed to assess potential safety hazards. The study evaluated pedestrian treatments to allow adequate pedestrian access to the site. A technical memo and conceptual designs were provided including advance signage, pavement markings, and a mid-block crosswalk.

**Center Street Elementary School Drop-off Reconfiguration; El Segundo,**

**CA.** Fernando served as the project manager for a technical study to assess operations at the elementary school drop-off area and provide recommendations to improve safety and pedestrian and traffic flow. Fernando led a team to gather data, conduct a field survey and engaged stakeholders and interest parties to identify issues and discuss concern, and develop recommendations to improve drop-off and pick-up activities. The recommendations included reallocating parking spaces, adding restrictions, installing a speed table, pavement marking, signage, improvements to the sidewalks, crosswalks, management of the drop-off and pick-up area, and education and enforcement measures.



**Tim Erney,**  
AICP, PTP,  
CTP  
*Senior Principal*  
*24 Years of Experience*

**CREDENTIALS**

- » MS/MCP Transportation Engineering & Planning, University of California, Berkeley
- » BS Mechanical Engineering, Boston University
- » American Institute of Certified Planners (AICP), Certified Planner #15998
- » Certified Transportation Planner
- » Professional Transportation Planner

Tim Erney is a certified transportation planner with extensive experience on planning and engineering projects in California. His primary focus has been on managing analyses and documentation for environmental review projects, access and circulation studies, sustainable transportation practices, TDM measures, parking evaluations, pedestrian and bicycle reviews, and data collection programs. In addition, he has done detailed technical analyses

of local and regional roadway facilities, including traffic forecasting, modal split analyses, traffic diversion, and operational analyses. Tim has experience coordinating with local and regional transportation and environmental agencies in Southern California and has been leading the firm's efforts on the evaluation of emerging technologies, alternative evaluation metrics, and the impacts of new mobility services on land use and circulation networks.

**Active Transportation Planning.** Tim has served as project principal for active transportation planning projects throughout Southern California. He has provided direction of the planning, design and evaluation of active transportation corridors, active transportation plans, data collection programs, and forecasting. Through these efforts, Tim has promoted the need for a balanced approach for all user groups and to ensure safe, convenient and cost-effective mobility options that support the adjacent land uses and urban form.

**Travel Demand Management.** Tim has been responsible for developing implementable and defensible travel demand management (TDM) programs. Primarily, these include the evaluation of the best TDM elements to achieve the goals of the project, supported by data and research developed on a national basis. In addition to the adoption of standard TDM measures, such as active transportation facilities and parking management, Tim routinely works with developers to adjust land use programs to better internalize trips and to right-size parking to facilitate shared parking opportunities.

**Environmental Impact Reports.** Tim has led the preparation of stand-alone transportation impact studies and transportation/circulation sections of EIRs and EISs to support CEQA and NEPA processes. These projects have included full range of project types, from individual development projects, to updated citywide plans, to significant infrastructure projects. Tim has managed the technical analysis for all modes of travel, including qualitative and quantitative assessments of traffic, transit, pedestrian, bicyclist, loading, construction, and emergency vehicle conditions. In addition, these projects have also included the development of specialized trip generation rates and use of regional travel demand models to project future traffic volumes.

**Alternative Performance Metrics.** Tim has been working to identify and develop alternative metrics to Level of Service (LOS) in the evaluation of land use and transportation projects; this includes the identification on how cities and counties need to modify their current programs and policies to account for these changes. As part of these efforts, Tim has been in consultation with the state's Office of Planning and Research (OPR) and participated in several conferences and panel discussions on the effects of vehicle-miles traveled calculations and metrics may affect city programs and transportation analysis guidelines.



**Joceline**  
**Suhaimi, EIT**  
*Transportation Analyst*  
*2 Years of Experience*

**CREDENTIALS**

- » BS Civil Engineering, Minor in Urban Planning, University of California, Los Angeles
- » Engineer-in-Training (CA): #168337

Joceline (Joce) Suhaimi is an analyst with experience in traffic engineering and transportation planning. Joce believes that transportation is one of the best ways to empower communities, and she hopes to use her skills and talents to create more equitable and accessible systems. She has worked

on several projects in coordination with city staff, administrators, developers, and other agencies to develop traffic studies that include site improvements and operational plans for schools and retail projects throughout California. She also has experience working on active transportation plans, transit-oriented development plans, safety projects, and geometric design.

**Center Street Elementary School Drop-off Reconfiguration; El Segundo, CA.** Kittelson prepared a technical study to assess operations at the elementary school drop-off area and provide recommendations to improve safety and pedestrian and traffic flow. Recommendations included reallocating parking spaces, adding restrictions, installing a speed table, pavement marking, signage, improvements to the sidewalks, crosswalks, management of the drop-off and pick-up area, and education and enforcement measures. Joce assisted with the technical analysis and prepared the technical memo with the recommendations.

**City of Sacramento Systemic Safety Analysis Report; Sacramento, CA.** Kittelson analyzed high-crash locations throughout Sacramento to inform the development of implementable countermeasures through a systemic approach consistent with Sacramento's Vision Zero Action Plan. The study helped to identify locations with the highest benefit-cost ratio eligible to receive Highway Safety Improvement Program (HSIP) grant funding. Kittelson also evaluated six unique high-activity pedestrian crossings near light-rail stations to address safety and

mobility concerns at the crossing. Kittelson helped to prepare eight HSIP Cycle 9 grant applications, four of which were successful. Joce assisted with the technical analysis and the development of three HSIP Cycle 10 grant applications.

**Stanislaus Systemic Safety Analysis Report, Stanislaus County, CA.** Joce is providing HSIP Cycle 10 grant writing and technical analysis as part of a project to develop a systemic safety analysis report for Stanislaus County. Kittelson is collecting roadway and intersection attributes and creating a tool to perform network screening using a locally-calibrated version of the Highway Safety Manual (HSM) predictive models. The network screening tool will create areas of concentration and allow the county to identify strategies for future systemic and capital improvement projects. In addition, the team is identifying a list of initial projects to be considered for safety improvements. Joce assisted with the development of three HSIP Cycle 10 grant applications as part of the project.

**Malibu Middle School and High School Campus Master Plan Traffic Impact Analysis; Malibu, CA.** Kittelson is preparing a traffic impact analysis to evaluate potential traffic impacts associated with implementation of the Malibu Middle School and High School Campus Master Plan project. An evaluation of site access, vehicle miles traveled, and temporary impacts due to construction activities are being conducted for this project. Joce collected field data and evaluated existing conditions, trip generation, and traffic operations near the site.

**Brea Creek Trail Feasibility Study; Buena Park, CA.** Kittelson is assisting the City of Buena Park with conducting a study to address a critical missing link in the local and regional active transportation network in the northern portion of the city, providing a connection to the countywide Orange County (OC) Loop and local bicycle routes in the adjacent city of Fullerton. Joce created schematics for a concept plan of the trail and assisted in writing and editing the final report.





**Erin Ferguson, PE, RSP**  
*Principal Engineer*  
16 Years of Experience

**CREDENTIALS**

- » MS Civil Engineering, University of Texas, Austin
- » BS Civil Engineering, University of Portland
- » Professional Engineer (Civil): CA #82220
- » Road Safety Professional (RSP), Transportation Professional Certification Board

Erin Ferguson enjoys working with communities to plan for and implement projects that build toward community vision. As an avid runner and cyclist, she understands the need for adequate sidewalks, multi-use paths, and bicycle lanes that better facilitate travel by foot and bicycle. As a transportation engineer, she understands the challenges of safely serving multiple modes, often with limited resources.

Erin blends national research experience—as a co-author of the first edition of the Highway Safety Manual (HSM) and as a member of the Transportation Research Board Committee on Highway Safety Performance and Analysis—with practical planning and project applications to help communities develop balanced, sustainable, and implementable solutions.

**Overview of Safety Experience; Nationwide.** Erin routinely provides guidance in a range of safety technical areas, including road network screening, road safety audits, diagnosis, countermeasure selection, effectiveness evaluations, and programmatic implementation of multimodal safety improvements. She is experienced in the integration of the Highway Safety Manual into roadway safety management, road safety audits, design deviations, and alternatives analysis to enhance existing agency practices. Erin also provides direction on identifying crash trends and countermeasures, and guidance on interpreting and communicating analysis results to project stakeholders.

**Overview of Systemic Safety Analysis Report Program (SSARP)**

**Experience; Statewide, CA.** Erin has served as project manager for nearly 20

Caltrans-funded systemic safety analysis report projects. She and her team bring a wealth of experience and understanding of how to tailor safety analysis to best fit the needs and opportunities of a community while meeting the requirements of the Caltrans grant. Her experience includes working at many different scales and with a variety of stakeholders at city, county, and regional agencies.

**Active Transportation Program (ATP) Grant Applications; Oakland, CA.**

Through an on-call contract with the City of Oakland, Kittelson was responsible for the development of five Safe Routes to School (SRTS) applications seeking funding for the City through the Caltrans Active Transportation Program. As project manager, Erin led the team working with City staff to identify candidate project locations, screen locations and projects for those that would be most competitive, conduct field visits, gather relevant project information, develop cost estimates, prepare figures illustrating the improvement concepts, and write and assemble the applications. The team identified projects at a total of 12 locations, focusing on projects that would benefit elementary, middle, and high schools.

**Pasadena Engineering for Safer Streets; Pasadena, CA.** Erin was project manager for the development of a tool and process for the City of Pasadena to use to identify locations on the street network to benefit from safety improvements. Erin's team: 1) evaluated the range of potential HSM network screening performance measures; 2) collected additional data to support the near-term preferred network screening performance measures; 3) worked with Crossroad Software vendor programmers to program the preferred HSM network screening performance measures; 4) applied the HSM network screening performance measures to the street network; 5) conducted field reviews and identified potential improvements for five locations; and 6) documented project activities and findings in a report and presentation to the City's transportation commission.



**Michael Sahimi, AICP**  
Senior Planner  
6 Years of Experience

#### CREDENTIALS

- » MURP Transportation Policy and Planning, University of California, Los Angeles
- » BA Urban Studies, University of California, Irvine
- » BA Criminology, Law, and Society, University of California, Irvine
- » Certified Planner, American Institute of Certified Planners #32066

Michael Sahimi is a transportation planner with experience in active transportation, safety analysis, and transit planning projects, as well as in traffic operations, environmental analysis, travel demand modeling and forecasting, circulation studies, and parking studies. Michael's active transportation work includes citywide active transportation plans, conceptual designs, and safety analyses.

**Brea Creek Trail Gap Closure Feasibility Study; Buena Park, CA.** Kittelson assisted the City of Buena Park with conducting a Caltrans grant-funded study to address a critical missing link in the local and regional active transportation network in the northern portion of the city. Michael served as the deputy project manager, leading the technical assessment of existing conditions, opportunities, and constraints, and working with the City to develop evaluation criteria. He also facilitated coordination between the City and other project team members and stakeholders. Based on the analysis findings and public outreach, Michael worked with Kittelson designers and the City to develop the bicycle/pedestrian improvement design concepts

**City of Hermosa Beach Systemic Safety Analysis Report (SSAR); Hermosa Beach, CA.** Kittelson assisted Hermosa Beach in the development of a SSAR—a data-driven process based on empirical transportation data (injury, fatality, collision). The report supported the development and delivery of a study to justify the selection and prioritization of collision countermeasures (infrastructure related traffic improvements) to help the City to qualify for safety infrastructure

funding. Michael analyzed collision data to identify a range of systemwide countermeasures to address common issues at priority locations throughout the city; he also supported the development of a toolbox with potential safety countermeasures relevant to safety issues. As part of the outreach process, Michael participated in community engagement workshops to solicit public input on safety issues.

**Alameda County Transportation Commission High-Injury Network; Alameda County, CA.** Michael was the transportation analyst for a project to identify a multimodal (bicycle, pedestrian, and motor vehicle) high-injury network (HIN) to inform investments and policies for improving transportation across the county's urban, suburban, and rural areas. The project built on Kittelson's previous work on the Countywide Active Transportation Plan (CATP), using a similar methodology but addressing vehicle-to-vehicle and single-vehicle crashes. Michael used crash data to map injury and fatal crashes across the county, identified crash patterns and trends and potential crash risk factors, and identified best practices for undertaking roadway safety improvements on the HIN.

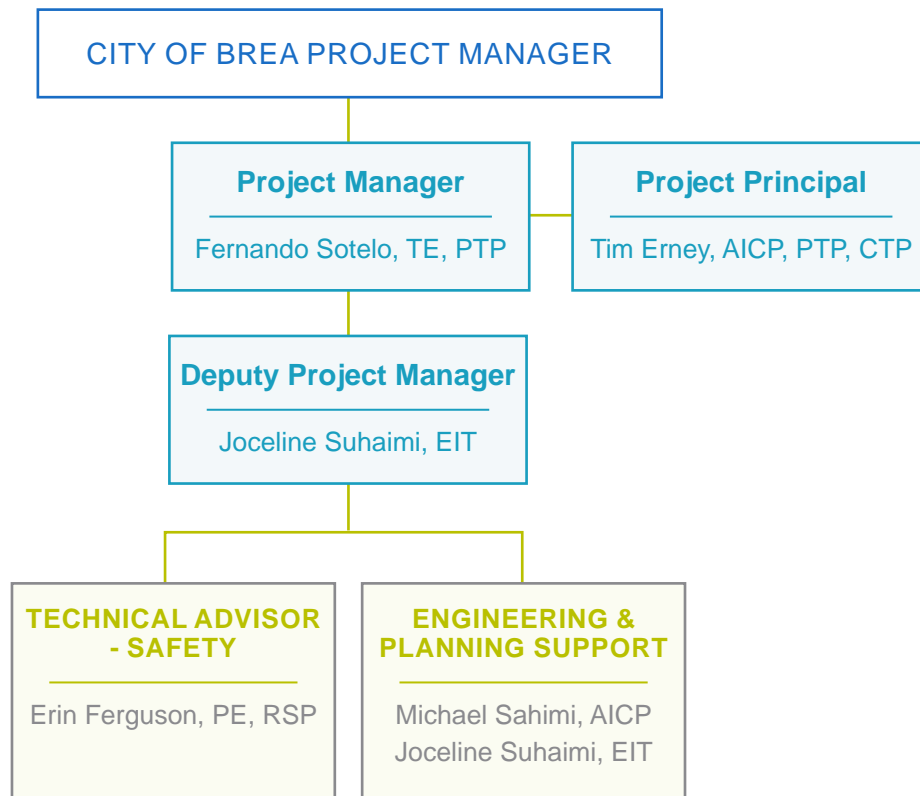
**OCTA Beach Boulevard Corridor Study; Orange County, CA.** Kittelson was the prime consultant for the Transforming Beach Boulevard Study, which addressed multimodal, operational and safety concerns along the 22-mile long corridor. As the primary north-south arterial in Orange County, Beach Boulevard has a substantial diversity of land uses, travel patterns, active transportation, transit, and access/circulation needs. As part of the final report, Kittelson developed cut-sheets to assist jurisdictions along Beach Boulevard with implementing improvements for multiple modes. Michael researched and provided guidance for local jurisdictions in regards to improvements oriented towards bicyclists, pedestrians, transit vehicles and users, and automobiles for the final document and the graphic cut-sheets.

### B3. ORGANIZATION

Kittelson believes that a solid organization structure helps facilitate projects by reducing conflicts by having well-defined roles and responsibilities. The chart below presents our proposed organization.

### B4. KEY PERSONNEL STATEMENT

Kittelson is committed to ensure firm-wide staff availability throughout the duration of the project. Furthermore, staff identified on this proposal and for this project will be accessible and available to support the team. As Project Manager and Deputy Project Manager, respectively, Fernando and Joceline will maintain close coordination with the team staff and serve as a conduit for their participation



and engagement on the project. No person designated as key to this project (Fernando, Tim, Joceline, Erin, Michael) shall be removed or replaced without the prior written concurrence of the City.

## C. Detailed Work Plan

### C1. PROPOSED APPROACH AND WORK PLAN

The following describes the scope of services to develop a circulation and parking plan for access and parking areas for Laurel Elementary School.

#### 1. Background Research

This task includes project initiation and background research. Due to the COVID-19 pandemic, comprehensive traffic and parking data will not be collected for this project. We will rely on existing historical data, where available, and observations of current conditions. The BOUSD recently announced the reopening of schools April 19th, which may provide an opportunity to review traffic conditions at the school (<https://www.bousd.us/apps/pages/reopeningofschools/>).

For this task, Kittelson will:

- / Review existing publicly available documents and studies conducted in the area, the school's access plan, the drive-through restaurant Transportation Assessment and Appellant Letter, the BOUSD Master Plan, and other documents provided by the City.
- / Review any existing traffic data collected in the area and collision data from the Statewide Integrated Traffic Records System (SWITRS) database supplemented with data from TIMS and data provided by the City.

## 2. Traffic Circulation and Parking Study Report Preparation

This task will build upon the findings in Task 1 to:

- / Conduct a site visit with stakeholders to observe, discuss and document typical school operations as it related to automobile and pedestrian access, locations of crossing guards, arrival and departure times and patterns, queues, and parking assignments, restrictions, and layout. Prior to the site visit, Kittelson will coordinate with City staff to identify key stakeholders to help us identify issues and describe typical circulation conditions. Kittelson will coordinate with the City and stakeholders to identify the date and timing for the site visit. To meet the anticipated project deadlines, we understand that students may not be attending in person at the time due to the COVID-19 pandemic. During the site visit, Kittelson will identify the school driveways and roadway characteristics such as speed limits, sidewalks, crosswalks, signage, pavement markings, crossing guards, bike lanes and possible pedestrian hazards in the vicinity of the site.
- / Assess and document the pedestrian, bicycle, and vehicular access and internal circulation, and parking issues, including queuing and safety concerns.
- / Identify bottlenecks, conflict points, and constraints that are affecting traffic flow and optimal pedestrian circulation, and that are potentially unsafe.
- / Study parking conditions on the school site, at the commercial center across the street, and curbside parking on Flower Avenue and Birch Street and potential crosswalk locations to facilitate pick-up and drop-off.
- / Conduct planning-level signal warrants on Flower Avenue and Imperial Highway.
- / Investigate potential traffic and parking configurations on Flower Avenue.
- / Compare the circulation and site access with recommended best practice design for schools. Key references are requirements from the MUTCD, the California Department of Education school design guidelines, recommendations for school design and operations from several organizations such as ITE and states DOTs.
- / Develop conceptual design sketches for potential geometric and traffic control modifications that would be applicable to improve safety, circulation, and parking conditions at the site.
- / Provide recommendations to improve parking, circulation, and safety and provide a menu of at least five implementable options with an analysis of their effectiveness, potential drawbacks, and rough order-of-magnitude costs.
- / Develop refined conceptual design and operational plans as follows: (1) a short-term plan with small physical improvements to keep costs low, and (2) longer-term improvements that may require more extensive reconfiguration of the parking lots, driveways, and storage lanes.
- / Provide figures to illustrate the recommended circulation, parking, and safety improvements that may include traffic and pedestrian travel paths, turn restrictions, parking restrictions, and concept-level pavement markings, signage, and curb markings.
- / Identify operational improvements such as staggering student arrival and dismissal times, drop-off and pick-up locations, school entrances, locations for monitors and crossing guards, education and enforcement, and other procedures to be implemented during student drop-off and pick-up. An access plan will be prepared for the school.

- / Document findings in a technical memorandum that incorporates recommendations and supporting information. Kittelson will address and respond to one set of non-conflicting comments on the draft document before producing a final version.
- / Prepare a report outlining the methodology and approach to our solution, our findings and considerations, an analysis of the different options for improvements, and our final recommendations, with cost estimates and implementation strategies.

### 3. Presentation Preparation and Report Revisions

This task will build upon the recommendations and findings from Task 2 and feedback from the project team and stakeholders to:

- / Prepare presentations to the Traffic Committee, School Board, and City Council.
- / Revise the report to address comments and input from the Traffic Committee, School Board, and City Council.

### 4. Meetings and Coordination

As part of the plan development process, Kittelson will:

- / Conduct a teleconference meeting with stakeholders such as school administrators, teachers, and parents to solicit input and discuss concerns. If the project team prefers it could be done in person in the day of the site visit.
- / Conduct video meetings with the project team to discuss the design concepts and recommendations to refine solutions and prepare conceptual designs and operational recommendations for subsequent tasks.
- / Present the draft study to the Working Group and revise the report based on feedback from the Working Group discussion and finalize recommendations.

Kittelson will then present the final recommendations to the following groups and incorporate revisions if needed (up to two hours of staff time per round):

- » City Traffic Committee
- » School Board
- » City Council

### 5. Optional task – Additional Meetings

This scope includes an optional task of up to 15 hours of meetings and coordination.

### Key Project Milestones

Table 4 presents the key project milestones and dates for the Laurel Elementary circulation and parking study.

*Table 4. Key Project Milestones*

EVENT	DATE
Project Initiation	April 26, 2021
Draft Study	May 28, 2021
Working Group Discussion	June 10, 2021
Final Draft Study	June 30, 2021
Traffic Committee Meeting	July 15, 2021
BOUSD Board Meeting	August 12, 2021
City Council Meeting	September 7, 2021



## C2. APPROACH TO MANAGING RESOURCES

### Quality Assurance/Quality Control (QA/QC)

Kittelson is committed to providing quality deliverables to our clients. Quality assurance (QA) and quality control (QC) are the key processes in Kittelson's quality management program, which confirms that project deliverables meet project objectives and are of appropriate quality.

Kittelson has extensive internal resources, including QA/QC tools and templates, available to all staff via the firm intranet, to facilitate quality control activities as part of our project work. Tim Erney and Erin Ferguson, our team project principal and technical advisor, are two of Kittelson's regional leaders. In their leadership roles, they are responsible for equipping all project teams with these resources and helping team leaders to apply them. As a result, Erin and Tim are well-versed in successfully implementing our quality control process and making sure that products meet or exceed client needs.

Each project deliverable undergoes a quality control process as part of overall QA/QC for a project. Deliverables are reviewed by task leads as well as the project manager. The process is confirmed and coordinated by a QA/QC manager. For the City of Brea, Tim Erney will serve as the project's quality manager.

The timeline for these QA/QC review activities and the specific individuals responsible for each step of the process is laid out in an internal quality management plan and detailed schedule. We are happy to share that schedule

with you as part of the overall Circulation and Parking Study work plan at the start of the project.

### Budget and Schedule Control

Kittelson is committed to delivering a quality product to match the City of Brea's schedule and budget. A critical component of our ability to meet schedules and budgets is our project manager's ability to efficiently assign staff to the project, as well as tracking the project regularly through percent projected, percent complete, and percent spent (the project tracking system is connected directly with the firmwide accounting system).

Kittelson maintains an online, real-time, company-wide staff allocation scheduling system in which project commitments are updated for each staff member on a weekly basis. To ensure proper utilization of firm-wide resources, staffing and schedules are coordinated and reviewed in a collaborative effort through weekly staff meetings, individual staff reviews, and weekly discussions with the office managers. As project manager and deputy project manager, Fernando and Joceline will work collaborative to make sure that the City of Brea has the resources needed to successful deliver this project. In addition, Kittelson's budget and schedule control systems will allow us to be responsive to the City's timelines and schedule and build in flexibility to account for any project delays or changes in scope.

## D. Exceptions/Deviations

- » Kittelson would like to clarify that its Commercial Liability Insurance only includes contractual liability assumed under an insured contract. This restriction is pursuant to standard underwriting mandates for design professionals and should not be construed as a deficiency or shortfall in Kittelson's coverage. Also, the language in (4) pertaining to other exclusions seems overly broad and we would ask for clarification should we be awarded this effort.

### 12. Insurance.

#### A. Commercial General Liability

- iii. Commercial General Liability Insurance must include coverage for the following:

- f. Contractual Liability ~~with respect to this Agreement~~ assumed under an insured agreement

- iv. The policy shall contain no endorsements or provisions limiting coverage for ~~(1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) or products/completed operations liability; or (4) contain any other exclusion contrary to this Agreement.~~

- » As a design professional, Consultant's professional liability coverage specifically excludes any third-party, upfront defense. The policy will, however, reimburse indemnitees for those reasonable legal costs and fees incurred as a result of Consultant's negligence as determined by a court of competent

jurisdiction. Additionally, this policy specifically excludes contractual liability.

These restrictions are pursuant to standard underwriting mandates for design professionals and should not be construed as a deficiency or shortfall in Kittelson's insurance coverage. Finally this policy is designed to protect against "negligent" acts, errors or omissions of the Consultant. To ensure the City's insurance requirements are consistent with the industry coverage for design professionals, Kittelson would like to clarify its professional liability coverage as follows:

#### D. Professional Liability (Errors and Omissions)

Consultant shall maintain professional liability or errors and omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to City and with the limits required herein. This insurance ~~shall be endorsed to include contractual liability applicable to this Agreement and~~ shall be written on a policy coverage form specifically designed to protect against negligent acts, errors or omissions of Consultant in the performance of professional services. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured ~~and must include a provision establishing the insurer's duty to defend.~~

## 4. FEE PROPOSAL

Table 5 present Kittelson's hourly billing rate schedule for the City of Brea. Our proposed budgets for the project with and without the optional task are presented on the following page as **Table 6** and **Table 7**, respectively.

*Table 5. Kittelson Billing Rate Schedule - Effective January 1, 2021*

*The current billing rates for Kittelson & Associates, Inc., staff are as follows and are subject to change:*

STAFF	BILLING RATE
Principal / Senior Principal	\$235 - \$320
<i>Tim Erney</i>	\$310
<i>Erin Ferguson</i>	\$250
Associate Engineer / Planner	\$200-230
<i>Fernando Sotelo</i>	\$220
Senior Engineer / Planner	\$170 - \$195
<i>Michael Sahimi</i>	\$185
Engineer / Planner	\$150 - \$170
Transportation Analyst	\$130 - \$145
<i>Joceline Suhaimi</i>	\$140
Principal Data Scientist / Developer	\$235 - \$320
Senior Data Scientist / Developer	\$190 - \$230
Data Scientist / Developer	\$160 - \$190
Data Analyst / Software Developer	\$120 - \$155
Software Technician	\$90 - \$115
Associate Technician	\$160 - \$190
Senior Technician	\$145 - \$160
Technician II	\$125 - \$140
Technician I	\$105 - \$120
Office Support	\$70 - \$100
Service & Other Direct Costs	Billing Rate
Mileage	\$.56/mile
Travel & Other Direct Costs	Actual plus 10% markup
Subconsultants	Actual plus 10% markup



*Table 6. Kittelson Proposed Budget - With Optional Task*

LABOR ESTIMATE - Laurel Elementary School													
Task	Notes	Staff	Ferguson, Erin	Sotelo, Fernando	Sahimi, Michael	Cooper, Makenzie	Suhami, Joceline	Erney, Timothy			WORK TASK/ TASK HOURS	WORK TASK/ TASK COST	
			EMF	FJS	MZS	MMC	JCS	TAE					
001	Background Research												
	Review existing documents and data		2	8			12	2			24	\$4,560	
	Reimbursable Expense											\$0	
	Task #001 - Subtotal		2	8	0	0	12	2	0	0	24	\$4,560	
002	Traffic Circulation and Parking Study Report Preparation												
	Site Visit, identify issues			4	2		8	2			16	\$2,990	
	Analysis of potential improvements		4		4		8				20	\$3,740	
	Conceptual Design Sketches		1	2		4	6				13	\$1,970	
	Refined Concepts and Plans		2	4	2	4	8	1			21	\$3,620	
	Draft Report		2	6		4	14	1			27	\$4,530	
	Figure preparation			1		8	8	1			21	\$3,185	
	Reimbursable Expense											\$51	
	Task #002 - Subtotal		10	22	9	20	52	5	0	0	118	\$20,086	
003	Presentation Preparation and Report Revisions												
	Revisions		2	8	2		8				20	\$3,750	
	Presentation Preparation			6			6				12	\$2,160	
	Reimbursable Expense											\$51	
Task #003 - Subtotal		2	14	2	0	14	0	0	0	32	\$5,961		
004	Meetings and Coordination												
	Stakeholder and Project Team Meetings			3			4				7	\$1,220	
	Presentations			4			4				8	\$1,440	
	Reimbursable Expense											\$76	
Task #004 - Subtotal		0	7	0	0	8	0	0	0	15	\$2,736		
005	Optional Task												
	Additional Meetings			7			8				15	\$2,660	
	Reimbursable Expense											\$0	
	Task #005 - Subtotal		0	7	0	0	8	0	0	0	15	\$2,660	
TOTAL HOURS			14	58	11	20	94	7	0	0	TOTAL HOURS 204	TOTAL LABOR \$35,825	
LABOR RATE			\$250.00	\$220.00	\$185.00	\$110.00	\$140.00	\$310.00					
LABOR COST			\$3,500	\$12,760	\$2,035	\$2,200	\$13,160	\$2,170					TOTAL PROJECT BUDGET \$36,003
TOTAL SUB FEES												\$0	

Rates shown above are for budgeting purposes only. Additional staff may be billed at the time services are performed.


## Status of Past and Present Contracts Form

On the form provided below, Offeror shall list the status of past and present contracts where the firm has either provided services as a prime contractor or a subcontractor during the past five (5) years in which the contract has ended or will end in a termination, settlement or in legal action. A separate form must be completed for each contract. Offeror shall provide an accurate contact name and telephone number for each contract and indicate the term of the contract and the original contract value.

If the contract was terminated, list the reason for termination. Offeror must also identify and state the status of any litigation, claims or settlement agreements related to any of the identified contracts. Each form must be signed by an officer of the Offeror confirming that the information provided is true and accurate.

<b>Project city/agency/other:</b> N/A	
<b>Contact name:</b>	<b>Phone:</b>
<b>Project award date:</b>	<b>Original Contract Value:</b>
<b>Term of Contract:</b>	
<b>1) Status of contract:</b>	
<b>2) Identify claims/litigation or settlements associated with the contract:</b>	

By signing this Form entitled "Status of Past and Present Contracts," I am affirming that all of the information provided is true and accurate.

Signature   
Name: Tim Erney, AICP, PTP, CTP  
Title: Senior Principal

Date 3/31/2021





# KITTELSON & ASSOCIATES





**City of Brea**

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**COUNCIL COMMUNICATION**

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

**FROM:** Bill Gallardo, City Manager

**DATE:** 05/18/2021

**SUBJECT:** FY 2021-22 Budget Workshop: Preview of Operating and Seven-Year Capital Improvement Program Budgets

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**RECOMMENDATION**

- Staff recommends reviewing and approving the proposed decision packages for inclusion within the FY 2021-22 Operating Budget and;
- Program \$8.14 million in American Rescue Plan Act (ARPA) funding to close the General Fund budget gap for FY 2020-21 and FY 2021-22 as presented in the FY 2021-22 Operating Budget Workbook with any remainder to be used to balance future budgets.

**BACKGROUND/DISCUSSION**

While the COVID-19 pandemic has presented some significant and unforeseen financial challenges this past year, the City has successfully navigated these unprecedented times with strong leadership and a responsive organization that has worked diligently in adapting and aligning resources with the evolving changes of the pandemic while continuing to serve the needs of the community, including but not limited to the following:

- Maintaining public safety operations including front line and support services;
- Continuing Senior Center services related to home delivered meals and lunch distribution as well as Senior transportation services for approved medical and essential needs appointments;
- Maintaining wellness calls to Brea Older Adults/Senior Center participants and registrants;
- Continuing case management services, counseling services and crisis inquiries as well as providing information and resources to the public;
- Continuing Veteran services and resources to the public;
- Continuing to provide plan reviews, inspections, permitting, parking permits and code enforcement duties through the use of digital workflow;
- Maintaining traffic signal operations, street sweeping and other road maintenance services, and
- Maintaining park and landscape services.

The gradual re-opening of the economy these past few months has shown positive momentum in the City's sales tax base, which represents over 40 percent of the City's General Fund budget and is bouncing back quicker than initially assumed a year ago.

Entering this new recovery phase, we remain cautiously optimistic upon presentation of the proposed FY 2021-22 budget.

This budget workbook provides a preview of the FY 2021-22 budget (Attachment A) and an opportunity for comments, input and direction from City Council, including discussion of measures to respond to the revenue loss experienced from the pandemic, primarily related to sales tax, transient occupancy tax and Community Services related revenues. This also includes an overview of the recent Federal stimulus assistance the City anticipates receiving as part of the American Rescue Plan Act (ARPA). Based upon initial funding allocation estimates, the City is anticipated to receive a total of \$8.14 million in two installments. This Federal funding is not more restrictive than the CARES Act funding, as it does allow the City to use the funding for revenue loss experienced due the pandemic. Funds are expected to be used prior to December 31, 2024 and staff is awaiting further guidance from State.

Staff is recommending to use these Federal stimulus dollars instead of using the City's excess General Fund reserves to cover the costs for the current fiscal year and future years as needed through December 31, 2024. This funding combined with the funding previously received from the CARES Act, has allowed the organization to respond effectively to the pandemic and will now provide a means for the organization to recover quicker, and address priorities of the City Council, City operations and emerging community needs, while also maintaining a reasonable and responsible reserve for unforeseen circumstances.

The information presented tonight is based upon staff's objective assumptions for both revenues and expenditures on information that is known as of May 18, 2021. The following are key points to consider while reviewing the FY 2021-22 Budget Workbook:

- City Mission Statements and City Council's Top Priorities and Projects – The City's mission statements and City Council's top priorities and projects are provided as a reference and is the foundation for the City's budget.
- Fiscal Policies Statement – The City's fiscal policies statement is provided as a reference and sets the financial framework for the City's budget.
- General Fund Five Year Projections– The Five Year Projections represent staff's estimate as of May 18, 2021 of where the General Fund will be for each of the next five fiscal years. The projection serves as a tool to identify financial trends, shortfalls, and issues so that the City can proactively address them. The goal of the Five-Year Projections is to assess the City's ability over the next five years to:
  - Continue current service levels based upon the City's operational goals;
  - Preserve the City's long-term fiscal health by aligning operating revenues and costs; and
  - Maintain the City's General Fund reserves based upon the City's fiscal policies.

It is important to stress that projections beyond Fiscal Year 2021-22 are not a budget and are used to highlight the need to prioritize the allocation of City resources. The purpose of the projection is to provide an overview of the City's fiscal health based on various assumptions over the next five years and to provide the City Council, departments and residents of Brea a "snapshot" of the City's financial outlook beyond this budget cycle. The five-year projection is intended to

serve as a planning tool to bring a long-term perspective to the budget process. The assumptions used in the preparation of Five-Year Projections are detailed in this section of the workbook and are categorized by fiscal year.

As a reminder, the Fire Deployment Plan that was approved by the City Council on June 18, 2019 is included in the Five Year Projection through Fiscal Year 2021-22. Future years beyond Fiscal Year 2021-22 are pending further evaluation. The Fire Department continues to evaluate this new deployment model and staff will return prior to the start of Fiscal Year 2022-23 to provide a more comprehensive review of staffing levels and service delivery options to the community.

In addition, the proposed FY 2021-22 budget and future projections include staffing redistribution and a shift in operating costs to better align program services with the appropriate funding source. This includes shifting part-time police cadet positions and associated operating costs from the Public Safety Augmentation Fund to the City's General Fund. This will allow the Public Safety Augmentation Fund to be solely dedicated to replace public safety capital replacement items. Staff also evaluated non-direct administrative and support staff costs distributed to the City's enterprise funds and shifted to the City's General Fund.

Lastly, it is important to note that any projected gains/losses to our future CalPERS employer rate as a result of the current COVID-19 pandemic, are amortized over a 20-year horizon with no changes for the first two years; a ramp up over the next five years and then levels off the remaining 15 years. CalPERS rate of return is currently positioned at a favorable 12.4% as of the end of 2020 calendar year, well above the 7% benchmark, however this is no guarantee where its value will land at fiscal year-end.

Decision Packages – Decision packages are department requests for new programs, personnel, and/or equipment. The decision packages are organized by fund and are not presented in any priority order. There is a total of twelve (12) decision packages recommended to be reviewed. The decision packages presented are for City Council review and feedback, as well as provide a preview of the needs of the upcoming fiscal year.

- Fund Summaries – This section of the workbook includes the fund summaries of those funds impacted by the proposed decision packages. The fund summaries identify funding availability, however do not include any associated costs of the proposed decision packages.
- Fees – Staff has carefully reviewed fees for service, and recommends adding two new user fees in the Community Development Department. These user fees were evaluated independently by the department and would allow the City to charge development hourly rates associated to Planning Division Preliminary Plan Review (PPR) and a flat fee for preparing a Zoning Verification Letter.
- Successor Agency – The Successor Agency to the Brea Redevelopment Agency's expenditure summary is presented in this section of the workbook.

Tonight's presentation will also provide an opportunity to review the City's proposed Seven Year Capital Improvement Program Budget which is provided as Attachment B.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Manager

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**Attachments**

Presentation

Attachment A - FY 21-22 Operating Budget Workbook

Attachment B - Seven Year Capital Improvement Budget

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FY 2021-22

# Budget Workshop

City Council General Session | May 18, 2021



# Agenda

## Operating Budget Preview

- City Council's Top Priorities and Projects
- FY 2021-22 Budget Process
- Review of COVID-19 Financial Impacts
- Economic Outlook
- Five Year Projections and Assumptions
- Decision Package Requests
- User Fee Updates

## Successor Agency Budget

## Capital Improvement Program Budget

# City Council Top Priorities and Projects

1. Continue to Manage and Pay Down Unfunded Pension Liability and Manage the Other Post Employment Benefits (OPEB)
2. Support Advocacy for Pension and Workers Compensation Reform
3. Continue Next Steps for Downtown/Central Brea Proactive Planning
4. Prepare to Support Changing Needs and Interest of a Significant Increase in our Senior Population
5. Determine Future Services Needs and Funding
  - a. Police Department
  - b. Fire Department
    - i. Further Brea/Fullerton Fire Department Partnership
    - ii. Evaluate Emergency Medical Transport
  - c. Public Works

# City Council Top Priorities and Projects

6. Continue Planning Needs for Parks, Recreation, and Human Services and Cultural Arts
  - a. Continue Engagement of the Community, the Commissions, and the City Council to Complete Master Planning Efforts for Both Parks, Recreation, and Human Services and Cultural Arts
7. Continue Development of the Tracks at Brea Trail
  - a. Facilitate the Tracks' Western Extension Towards La Habra
  - b. Explore Options for Further Trail Enhancements:
    - i. Lighting, Walkway Connection, Security Cameras
8. Renegotiate Refuse Franchise Agreement with Republic Industries
9. Complete Discussion with County Regarding State Permit for Olinda-Alpha Landfill

# City Council Top Priorities and Projects

- I0. Explore and Consider Reclaimed Water
- I1. Assess Traffic Impacts of New Development and Efficiencies for the Existing Circulation System
- I2. Continue Regional Partnerships with Other Agencies (including NOCJPA)
- I3. Implement Methods to Improve Employee Relations, Retention, Attraction and Investment
- I4. Support the Efforts to Reduce Homelessness in Orange County
  - a. Mental Health
  - b. Shelter
  - c. Addiction/Substance Abuse
  - d. Permanent & Supporting Housing

# 2021-22 Budget Process

January 2021

## Budget Kick-Off Meeting

Instructions and budget guidance provided to departments. Two budget scenarios were used due to the uncertainty of the COVID-19 pandemic environment.

February - March 2021

## Department Budget Meetings

Budget Team met with departments to review their budget including expenditure and revenue projections and decision package requests for the new fiscal year.

February 2021

## Mid Year Budget Update

Budget update to City Council including overview of CARES Act Funding, status of revenue loss attributed to pandemic and organization efforts to mitigate revenue loss.

May 4, 2021

## Quarterly Budget Update

Budget update to City Council including overview of American Rescue Plan Act (ARPA) funding, status of revenue loss attributed to pandemic and organization efforts to mitigate revenue loss.

Today

# COVID-19 Financial Impacts

Major Revenue Loss (sales tax, TOT, Community Services)  
Personal protective equipment expenses  
Unemployment expenses  
Disinfectant and cleaning supplies  
Emergency Operation Center costs  
Public health expenses  
Safety overtime and repurposing of employees  
Small businesses assistance (temporary use permits)  
Senior food programs

Used CARES Act Funding  
Furloughed part-time Community Service employees  
Held positions vacant and unfilled  
Reduced travel and training costs  
Reduced special event/program closure costs  
Contacted vendors to hold the line on any CPI increases  
Utilizing ARPA Funding to close the budget gap

**Budget Impacts**

**Budget Savings &  
Funding Assistance**



# Fiscally Strong Brea

Confronted with fiscal challenges and a reopening economy, the City has been able to provide core services to the community while maintaining fiscal integrity...

- *Sustaining a healthy general fund reserve*
- *Implementing innovative reorganization approaches*
- *Preserving a strong investment portfolio*
- *Addressing capital and equipment replacement needs*
- *Safeguarding the City's financial resources*



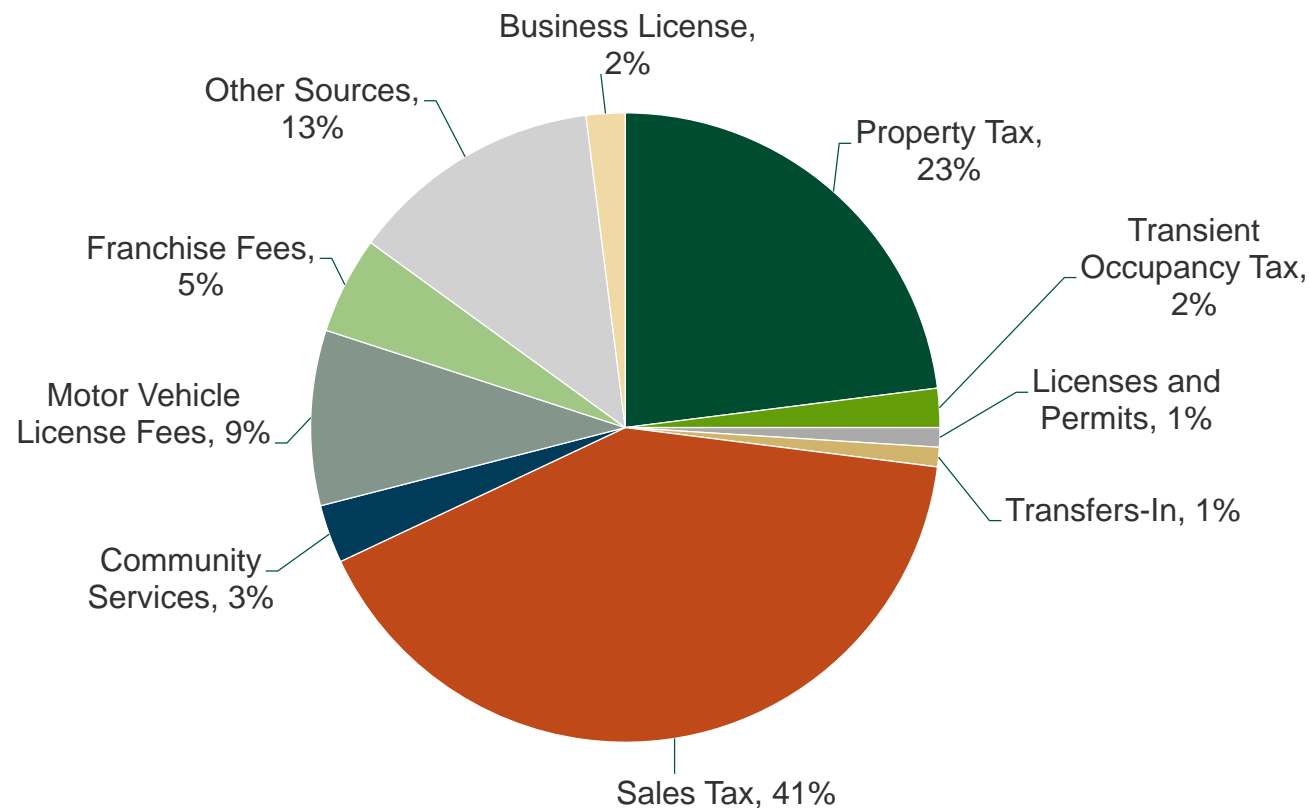
# Economic Outlook

- Accelerating economic recovery due to Federal assistance
- Continuing uncertainty on what will be the “New Norm”
- Slower recovery anticipated in the hospitality industry
- Continuing uncertainty with inflation impacts
- Reopening of the State anticipated on June 15<sup>th</sup>
- Improving consumer confidence and unemployment rates at the local, state and Federal level
- Continuing development and strong housing market
- Increasing gas prices



# 2021-22 General Fund Revenues

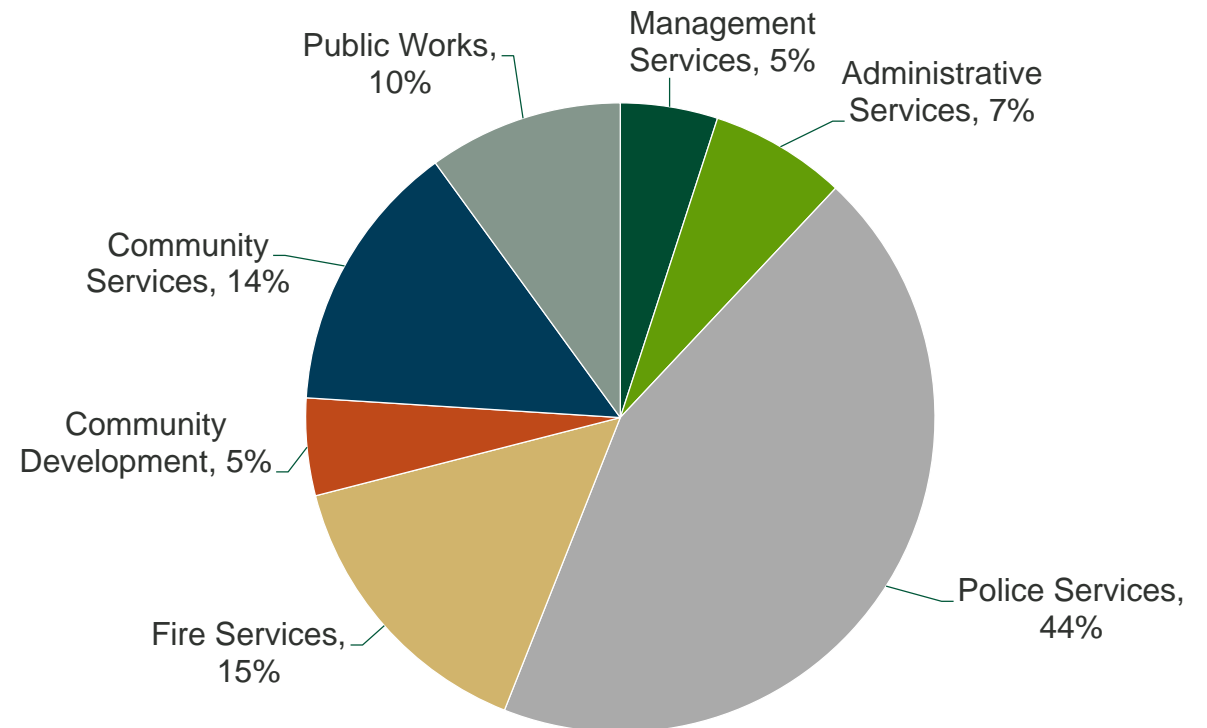
Major Revenue Source	2021-22 Proposed
Sales Tax	\$ 22,811,546
Property Tax	12,841,800
Motor Vehicle License Fees	4,828,530
Franchise Fees	2,608,900
Community Services	1,798,619
Transient Occupancy Tax	1,162,692
Business License Tax	1,040,000
Transfers-In	550,000
Licenses and Permits	461,777
Grants	439,685
Other Sources	7,352,505
<b>TOTAL</b>	<b>\$ 55,896,054</b>



# 2021-22 General Fund Expenditure

Major Revenue Source	2021-22 Proposed
Management Services	\$ 3,149,553
Administrative Services	3,791,337
Police Services	24,867,920
Fire Services*	8,252,010
Community Development	3,163,820
Community Services	7,898,868
Public Works	5,495,549
<b>TOTAL</b>	<b>\$ 56,619,057</b>

\* Excludes Paramedic Services Program expenditures. Budgeted under Fund 174.



# Five Year Projection and Assumptions

The projection serves as a tool to identify financial trends, shortfalls, and issues so that the City can proactively address them. It does not make expenditure decisions but rather highlights the need to prioritize the allocation of City resources.

# Assumptions

## **FY 2019-20 Assumptions**

- Overall operational growth 6.57%
- Overall revenue growth -4.02%
  - Sales tax -7.82%
  - Property tax 7.16%
- Includes initial COVID-19 pandemic fiscal impacts
- Includes payoff of energy efficiency loan
- Includes Fire Deployment Plan
- Community Center Replacement Funding \$167,000
- FARP Funding \$660,000

# Assumptions

## FY 2020-21 Assumptions

- Overall operational growth -1.14%\*
- Overall revenue growth -6.64%\*
  - Sales tax -7.11%
  - Property tax 6.97%
- Includes continuing COVID-19 pandemic fiscal impacts
- Assumes majority of Community Service programs are cancelled through end of fiscal year
- Includes Fire Deployment Plan
- Community Center Replacement Funding \$167,000
- FARP Funding \$600,000

*\* Gross of Golf Course and Development Deposit Program Information. Shifted revenues and expenditures to new funds and is no longer reflected in the City's General Fund*

# Assumptions

## **FY 2021-22 Assumptions**

- Overall operational growth 3.66%
- Overall revenue growth 4.04%
  - Sales tax 14.24%
  - Property tax 4.26%
- Includes continuing COVID-19 fiscal impacts through September 30, 2021
- Includes 2% personnel cost assumption
- Includes Fire Deployment Plan
- Community Center Replacement Funding \$167,000
- FARP Funding \$750,000

# Assumptions

## **FY 2022-23 Assumptions**

- Overall operational growth 3.16%
- Overall revenue growth 7.78%
  - Sales tax 7.82%
  - Property tax 4.93%
- Includes Transient Occupancy tax related to new hotel (est. January 2023)
- Community Center Replacement Funding \$167,000
- FARP Funding \$900,000

# Assumptions

## **FY 2023-24 through FY 2025-26 Assumptions**

- Overall operational growth 2.55%
- Overall revenue growth 3.21%
  - Sales tax 2.92%
  - Property tax 3.79%
- Includes full year of Transient Occupancy Tax revenues from new hotel
- Community Center Replacement Funding \$167,000
- FARP Funding \$1,100,000 to \$1,300,000



	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Final	Projected	Projected	Projected	Projected	Projected	Projected
	FY 2019-20	Budget	Budget	Budget	Budget	Budget	Budget
		FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26

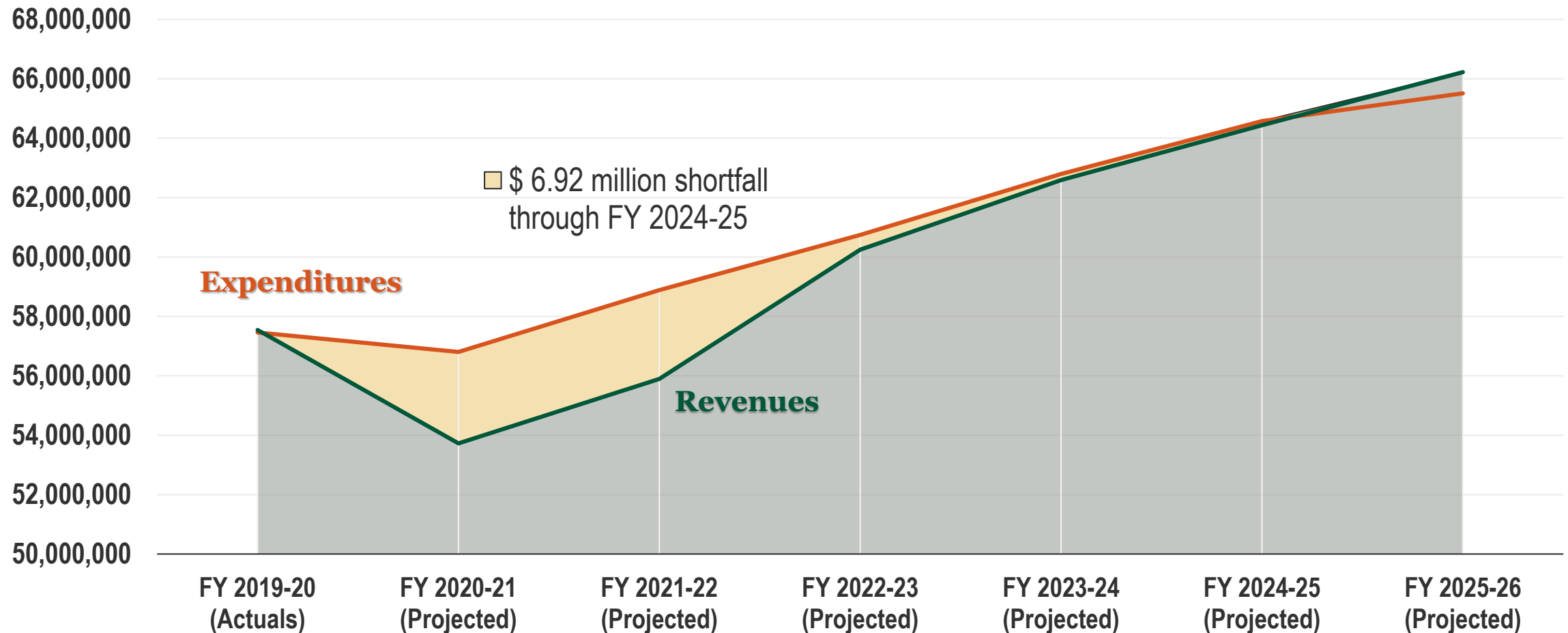


**Five Year Projections  
as of May 18, 2021**

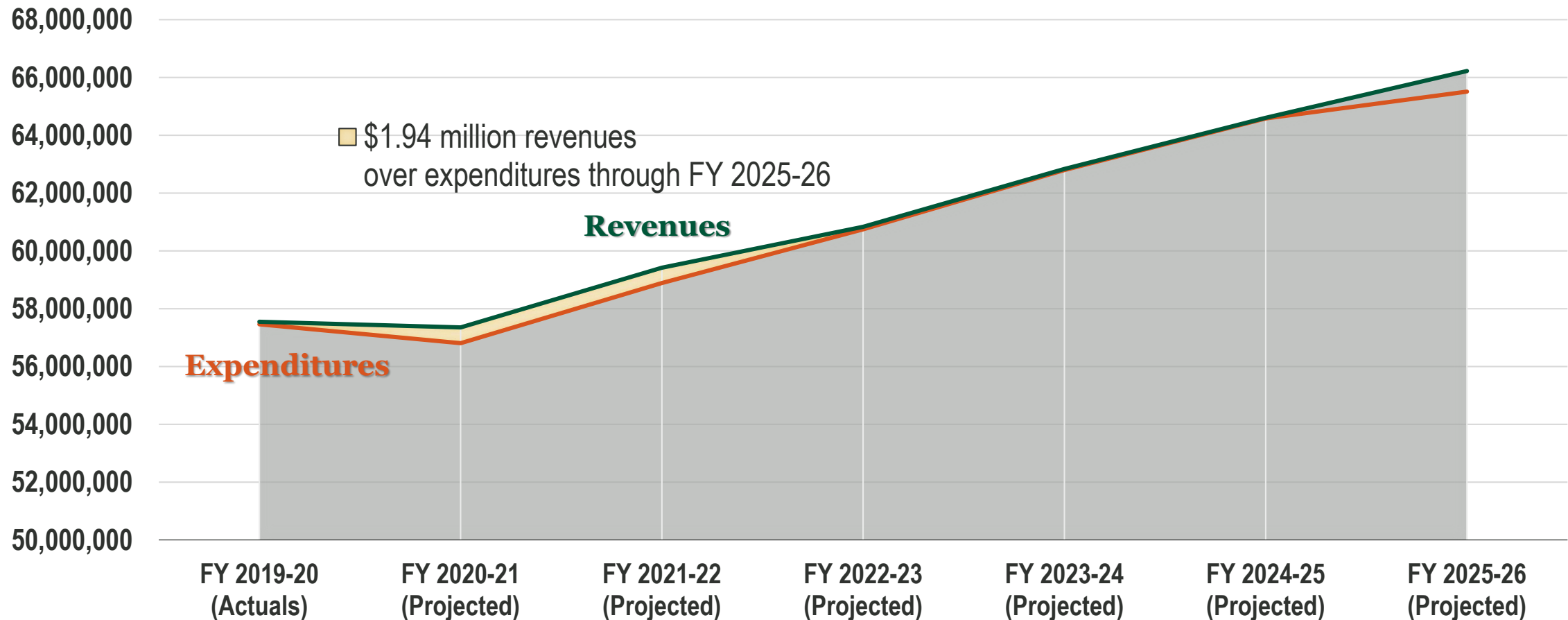
Available Beginning Fund Balance	\$6,462,425	\$3,250,052	\$3,958,405	\$3,966,810	\$3,590,446	\$3,113,799	\$2,693,156
Revenues	55,395,531	51,645,776	55,346,054	59,696,978	62,042,310	63,888,488	65,675,253
Carryovers/Encumbrances From Reserves	1,255,014	1,528,500	-	-	-	-	-
Transfers In	895,435	550,000	550,000	550,000	550,000	550,000	550,000
Use of Excess Reserves	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>57,545,980</b>	<b>53,724,276</b>	<b>55,896,054</b>	<b>60,246,978</b>	<b>62,592,310</b>	<b>64,438,488</b>	<b>66,225,253</b>
Expenditures	53,264,233	53,709,227	56,487,657	58,137,395	59,978,446	61,559,302	62,687,988
Capital Equipment	468,110	813,522	131,400	134,028	136,709	139,443	142,232
Carryovers/Encumbrances	1,528,500	-	-	-	-	-	-
Transfers-Out	1,372,856	1,516,472	1,351,588	1,407,285	1,414,889	1,413,103	1,213,390
Ongoing Fixed Asset Replacement							
Fixed Asset Replacement Fund	660,000	600,000	750,000	900,000	1,100,000	1,300,000	1,300,000
Brea Community Center	167,000	167,000	167,000	167,000	167,000	167,000	167,000
Birch Hills Golf Course (FARP)	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>57,460,699</b>	<b>56,806,221</b>	<b>58,887,645</b>	<b>60,745,708</b>	<b>62,797,044</b>	<b>64,578,847</b>	<b>65,510,610</b>
<b>Revenue over Expenditures*</b>	<b>85,281</b>	<b>(3,081,945)</b>	<b>(2,991,591)</b>	<b>(498,730)</b>	<b>(204,734)</b>	<b>(140,359)</b>	<b>714,643</b>
American Rescue Plan Act (ARPA) Funding	-	3,626,678	3,520,354	586,880	240,920	165,168	-
<b>Revised Revenue over Expenditures (w/ARPA Funding)*</b>	<b>85,281</b>	<b>544,733</b>	<b>528,763</b>	<b>88,150</b>	<b>36,187</b>	<b>24,808</b>	<b>714,643</b>
Transfer to FARP & OPEB	-	-	-	-	-	-	-
Transfer(to)/from Reserves	(885,506)	163,620	(520,357)	(464,515)	(512,834)	(445,451)	(232,941)
Adjustment - Fiscal Agent Reserve	(32,621)	-	-	-	-	-	-
Payoff of energy efficiency loan	(2,379,527)	-	-	-	-	-	-
<b>Available Ending Fund Balance</b>	<b>\$3,250,052</b>	<b>\$3,958,405</b>	<b>\$3,966,810</b>	<b>\$3,590,446</b>	<b>\$3,113,799</b>	<b>\$2,693,156</b>	<b>\$3,174,858</b>
<b>Required Reserves</b>							
Operating Reserve 10%	5,746,070	5,680,622	5,888,765	6,074,571	6,279,704	6,457,885	6,551,061
Budget Stabilization Reserve 15%**	8,619,105	8,520,933	8,833,147	9,111,856	9,419,557	9,686,827	9,826,591
	14,365,175	14,201,555	14,721,912	15,186,427	15,699,261	16,144,712	16,377,652
<b>Total General Fund Reserve as a % of Total Expenditures</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>	<b>25.00%</b>

\*Fire Deployment Plan is included through FY 2021-22

# BUDGET SHORTFALL WITHOUT USING EXCESS RESERVES OR ARPA FUNDING



## PROJECTIONS WITH AMERICAN RESCUE PLAN ACT (ARPA) FUNDING



# Decision Packages

Dept	Description	Source	Initial Request	On-going Cost
Admin Services	Purchase NeoGov Human Resources Management Software	General Fund	\$ 6,500	\$ 22,872
Admin Services	Reclassify Revenue & Budget Manager to Financial Services Manager/Revenue	General Fund	8,434	8,434
Community Development	Reclassify Associate Planner Position from Limited to Permanent	General Fund	0	130,540
Fund Total			\$ 14,934	\$ 161,846
Police	Purchase New Taser 7 CEW (Conducted Electrical Weapon)	Public Safety Aug. Fund	\$ 174,523	N/A
Police	Purchase Mobile Printers for Panasonic Toughbook	Public Safety Aug. Fund	32,100	N/A
Fire	Purchase Self-Contained Breathing Apparatus Bottle Replacement	Public Safety Aug. Fund	25,000	N/A
Fund Total			\$ 231,623	N/A
Community Services	BCC Equipment and Facility Improvements	Community Center Replacement Fund	\$ 112,000	N/A
Fund Total			\$ 112,000	N/A

# Decision Packages

Dept	Description	Source	Initial Request	On-going Cost
Community Services	Curtis Theatre Equipment Upgrades	Fixed Asset Replacement Fund	\$ 179,500	N/A
Fund Total			\$ 179,500	N/A
Police	Purchase of Demographic Data Collection Computer Module	Narc. Enforcement Asset Seizure Fund	\$ 17,175	\$ 2,233
Police	Purchase of Ten Toughbook Tablets	Narc. Enforcement Asset Seizure Fund	44,306	N/A
Fund Total			\$ 61,481	\$ 2,233
Police	Purchase Four Electronic Assist Bicycles (e-Bikes)	Air Quality Improvement Fees Fund	\$ 12,000	N/A
Fund Total			\$ 12,000	N/A
Fire	Adding New Fire Command Vehicle	Fire Impact Fees Fund	\$ 175,000	\$ 10,000
Fund Total			\$ 175,000	\$ 10,000

# New User Fees

## Planning Division Preliminary Plan Review (PPR) Fee

Would allow the City to recover the staff costs associated with setting up meetings with a developer, reviewing the feasibility of the project, providing written comments, and presenting the concept to City Council prior to a formal application being submitted.

- **Current Fee Amount:** \$0.00
- **Proposed Fee Amount:** *Fee amount based upon the current development hourly rates*

## Zoning Verification Letter

Would allow the City to recover the staff costs associated with researching and preparing a formal letter for the requestor.

- **Current Fee Amount:** \$0.00
- **Proposed Fee Amount:** \$261.00 (Flat Fee)

# FY 2021-22 Successor Agency Budget

Description	2021-22 Proposed
Long Term Debt Obligations	\$ 16,541,218
Administration	80,896
<b>TOTAL</b>	<b>\$ 16,622,114</b>

# Recommendation

1. Review and approve decision packages; and
2. Program the American Rescue Plan Act (ARPA) funding to close the General Fund budget gap for FY 2019-20 and FY 2021-22 as presented in the FY 2021-22 Operating Budget Workbook with any remainder to be used to balance future budgets.



FY 2021-22 to FY 2027-28

# Capital Improvement Program Budget

City Council | May 18, 2021

# Topics

- CIP Goals and Priorities
- Funding Sources
- Completed Projects
- Carryover Summary
- New Appropriations for FY 2021-22
- Project Highlight

# CIP Goals and Priorities

## GOALS

- Enhance the Quality of Life
- Ensure Safe Environment
- Promote Transportation Improvements
- Effectively Plan and Maintain the City's Infrastructure, Facilities and Assets
- To Outlay and Prioritize the Projects

## CIP PRIORITIES

- Water Infrastructure
- Continue investment in Streets and Facilities

# Funding Sources

- State Gas Tax
- Senate Bill I (SB I)
- Sewer
- Water
- OCTA Measure M2
- Traffic Impact
- CDBG
- FARP
- General Fund
- Grants and others

# Completed Projects

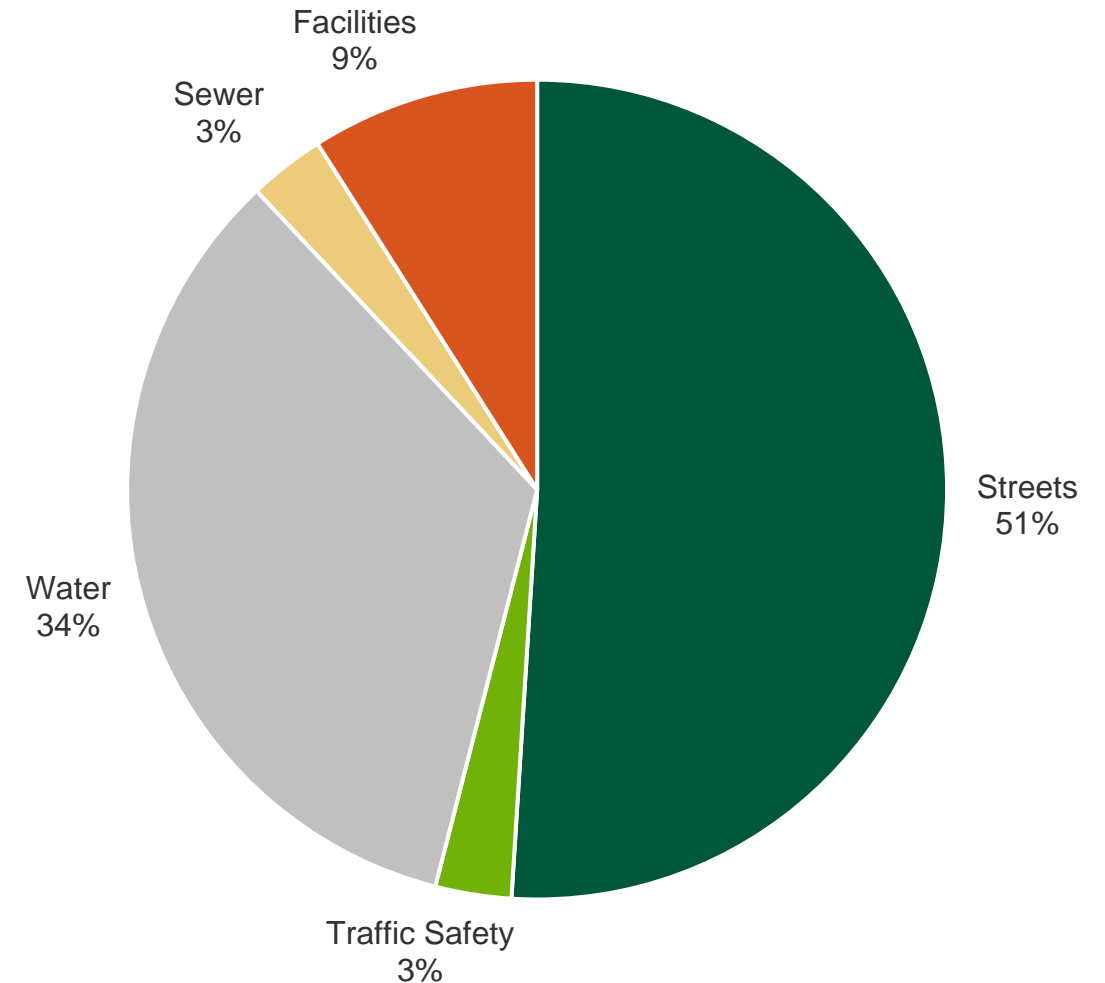
- Watermain, Sewer Line Replacement & Street Rehabilitations
  - Eagle Hills Tract, Puente Ave, Gemini and Titan Way, Central Avenue, North Hills West & Northwood Avenue
- Street Pavement, Sidewalk and Traffic Improvements
  - Alley Pavement Replacement Projects near Flower, Sycamore and Walnut
  - Berry Street Sidewalk Feasibility Study
  - Country Lane Pavement Rehabilitation Project
  - ADA Ramp Replacement at various locations
  - Lambert Road at Puente Traffic Signal Efficiency Improvement
  - City Wide Sidewalk Replacement Project
  - Street Name Sign Replacement on Imperial and on Valencia
  - Citywide Slurry Seal and Concrete Program

# Completed Projects (cont.)

- Facilities
  - Senior Center Kitchen Remodel
  - Brea Creek Golf Course and Brea Community Center Parking Lot Rehabilitation
  - Security Cameras at Brea Community Center
  - Civic & Cultural Center 3<sup>rd</sup> Floor Office Remodel
  - Civic Center Security Enhancements
  - ADA Transition Plan
  - Dog Park Rehabilitation

# Continuing Appropriations

DIVISION	# OF PROJECTS	CONTINUING CARRYOVERS
Streets	7	\$19,349,798
Water	10	\$12,726,618
Facilities	11	\$3,232,740
Sewer	2	\$1,253,553
Traffic Safety	2	\$1,038,173
<b>TOTAL</b>	<b>32</b>	<b>\$37,600,882</b>



# New FY 21-22 Appropriations

	Title	Budget
7219	Traffic Calming Improvements (continuing project)	\$50,000
7299	Brea Blvd Street Improvement (continuing project)	\$350,000
7312	Citywide Slurry Seal Program	\$200,000
7313	Citywide Sidewalk Replacement	\$100,000
7324	Berry Street Sidewalk Installation (continuing project)	\$575,000
7326	Walnut Way Street Improvements	\$50,000
7327	Central Ave and State College Street Improvement Project	\$50,000
	<b>STREET TOTAL</b>	<b>\$1,375,000</b>
7218	Traffic Signal Controller Upgrade (continuing project)	\$150,000
7709	Birch Street Traffic Signal Synchronization (continuing project)	\$27,538
7716	Lambert Road Traffic Signal Synchronization	\$50,000
7717	Cliffwood Neighborhood Traffic Calming Improvements (Project Highlight)	\$400,000
	<b>TRAFFIC SAFETY TOTAL</b>	<b>\$627,538</b>



# New FY 21-22 Appropriations (cont.)

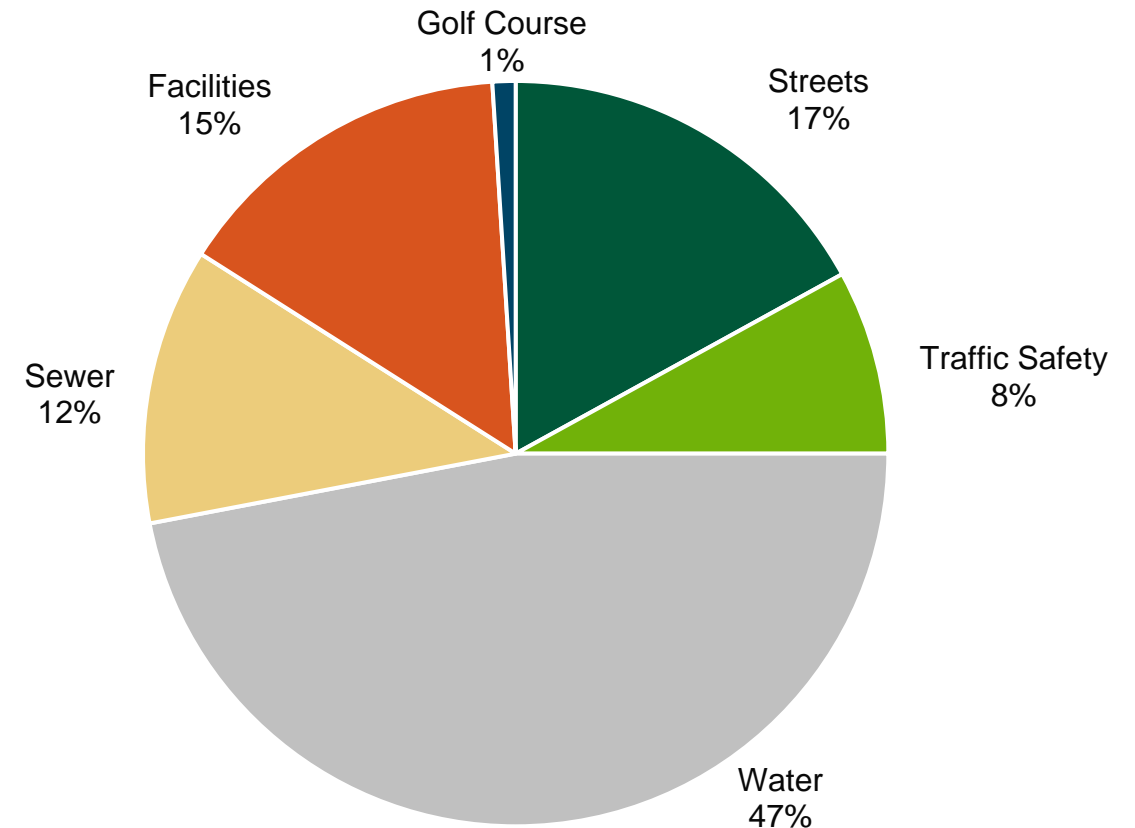
	Title	Budget
7442	Miscellaneous Water Improvement Program (continuing project)	\$350,000
7454	Walnut & Orange Ave Waterline Improvements (continuing project)	\$2,473,239
7466	South Brea Neighborhood Water Main Replacement (continuing project)	\$784,011
7476	North Associated Road New High Pressure Water Line	\$80,000
7965	Rehabilitate Ring Road At Berry Street Reservoir (continuing project)	\$200,000
	<b>WATER TOTAL</b>	<b>\$3,887,250</b>
7617	Sewer Mainline Relining (continuing project)	\$300,000
7626	South Brea Sewer Repairs (continuing project)	\$667,564
	<b>SEWER TOTAL</b>	<b>\$967,564</b>
7968	Slurry Seal & Stripe Parking Lot & Cart Paths At Birch Hills Golf Course	\$50,000
7969	Clubhouse Doors & Concrete At Brea Creek Golf Course	\$50,000
	<b>GOLF COURSE TOTAL</b>	<b>\$100,000</b>

# New FY 21-22 Appropriations (cont.)

	Title	Budget
7940	Arovista Park Restroom Repairs (continuing project)	\$55,000
7947/8	Arovista Park Parking Lots Rehabilitation (continuing project)	\$60,421
7952	Tracks Segment 3 Drainage Repairs (continuing project)	\$60,000
7955	New Furniture for Offices on 3 <sup>rd</sup> Floor Civic & Cultural Center	\$250,000
7956	Tamarack Parking Lot Asphalt Rehabilitation (continuing project)	\$10,000
7960	New Switch Gear Boxes at Arovista & Country Hills Parks (continuing project)	\$350,000
7970	Energy Management Program Upgrade	\$125,000
7971	Security Upgrades At Civic Center, Senior Center & Yard	\$110,000
7972	Replace Small Pool Plaster At The Plunge	\$45,000
7974	Freight Elevator Upgrades At Civic Center	\$150,000
7976	Plymovent Exhaust System For Mechanics Bay	\$35,000
	<b>FACILITY TOTAL</b>	<b>\$1,250,421</b>
	<b>TOTAL ALL CATEGORIES</b>	<b>\$8,207,773</b>

# Proposed FY21-22 CIP Summary

DIVISION	# OF PROJECTS	PROPOSED BUDGET
Water	5	\$3,887,250
Street	7	\$1,375,000
Facilities	12	\$1,250,421
Sewer	2	\$967,564
Traffic Safety	4	\$627,538
Golf Course	2	\$100,000
<b>TOTAL</b>	<b>32</b>	<b>\$8,207,773</b>



# **PROJECT HIGHLIGHT**

## **CLIFFWOOD TRAFFIC CALMING IMPROVEMENTS**

- March 16, 2021 Meeting Recap
- Cliffwood Traffic Classification Counts
  - Survey taken from March 9 to 22 with automated counters
  - Weekday - 671 vehicles, Saturday – 511 vehicles & Sunday – 375 vehicles
  - Approximately 98% were passenger cars or regular pick ups
  - Remaining 2% were delivery vehicles, i.e. FedEx, Trash, trucks towing trailers
  - No Semi-trucks
- Cliffwood Traffic Calming Improvements Project No. 7219 & 7717

# PROJECT HIGHLIGHT

## CLIFFWOOD TRAFFIC CALMING IMPROVEMENTS (cont.)

- Project No. 7219 – Scope of Work

2	Cliffwood Avenue	New Street Trees, Additional Speed Hump, New Striping and Signage	\$12,000
4	Cashew at Lambert	Restripe Median	\$1,000
6	Balsa Avenue	New Speed Humps, New Striping and Signage	\$10,000
7	Buttonwood Drive	New Yellow Centerline	\$500
8	Apricot & Buttonwood	New Intersection Striping and Signage	\$4,500
9	Apricot & Laguna Canyon	New ADA Ramps, New Striping and Signage	\$25,000
10	Lambert & Country Lane	New Crosswalk	\$2,500
11	State College & Live Oak	New Crosswalk	\$500
12	State College & Park Lane	New Crosswalk	\$500
13	State College & Citrus	New Crosswalk	\$500

- Budgeted FY 20-21 \$57,500, Schedule: 1 to 3 months

# **PROJECT HIGHLIGHT**

## **CLIFFWOOD TRAFFIC CALMING IMPROVEMENTS (cont.)**

- **Project No. 7717 – Scope of Work**

1	Cliffwood and Lambert	Protective Left Turns and Prohibit Thru Movements	\$200,000
3	Cliffwood and State College	Speed Control on State College	\$75,000
5	Balsa and State College	Protective Left Turn and Speed Control On State College	\$125,000

- **FY21-22 Budget \$400,000 of Traffic Impact Fund, Schedule: 9 to 12 months**
- **Outreach Plan – Notify Community/Commercial Business Park Prior to Start**



Questions?



# FY 2021-22 BUDGET WORKSHOP

*May 18, 2021*

**Prepared by:**

*Administrative Services Department*







**CITY OF BREA**

**CITY MANAGER'S OFFICE**

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May 18, 2021

**TO: Mayor and City Council**

**FROM: Bill Gallardo, City Manager**

**SUBJECT: Budget Workbook Introduction**

While the COVID-19 pandemic has presented us with some significant and unforeseen financial challenges this past year, we've successfully navigated these unprecedented times with strong leadership and a responsive organization that has worked diligently in adapting and aligning resources with the evolving changes of the pandemic while continuing to serve the needs of the community including but not limited to the following:

- Maintaining public safety operations including front line and support services,
- Continuing Senior Center services related to home delivered meals and lunch distribution as well as Senior transportation services for approved medical and essential need appointments,
- Maintaining wellness calls to Brea Older Adults/Senior Center participants and registrants,
- Continuing case management services, counseling services and crisis inquiries as well as providing information and resources to the public,
- Continuing Veteran services and resources to the public,
- Continuing to provide plan reviews, inspections, permitting, parking permits and code enforcement duties through the use of digital workflow,
- Maintaining traffic signal operations, street sweeping and other road maintenance services, and
- Maintaining park and landscape services.

The gradual re-opening of the economy these past few months has shown positive momentum in the City's sales tax base, which represents over 40 percent of the City's General Fund budget and is bouncing back quicker than initially assumed a year ago. As we enter this new recovery phase, we still remain cautiously optimistic as we present the proposed FY 2021-22 budget.

This budget workbook provides a preview of the FY 2021-22 budget and an opportunity for comments, input and direction from City Council, including discussion of measures to respond to the revenue loss experienced from the pandemic primarily related to sales tax, transient occupancy

tax and Community Services related revenues. This also includes an overview of the recent Federal stimulus assistance the City anticipates receiving as part of the American Rescue Plan Act (ARPA). Based upon initial funding allocation estimates, the City is anticipated to receive a total of \$8.14 million in two installments. This Federal funding is not more restrictive than the CARES Act funding, however does allow the City to use the funding for revenue loss experienced due the pandemic. Funds are expected to be used prior to December 31, 2024 and staff are awaiting further guidance from State.

Staff is recommending to use these Federal stimulus dollars instead of using the City's excess General Fund reserves to cover the costs for the current fiscal year and future years as needed through December 31, 2024. This funding combined with the funding previously received from the CARES Act has allowed the organization to respond effectively to the pandemic and will now provide a means for the organization to recover quicker, address priorities of the City Council, city operations and emerging community needs while also maintain a reasonable and responsible reserve for unforeseen circumstances.

The information presented tonight is based upon staff's objective assumptions for both revenues and expenditures on information that is known as of May 18, 2021. The following are key points to consider while reviewing the FY 2021-22 Budget Workbook:

- City Mission Statements and City Council's Top Priorities and Projects – The City's mission statements and City Council's top priorities and projects are provided as a reference and is the foundation for the City's budget.
- Fiscal Policies Statement – The City's fiscal policies statement is provided as a reference and sets the financial framework for the City's budget.
- General Fund Five Year Projections – The Five Year Projections represent staff's estimate as of May 18, 2021 of where the General Fund will be for each of the next five fiscal years. The projection serves as a tool to identify financial trends, shortfalls, and issues so that the City can proactively address them. The goal of the Five-Year Projections is to assess the City's ability over the next five years to:
  - Continue current service levels based upon the City's operational goals;
  - Preserve the City's long-term fiscal health by aligning operating revenues and costs; and
  - Maintain the City's general fund reserves based upon the City's fiscal policies.

It is important to stress that projections beyond fiscal year 2021-22 are not a budget and are used to highlight the need to prioritize the allocation of City resources. The purpose of the projection is to provide an overview of the City's fiscal health based on various assumptions over the next five years and provide the City Council, departments and residents of Brea a "snapshot" of the City's financial outlook beyond this budget cycle. The five-year projection is intended to serve as a planning tool to bring a long-term perspective to the budget process. The assumptions used in the preparation of Five-Year Projections are detailed in this section of the workbook and are categorized by fiscal year.

As a reminder, the Fire Deployment Plan that was approved by City Council on June 18, 2019 is included in the Five Year Projection through fiscal year 2021-22. Future years beyond fiscal year 2021-22 are pending further evaluation. The Fire Services department continues to evaluate this new deployment model and staff will return prior to the start of fiscal year 2022-23 to provide a more comprehensive review of staffing levels and service delivery options to the community.

In addition, the proposed FY 2021-22 budget and future projections include staffing redistribution and a shift in operating costs to better align program services with the appropriate funding source. This includes shifting part-time police cadet positions and associated operating costs from the Public Safety Augmentation Fund to the City's General Fund. This will allow the Public Safety Augmentation Fund be solely dedicated to replace public safety capital replacement items. Staff also evaluated non-direct administrative and support staff costs distributed to the City's enterprise funds and shifted to the City's General Fund.

Lastly, it is important to note that any projected gains/losses to our future CalPERS employer rate as a result of the current COVID-19 pandemic are amortized over a 20-year horizon with no changes for the first two years; a ramp up over the next five years and then levels off the remaining 15 years. CalPERS rate of return is currently positioned at a favorable 12.4% as of the end of 2020 calendar year, well above the 7% benchmark, however this is no guarantee where its value will land at fiscal year-end.

- Decision Packages – Decision packages are department requests for new programs, personnel, and/or equipment. The decision packages are organized by fund and are not presented in any priority order. There is a total of twelve (12) decision packages recommended to be reviewed. The decision packages presented are for City Council review and feedback as well as a preview of the needs of the upcoming fiscal year.
- Fund Summaries – This section of the workbook includes the fund summaries of those funds impacted by the proposed decision packages. The fund summaries identify funding availability however do not include any associated costs of the proposed decision packages.
- Fees – Staff has carefully reviewed fees for service, and recommends adding two new user fees in the Community Development department. These user fees were evaluated independently by the department and would allow the City to charge development hourly rates associated to Planning Division Preliminary Plan Review (PPR) and a flat fee for preparing a Zoning Verification Letter.
- Successor Agency – The Successor Agency to the Brea Redevelopment Agency's expenditure summary is presented in this section of the workbook.

The City's proposed Seven Year Capital Improvement Program budget will be transmitted to the City Council as a separate document.

Staff looks forward to reviewing and discussing the proposed FY 2021-22 Budget with the City Council scheduled on Tuesday, June 15, 2021. If you should have any questions prior to the meeting, please do not hesitate to contact me.



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## **CITY MISSION STATEMENTS**

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*All work performed in the organization must somehow relate to a basic policy direction as developed by the City Council. The fundamental building block upon which we base our work programs are the Council Mission Statements. A Mission Statement is a broad-based, generic policy developed by the City Council usually covering a single issue area. Mission Statements are expressions of the Council's vision. Usually expressed as a definitive statement of purpose ("Brea will do..." "The City is committed to..."), Mission Statements are the guide for the development of operational goals by the various departments.*

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### **Maintain a Safe Environment for Breans**

Public safety is a basic element of Brea's quality of life. The City will continue to use education and prevention approaches as well as enforcement and appropriate maintenance of facilities to enhance people's sense of security.

### **Ensure Brea Remains a Special Place**

Brea's small town atmosphere, our sense of community and our physical assets make Brea a special place. The City resolves to protect Brea's hillside and canyon areas and foster family values, quality education, cultural understanding, a vibrant civic and cultural life, and an involved and caring citizenry.

### **Protect and Enhance Brea as a Balanced Community**

A successful community sustains itself by ensuring a balance in physical, economic and human development. A balanced community provides residents and businesses with the infrastructure and services which fulfill the diverse expectations of the community. A balanced community will provide a variety of land uses, promote economic health, and create and retain jobs while diversifying the revenue base needed to support services and maintain a sound reserve fund. A balanced community will also ensure a diversity of affordable housing opportunities for all elements of Brea, from the young to the old.

### **Increase Breans' Sense of Civic Ownership**

The City commits itself to two-way communication and interaction with the community to facilitate vision building, long-range planning, and organizational excellence. These elements are necessary for the long-term success of the community.

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## **CITY COUNCIL TOP PRIORITIES AND PROJECTS**

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*On January 17, 2020 the City Council participated in a workshop to strengthen the Council/staff team and to discuss priorities for FY 2020-21 and future fiscal years. Using Mission Statements and Operational Goals as their guide, the Council and executive staff reviewed a list of possible priorities and added new items as part of their review. Following the brainstorming, the City Council was tasked to identify their top items from the list. The top priorities and projects that emerged are identified below in no particular order.*

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1. Continue to Manage and Pay Down Unfunded Pension Liability and Manage the Other Post-Employment Benefits (OPEB)
2. Support Advocacy for Pension and Workers Compensation Reform
3. Continue Next Steps for Downtown/Central Brea Proactive Planning
4. Prepare to Support the Changing Needs and Interest of a Significant Increase in our Senior Population
5. Determine Future Services Needs and Funding
  - a. Police Department
  - b. Fire Department
    - i. Further Brea / Fullerton Fire Department Partnership
    - ii. Evaluate Emergency Medical Transport
  - c. Public Works
6. Continue Planning Needs for Parks, Recreation, and Human Services and Cultural Arts
  - a. Continue Engagement of the Community, the Commissions, and the City Council to Complete Master Planning Efforts for Both Parks, Recreation, and Human Services and Cultural Arts
7. Continue Development of the Tracks at Brea Trail
  - a. Facilitate the Tracks' Western Extension Towards La Habra
  - b. Explore Options for Further Trail Enhancements:
    - i. Lighting
    - ii. Walkway Connections
    - iii. Security Cameras
8. Renegotiate Refuse Franchise Agreement with Republic Industries
9. Complete Discussion with County Regarding State Permit for Olinda-Alpha Landfill
10. Explore and Consider Reclaimed Water
11. Assess Traffic Impacts of New Development and Efficiencies for the Existing Circulation System
12. Continue Regional Partnerships with Other Agencies (including NOCJPA)
13. Implement Methods to Improve Employee Relations, Retention, Attraction and Investment

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## ***CITY COUNCIL TOP PRIORITIES AND PROJECTS***

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14. Support the Efforts to Reduce Homelessness in Orange County
  - a. Mental Health
  - b. Shelter
  - c. Addiction/Substance Abuse
  - d. Permanent & Supportive Housing





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## ***FISCAL POLICIES STATEMENT***

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### **Operating Budget Policies**

- ♦ The City will adopt a balanced budget by June 30 of each year. A continuing appropriations resolution must be adopted by the City Council if the budget adoption will be delayed past June 30.
- ♦ An annual base Operating Budget will be developed by verifying or conservatively projecting revenues and expenditures for the current and forthcoming fiscal year.
- ♦ During the budget development process, the existing base budget will be thoroughly examined to assure removal or reduction of any services or programs that could be eliminated or reduced in cost.
- ♦ Current revenues will be sufficient to support current operating expenditures.
- ♦ Annual operating budgets will provide for adequate design, construction, maintenance, and replacement of the City's capital plan and equipment.
- ♦ The City will project its equipment replacement and maintenance needs for the next five years and will update this projection each year. From this projection a maintenance and replacement schedule will be developed and followed.
- ♦ The City will avoid budgetary and accounting procedures that balance the current budget at the expense of future budgets.
- ♦ The City will forecast its General Fund expenditures and revenues for each of the next five years and will update this forecast at least annually.
- ♦ Any revenues over expenditures from the prior fiscal year shall be transferred as follows: 95 percent to the City's Fixed Asset Replacement Fund (FARP) and 5 percent to the City's Other Post-Employment Benefits Fund (OPEB).
- ♦ The City will work toward and maintain one year's amount of pension obligation costs within the City's Section 115 Trust Account for Post-Employment Benefits. Contribution amounts by fund should be based percent of annual pension obligation costs and shall include the City's enterprise funds.

### **General Fund Reserve Policies**

- ♦ The City will maintain General Fund contingency reserves at a level at least equal to 25% of the General Fund expenditures. Of which 10% is for an Operating Reserve to provide sufficient cash flow and 15% is for an Budget Stabilization Reserve to provide resources in the event of the following:
  - Temporary or one-time decrease of revenues, such as state subventions;
  - Economic downturn or when one or more of the General Fund's major revenue sources decreases more than 10% while expenditure reductions are implemented;
  - Natural (e.g. fire, earthquake, flood) and catastrophic disasters (e.g. civil unrest, acts of terrorism, airplane crashes).
- ♦ Whenever contingency reserves are used, the reserve shall be replenished as soon as possible. Fifty percent or more of available year-end funds may be allocated to the contingency reserves annually until the reserve is at the target of 25%. The reserves will be funded in the following priority order:
  - Operating Reserve
  - Budget Stabilization Reserve
- ♦ In no circumstances shall the total contingency reserve balance drop below 10% of the City's annual operating expenditures.

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# ***FISCAL POLICIES STATEMENT***

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## **Revenue Policies**

- ♦ The City will try to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source.
- ♦ Because revenues, especially those of the General Fund, are sensitive to both local and regional economic conditions, revenue estimates adopted by the City Council must be conservative.
- ♦ The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental and statistical analysis as appropriate.
- ♦ User fees will be adjusted annually to recover the full cost of services provided, except when the City Council determines that a subsidy from the General Fund is in the public interest.
- ♦ Community Services fees will be reviewed and recommended by the appropriate City Council appointed Commission for adoption.
- ♦ One-time revenues will be used for one-time expenditures only.

## **Expenditure Policies**

- ♦ The City will maintain a level of expenditures which will provide for the public well-being and safety of the residents of the community.
- ♦ Council approval is required before expending General Fund or contingency reserves.
- ♦ Expenditures budgeted in one fiscal year may be carried over to the next fiscal year automatically if the purpose for which the expenditure was budgeted has not been completed. Such carryovers shall not occur for more than two budget cycles without Council approval (with the exception of PEG Fees, CASP Fee Training, Senior Center Case Management Funds, Senior Center and Olinda Museum Donations, Senior Transportation Program Overhead, Public Art Trust Account, Housing Rehabilitation Funds and Seagraves Fire Truck Maintenance).
- ♦ Operating expenditure budgets which have been changed solely as the result of Council approved labor agreements need not be re-approved by the Council.
- ♦ Self-insurance reserves will be maintained at a level which, together with purchased insurance policies, adequately protect the City. The City will strive to maintain a reserve of three times its self-insurance retention.

## **Utility Rates and Fees**

- ♦ The City will annually set fees and user charges for each enterprise fund on a “pay as you go basis” at a level that fully supports the total direct and indirect cost of the activity. Indirect costs include the cost of annual depreciation of capital assets and overhead charges.
- ♦ The City will maintain adequate reserves in each of the enterprise funds to protect these essential City programs. Urban Runoff Fund reserves, Water Fund reserves and Sewer Fund reserves shall have a minimum operating reserve equal to three months of operating expenditures and a capital reserve equal to one-year of capital expenditures.
- ♦ As required by the Water Revenue Bond Indenture, water rates must be set in an amount sufficient to meet the bond coverage tests and certified on an annual basis by an independent financial advisor.

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## ***FISCAL POLICIES STATEMENT***

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- ♦ The use of long-term debt is an acceptable financing mechanism for the construction of capital improvements to the existing system; the annual debt service must be included in the current rate structure.

### **Capital Improvement Budget Policies**

- ♦ The City will develop a seven-year plan for capital improvement (CIP), including CIP design, development, implementation, and operating and maintenance costs.
- ♦ The City will make all capital improvements in accordance with an adopted and funded seven-year capital improvement plan.
- ♦ The City will identify the estimated costs, potential funding sources and project schedule for each capital project proposal before it is submitted to the City Council for approval.
- ♦ The City will use intergovernmental assistance to finance only those capital improvements that are consistent with the Capital Improvement Program and City priorities, and whose operating and maintenance costs have been included in the budget.
- ♦ The City will coordinate development of the Capital Improvement Budget with the development of the Operating Budget. All costs for internal professional services needed to implement the CIP will be included in the Operating Budget for the year the CIP is to be implemented.
- ♦ Cost tracking for components of the Capital Improvement Program will be implemented and updated quarterly to ensure project completion within budget and established timelines.

### **Short-Term Debt Policies**

- ♦ The City may use short-term debt to cover temporary or emergency cash flow shortages. All short-term borrowing will be subject to City Council approval by ordinance or resolution.
- ♦ The City may issue Interfund loans rather than outside debt instruments to fund short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of these funds will not impact its current operations. The prevailing interest rate, as established by the City's Administrative Services Department, will be paid to the lending fund.
- ♦ The actual issuance of debt shall be in compliance with the City of Brea Local Debt Policy.

### **Long-Term Debt Policies**

- ♦ The City will confine long-term borrowing to capital improvements that cannot be financed from the current revenues.
- ♦ Wherever possible, the City will use special assessment, revenue, or other self-supporting bonds instead of general obligation bonds.
- ♦ The City will have in place a Financing Team including bond counsel, an underwriter, and a financial advisor to assist the City throughout the year in developing and implementing its long range financial planning.
- ♦ The actual issuance of debt shall be in compliance with the City of Brea Local Debt Policy.

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## ***FISCAL POLICIES STATEMENT***

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### **Investment Policies**

- ♦ The City Council will review and adopt annually an investment policy as recommended by the Investment Advisory Committee. The policy will be in compliance with State law. The Administrative Services Director will submit a monthly report of investments to the City Council.

### **Accounting, Auditing and Financial Reporting**

- ♦ The City's accounting and financial reporting systems will be maintained in conformity with generally accepted accounting as promulgated by the Government Accounting Standards Board and the Financial Accounting Standards Board.
- ♦ Full disclosure will be provided in the financial statements and bond representations.
- ♦ The City will maintain not less than an "A" credit rating in the financial community.
- ♦ An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official Comprehensive Annual Financial Report (CAFR), including the auditor's opinion.
- ♦ The annual audit will include a report on internal control, including auditor recommendations and management responses.
- ♦ The City will endeavor to submit its CAFR to the Governmental Finance Officers Association award program to insure that its financial reporting meets the highest standards of government accounting.

### **Development Plan Processing**

- ♦ Development process costs and related administrative expenses will be totally offset by development fees.
- ♦ All future developments will be analyzed for their fiscal impact on the City. Fiscal impacts include both ongoing revenue and expenditure and capital improvements and facilities required directly or indirectly as a result of the new development. Developments will be required to either have a positive or neutral fiscal impact. Developments which are determined to have a negative fiscal impact will be required to provide nexus related fees or charges to eliminate the negative impact.

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## **GENERAL FUND: Five Year Projection Assumptions**

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### **Year End Fiscal Year 2019-20**

- ♦ Overall operational growth 6.57%
- ♦ Overall revenue growth -4.02%
  - Sales tax -7.82%
  - Property tax 7.16%
- ♦ Includes initial COVID-19 fiscal impacts
- ♦ Includes Fire Deployment Plan
- ♦ Includes payoff of energy efficiency loan
- ♦ Community Center Replacement Funding \$167,000
- ♦ FARP Funding \$660,000

### **Projected Fiscal Year 2020-21**

- ♦ Overall operational growth -1.14%\*
- ♦ Overall revenue growth -6.64%\*
  - Sales tax -7.11%
  - Property tax 6.97%
- ♦ Includes COVID-19 fiscal impacts
- ♦ Assumes majority of Community Services programs are cancelled through the end of fiscal year
- ♦ Includes Fire Deployment Plan
- ♦ Community Center Replacement Funding \$167,000
- ♦ FARP Funding \$600,000

*\* Gross of Golf Courses and Development Deposit Program Information. Shifted revenues and expenditures related to the City's Golf Courses to a new Fund (Fund 465) and shifted revenues and expenditures related to the City's Development Deposit Program to a new liability fund (Fund 840).*

### **Projected Fiscal Year 2021-22**

- ♦ Overall operational growth 3.66%
- ♦ Overall revenue growth 4.04%
  - Sales tax 14.24%
  - Property tax 4.26%
- ♦ Includes 2% personnel cost assumption
- ♦ Includes Fire Deployment Plan
- ♦ Includes COVID-19 fiscal impacts through Sept. 2021
- ♦ Community Center Replacement Funding \$167,000
- ♦ FARP Funding \$750,000

### **Projected Fiscal Year 2022-23**

- ♦ Overall operational growth 3.16%
- ♦ Overall revenue growth 7.78%
  - Sales tax 7.82%
  - Property tax 4.93%
- ♦ Includes Transient Occupancy tax related to new hotel (est. January 2023)
- ♦ Community Center Replacement Funding \$167,000
- ♦ FARP Funding \$900,000

### **Projected Fiscal Year 2023-24 through Fiscal Year 2025-26**

- ♦ Average operational growth 2.55%
- ♦ Average revenue growth 3.21%
  - Sales tax 2.92%
  - Property tax 3.79%
- ♦ Includes full year of TOT revenues related to new hotel
- ♦ Community Center Replacement Funding \$167,000
- ♦ FARP Funding \$1,100,000 to \$1,300,000

## GENERAL FUND: Five Year Projections

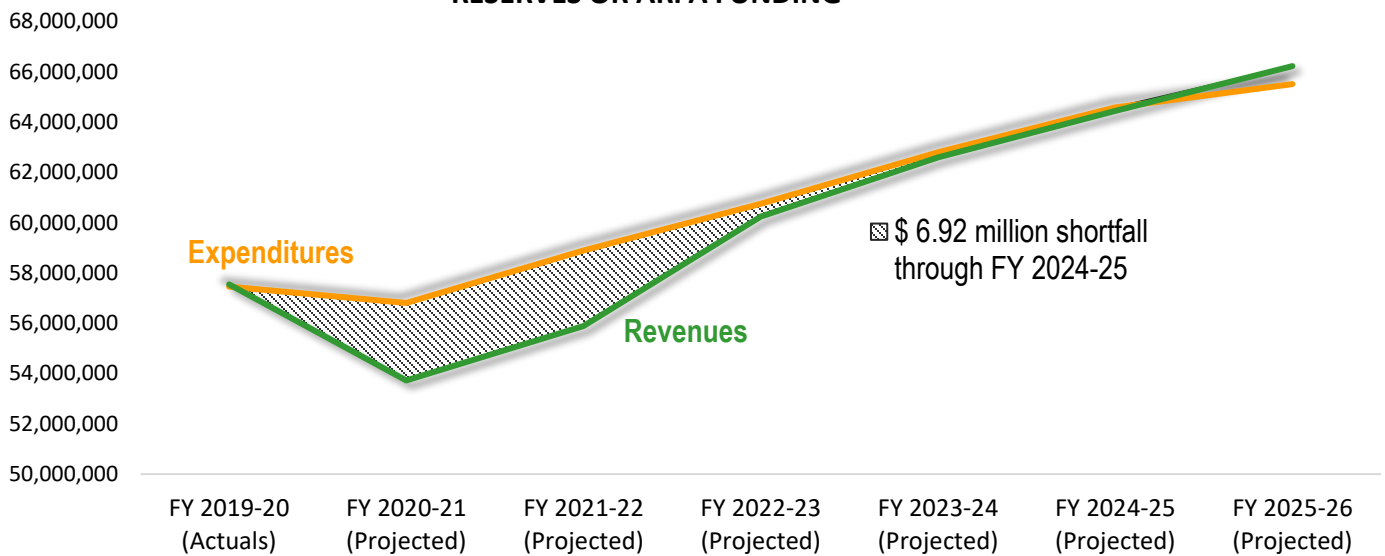
	Final FY 2019-20	Projected Budget FY 2020-21	Projected Budget FY 2021-22	Projected Budget FY 2022-23	Projected Budget FY 2023-24	Projected Budget FY 2024-25	Projected Budget FY 2025-26
Available Beginning Fund Balance	\$6,462,425	\$3,250,052	\$3,958,405	\$3,966,810	\$3,590,446	\$3,113,799	\$2,693,156
Revenues	55,395,531	51,645,776	55,346,054	59,696,978	62,042,310	63,888,488	65,675,253
Carryovers/Encumbrances From Reserves	1,255,014	1,528,500	-	-	-	-	-
Transfers In	895,435	550,000	550,000	550,000	550,000	550,000	550,000
Use of Excess Reserves	-	-	-	-	-	-	-
<b>Total Revenues</b>	57,545,980	53,724,276	55,896,054	60,246,978	62,592,310	64,438,488	66,225,253
Expenditures	53,264,233	53,709,227	56,487,657	58,137,395	59,978,446	61,559,302	62,687,988
Capital Equipment	468,110	813,522	131,400	134,028	136,709	139,443	142,232
Carryovers/Encumbrances	1,528,500	-	-	-	-	-	-
Transfers-Out	1,372,856	1,516,472	1,351,588	1,407,285	1,414,889	1,413,103	1,213,390
Ongoing Fixed Asset Replacement							
Fixed Asset Replacement Fund	660,000	600,000	750,000	900,000	1,100,000	1,300,000	1,300,000
Brea Community Center	167,000	167,000	167,000	167,000	167,000	167,000	167,000
Birch Hills Golf Course (FARP)	-	-	-	-	-	-	-
<b>Total Expenditures</b>	57,460,699	56,806,221	58,887,645	60,745,708	62,797,044	64,578,847	65,510,610
<b>Revenue over Expenditures*</b>	85,281	(3,081,945)	(2,991,591)	(498,730)	(204,734)	(140,359)	714,643
American Rescue Plan Act (ARPA) Funding	-	3,626,678	3,520,354	586,880	240,920	165,168	-
<b>Revised Revenue over Expenditures (w/ARPA Funding)*</b>	85,281	544,733	528,763	88,150	36,187	24,808	714,643
Transfer to FARP & OPEB	-	-	-	-	-	-	-
Transfer(to)/from Reserves	(885,506)	163,620	(520,357)	(464,515)	(512,834)	(445,451)	(232,941)
Adjustment - Fiscal Agent Reserve	(32,621)	-	-	-	-	-	-
Payoff of energy efficiency loan	(2,379,527)	-	-	-	-	-	-
<b>Available Ending Fund Balance</b>	\$3,250,052	\$3,958,405	\$3,966,810	\$3,590,446	\$3,113,799	\$2,693,156	\$3,174,858
<b>Required Reserves</b>							
Operating Reserve 10%	5,746,070	5,680,622	5,888,765	6,074,571	6,279,704	6,457,885	6,551,061
Budget Stabilization Reserve 15%**	8,619,105	8,520,933	8,833,147	9,111,856	9,419,557	9,686,827	9,826,591
<b>Total General Fund Reserve as a % of Total Expenditures</b>	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%

\*Fire Deployment Plan is included through FY 2021-22

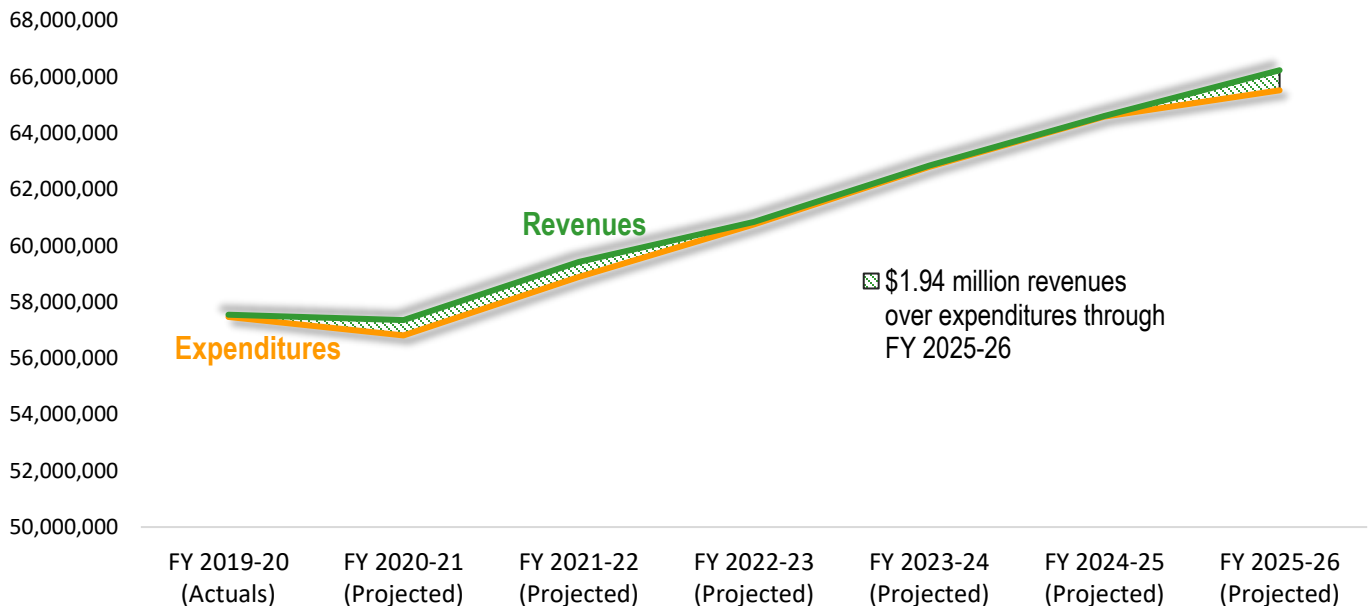
## FIVE YEAR PROJECTIONS SUMMARY

To address the economic relief of the COVID-19 pandemic, the American Rescue Plan Act (ARPA) was signed in March 11, 2021 and provides Federal funding to local and county agencies. The initial funding allocation for the City of Brea is estimated to be \$8.14 million. The below charts compare the five year projections with and without the use of excess General Fund reserves or ARPA funding. Information provided is based upon staff's projections based upon known assumptions and is subject to change as more information becomes available.

### PROJECTIONS WITHOUT EXCESS GENERAL FUND RESERVES OR ARPA FUNDING



### PROJECTIONS WITH ARPA FUNDING







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## DECISION PACKAGE SUMMARY

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Decision packages are requested for new programs, new personnel, and/or new equipment. In many instances, requests for new equipment are actually the identification of capital items that are in need of replacement or major repair. The following is a summary of decision packages for FY 2021-22 that were reviewed by the Budget Team and are recommended for review by the City Council.

The summary is arranged by Fund and each decision package request appears within each Fund group randomly by the submitting department; not in priority order. The cost of each decision package reflects net cost for FY 2021-22 after taking into consideration any expenditure or revenue offsets that may be possible. If any decision package has an ongoing costs beyond FY 2021-22 it's noted in the decision package title for reference purposes.

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### RECOMMENDED FOR APPROVAL

FY 2021-22  
Net Cost      Page

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#### General Fund (110)

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##### Administrative Services Department

NEOGOV Human Resources Management Software (ongoing cost is \$22,872)	\$	6,500	21
Reclassify Revenue & Budget Manager to Financial Services Manager/Revenue (ongoing cost is \$8,434)	\$	8,434	23

##### Community Development

Reclassify Associate Planner Position from Limited to Permanent (ongoing cost is \$130,540)	\$	0	25
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**FUND TOTAL**      \$      **14,934**

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#### Public Safety Augmentation Fund (172)

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##### Police Services Department

Purchase New Taser 7 CEW (Conducted Electrical Weapon)	\$	174,523	29
Mobile Printers for Panasonic Toughbook (Crossroads Citations)	\$	32,100	31

##### Fire Services Department

SCBA (Self-Contained Breathing Apparatus) Bottle Replacement	\$	25,000	33
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**FUND TOTAL**      \$      **231,623**

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## **DECISION PACKAGE SUMMARY**

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### **Community Center Replacement (181)**

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#### **Community Services Department**

Brea Community Center Equipment and Facility Improvements	\$ 112,000	37
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<b>FUND TOTAL</b>	<b>\$ 112,000</b>	
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### **Fixed Asset Replacement Fund (182)**

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#### **Community Services Department**

Curtis Theatre Equipment Upgrades	\$ 179,500	41
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<b>FUND TOTAL</b>	<b>\$ 179,500</b>	
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### **Narcotics Enforcement Asset Seizure Fund (231)**

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#### **Police Services Department**

Purchase of Demographic Data Collection Computer Module (ongoing cost is \$2,233)	\$ 17,175	45
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Purchase of Ten Toughbook Tablets	\$ 44,306	47
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<b>FUND TOTAL</b>	<b>\$ 61,481</b>	
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### **Air Quality Improvement Fees Fund (240)**

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#### **Police Services Department**

Purchase Four Electronic Assist Bicycles (E-bikes)	\$ 12,000	51
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<b>FUND TOTAL</b>	<b>\$ 12,000</b>	
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### **Fire Impact Fees Fund (542)**

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#### **Fire Services Department**

Adding New Fire Command Vehicle (ongoing cost is \$10,000)	\$ 175,000	55
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<b>FUND TOTAL</b>	<b>\$ 175,000</b>	
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*General Fund (110)*

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## FY 2021-22 DECISION PACKAGE

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**Department:** Administrative Services  
**Division:** Human Resources  
**Request:** NEOGOV Human Resources Management Software

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The City of Brea currently uses an internally developed Human Resources Management software system known as PATS (Personnel Applicant Tracking System) to facilitate online applications for all City employment opportunities. The program is also used to track applicants throughout the hiring process and to host all job descriptions and salaries. There is a separate program known as InfoPath that is used to electronically capture notes during oral panel interviews to display applicants' job applications and to tabulate applicant ratings. Both of these programs were developed over 15 years ago and increasingly it has become more challenging to maintain their full operational capacity and compatibility with newer technology interphases. One of the biggest challenges with the current system is that it is not mobile enabled and does not work very well with any Apple products. Often times this lack of compatibility with mobile devices creates frustration with applicants as they are not able to submit their applications using their mobile devices. This software is supplemented with the City's website to post all labor contracts and benefit information. In regards to the onboarding process, currently this is a manual process.

A new human resources information management software would significantly improve our hiring process and create further efficiencies by centralizing recruitment/hiring operations into one dependable software solution and create an electronic onboarding process. NEOGOV is the market and technology leader in on-demand human resources software for the public sector and for higher education. NEOGOV's HR software automates the entire hiring, onboarding, training and performance evaluation process. The NEOGOV suite supports organizations through the entire employee lifecycle. Human Resources is looking to use this software to automate the entire employee tracking and onboarding process and to facilitate management of all of our labor contracts and job descriptions. This software is the gold standard for all municipal HR management software needs.

The initial cost is a one-time setup fee of \$6,500 in year 1 and the ongoing annual fee to support the software is \$22,872 in year 2 and \$24,076 in year 3. This request is recommended to be funded by the General Fund (110).

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Fiscal Impact			
	<u>Fund/Dept/Program No</u>	<u>FY 2021-22</u>	<u>Ongoing</u>
Salary/Benefits		\$ 0	\$ 0
Services/Supplies	110 14 1481 4321	6,500	22,872
Capital Outlay		0	0
<b>Subtotal</b>		<b>\$ 6,500</b>	<b>\$ 22,872</b>
Offset		0	0
<b>Total</b>		<b>\$ 6,500</b>	<b>\$ 22,872</b>

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## ***FY 2021-22 DECISION PACKAGE***

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**Department:** Administrative Services

**Division:** Revenue and Budget Division

**Request:** Reclassify Revenue & Budget Manager to Financial Services Manager/Revenue

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The City's Administrative Services Department includes a classification called Financial Services Manager (Accounting/Revenue) which provides for two equivalent positions, each overseeing certain aspects of the Finance division of the department. In the past, the duties were essentially assigned as follows:

- Financial Services Manager/Accounting - oversight and control of the City's accounting and financial reporting functions, including general ledger, payroll, accounts payable, fixed assets, grants, audits and coordination with Public Works for the City's capital budgeting.
- Financial Services Manager/Revenue - oversight and control of the City's operating budget, front counter/customer service operations, including utility billing, cashiering and business tax; accounts receivable, utility rate analysis and projections and treasury functions.

In 2004, the Financial Services Manager/Revenue at that time was promoted to Financial Services Director and continued to provide day-to-day direction and control over a majority of the functions with the assistance of a Senior Management Analyst. In FY 2005-06, a new classification of Revenue & Budget Manager was created to direct a variety of complex budgetary projects and provide professional, analytical and technical assistance to the Administrative Services Director, City Manager and Assistant City Manager. This position essentially took on the budget duties of the former Financial Services Manager/Revenue position.

Over time, the Revenue & Budget Manager position has taken on the duties which align with the Financial Services Manager/Revenue position. These duties include the direction and control of the City's front counter/customer service operations, including City-wide cashiering, utility billing, business tax; accounts receivable and treasury functions. Additionally, the position is responsible for utility rate analysis and projections treasury functions, including cash flow planning and administration, interest rate forecasting and investment planning.

Bond administration and trustee services which are a treasury function as well as being the liaison from the Finance Division to the Public Works department for capital budgeting have been assigned to the Financial Service Manager/Accounting position in the past. It is planned to assign these duties to the Financial Services Manager/Revenue position since they deal with treasury and budget. Lastly, this position also administers the City's financial software from the end-user standpoint and contract administration. The position is also supervising professional level staff. It is also noted that this position has been managing the City's payroll function and will continue to do so until the Financial Services Manager/Accounting position is filled.

It is recommended the Revenue & Budget Manager position be reclassified to Finance Services Manager/Revenue to properly address the duties currently being performed. This requested is recommended to be fund by the General Fund.



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## ***FY 2021-22 DECISION PACKAGE***

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<b>Fiscal Impact</b>				
	<u>Fund/Dept/Program No</u>	<u>FY 2021-22</u>		<u>Ongoing</u>
Salary/Benefits	110 14 14XX 41XX	\$ 8,434	\$	8,434
Services/Supplies		0		0
Capital Outlay		0		0
	<b>Subtotal</b>	<b>\$ 8,434</b>	<b>\$</b>	<b>8,434</b>
Offset		0		0
	<b>Total</b>	<b>\$ 8,434</b>	<b>\$</b>	<b>8,434</b>

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## ***FY 2021-22 DECISION PACKAGE***

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**Department:** Community Development

**Division:** Planning Division

**Request:** Reclassify Associate Planner Position from Limited Term to Permanent

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On November 19, 2019, the City Council authorized a two-year Limited Term Associate Planner position to help with the processing of high levels of development and related activities. This position was originally filled in May 2020 for approximately four (4) months, however this individual resigned and the position remained unfilled until November 2020. The position is now currently filled and is anticipated to expire in July 2022.

City Council approved this position to process major and complex entitlement projects. With the onset of COVID-19, a lot of these projects were put on-hold and deferred to a later date. It is anticipated that the Brea 265, Brea Mall, and Brea Plaza projects will be processed in the coming fiscal year, all with Environmental Impact Reports (CEQA). As staff anticipates the increase of these projects, staff is submitting this request to reclassify this Associate Planner position from limited term to permanent. This Associate Planner position is a critical position for the Planning Division and processes medium to high level current Planning entitlement projects. The position also serves as the planning counter lead, responsible for working with the Planning Technician and Assistant Planner positions on public inquiries, over-the-counter reviews, and building and safety permit plan checks.

In addition, this position would be responsible for overseeing other anticipated complicated projects requiring General Plan Amendments, Zone Changes, and Mitigated Negative Declarations (CEQA). Through the Housing Element, staff has identified and incentivized the production of multi-family housing units to address the Regional Housing Needs Assessment (RHNA). Planning, as reflected in the revenue forecasting, and in response to the Housing Element, is expecting an increase in the production of multi-family residential units over the next few years. This position would also be responsible for the processing and implementation of these projects, if approved, over the course of the next 2-5 years.

Having a permanent Associate Planner can ensure consistency, efficiency, and productivity in the projects, thereby helping to move projects along in a smooth and business-friendly manner. The types of assignments and complexities in the development stream is time sensitive and with the uptick of these more complex activities, the analysis required to process these is beyond what an Assistant Planner position can do.

The position is currently budgeted in the proposed FY 2021-22 budget, however the department needs guidance on whether to budget the position on a permanent basis in future years. The below fiscal impact details the fully burdened salary and benefits of the position for reference only. The position is funded through the City's General Fund (110) however it is anticipated that two-thirds of the costs would be cost recovered from developer deposit accounts, grants and the City's General Plan Maintenance Fund (120).

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## ***FY 2021-22 DECISION PACKAGE***

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<b>Fiscal Impact</b>				
	<u>Fund/Dept/Program No</u>	<u>FY 2021-22</u>		<u>Ongoing</u>
Salary/Benefits	110 32 3231 41XX	\$ 0	\$	0
Services/Supplies		0		130,540
Capital Outlay		0		0
<b>Subtotal</b>		<u>\$ 0</u>	<u>\$</u>	<u>130,540</u>
Offset		0		0
<b>Total</b>		<u>\$ 0</u>	<u>\$</u>	<u>130,540</u>

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*Public Safety Augmentation Fund (172)*

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**Recommended for Council Approval**



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## FY 2021-22 DECISION PACKAGE

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**Department:** Police Services  
**Division:** Uniform/Patrol  
**Request:** Purchase New Taser 7 CEW (Conducted Electrical Weapon)

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The Police Department currently issues Taser X26P Conducted Electrical Weapons ("CEW") to sworn personnel. The last Tasers purchased was in November 2015 when the department switched from the Taser X26 to the Taser X26P. All Taser CEW's have a 5-year unlimited warranty. The 5-year unlimited warranty on the department's current inventory expired in November 2020. The Brea Police Department currently has 65 Taser X26P's. Taser states that their products are designed to last for five years and they cannot guarantee their performance beyond the 5-year time frame. The department is requesting to replace our current inventory of Taser X26P's with the new and improved Taser 7.

The current Taser X26P requires a specific battery pack that is not rechargeable and costs \$55 each. Each battery pack lasts approximately 6-8 months with normal usage. The average cost to replace the batteries for the Taser units in service is approximately \$4,900 per year. Taser releases periodic firmware updates that improve the performance of the Taser units and these firmware updates must be installed manually by the department's Taser Instructors. The Taser X26P is only capable of holding and deploying one Taser cartridge at a time. When the Taser X26P is deployed in the field, a Taser Instructor must download the memory log from the Taser X26P that was deployed.

The new and improved Taser 7 is equipped with a rechargeable battery. The battery pack is placed in a specific charging bank that is connected to the internet. The battery pack updates the Taser 7 with new firmware automatically and transfers the memory logs to a website where they can be viewed by Taser Instructors. The Taser 7 holds two Taser cartridges and the user can select which Taser cartridge to deploy. Taser offers a close-range cartridge and a standoff cartridge option for the Taser 7, which is not available for the Taser X26P. The Taser 7 darts are improved as well. They have twice the kinetic energy and spool out wire instead of emptying out all the wire when the dart is fired.

The total cost to replace the current 65 Taser X26P's with brand new Taser 7's is \$174,483. This also includes 390 cartridges (six cartridges per Taser), 12 inert training cartridges, a Taser 7 battery dock, rechargeable Taser 7 batteries, Taser 7 holsters, and a Taser 7 training target. The Police Department will receive a \$12,513 trade in value for the current Taser X26P's. The trade-in brings the total cost for the Taser 7 to \$161,970. With sales tax of 7.75%, the total cost is \$174,523.

This request is recommended to be funded by the Public Safety Augmentation Fund (172) which is restricted for use for public safety services. There is no General Fund impact.

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### Fiscal Impact

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	<u>Fund/Dept/Program No</u>	<u>FY 2021-22</u>	<u>Ongoing</u>
Salary/Benefits		\$ 0	\$ 0
Services/Supplies		0	0
Capital Outlay	172 21 2141 4639	<b>174,523</b>	0
<b>Subtotal</b>		<b>\$ 174,523</b>	<b>\$ 0</b>
Offset		0	0
<b>Total</b>		<b>\$ 174,523</b>	<b>\$ 0</b>



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## ***FY 2021-22 DECISION PACKAGE***

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**Department:** Police Services  
**Division:** Uniform/Patrol  
**Request:** Mobile Printers for Panasonic Toughbook (Crossroads Citations)

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A mobile printer is an essential piece of equipment for patrol, traffic, jailer, and investigations. The mobile printer is synced to the Panasonic Toughbook tablet used by each officer and allows the officer to print citations from the Crossroads Tablet Citation Program made by Crossroads Software.

The majority of the department's mobile printers were purchased approximately ten years ago and had an end of life in 2015. The current vendor (Zebra) will no longer support the equipment as of December 31, 2020 and because of the current age of the equipment, the mobile printers are starting to have problems and stop working.

Zebra offers a new updated model that is durable and compatible for use with the Crossroads Tablet Citation software currently being used. The Police Department contacted Crossroads Software and the mobile printer they recommended for their software is the Zebra Model ZQ521. This model is similar in size to the current RW420 printer, so the current printer holster used by the Traffic Division on the BMW motorcycles can still be used, saving money on having to purchase new holsters. The current printer paper rolls used in the RW420 will also work in the Zebra Model ZQ521.

Currently, each officer in patrol and traffic is issued a printer to use with their assigned tablet. The tablet version of the Crossroads Citation Program allows for a much simpler process to sync printers. Therefore, with the purchase of the new ZQ521 printer, the Police Department proposes purchasing a total of 32 printers at a cost of \$675 each (includes battery). This will be distributed as follows: Eighteen (18) for each patrol vehicle, six (6) for each traffic officer, two (2) shared by the Crime Suppression Unit, two (2) shared by the Detective Bureau, one (1) for the Jail and three spare printers. This is a total cost of \$21,600 plus tax.

The department evaluated purchasing a printer for each officer, however would require purchasing upwards of 45 printers (plus spares), which would significantly increase the cost of this proposal. In order to charge the mobile printer batteries in the patrol units, the department proposes purchasing eighteen (18) DC vehicle 12-24V charging adapters (Zebra QLN/ZQ5) at \$39 each, plus six AC mobile charging adapters (Zebra ZQ500) at \$50 each for the Traffic Division. The total cost for the charging adapters will be \$1,002 plus tax.

The Traffic Division will use the current printer holster mounted on the motorcycle to protect their printers. The department proposes purchasing twenty-three (23) soft cases with a shoulder strap (Zebra Soft Case ZQ520) at \$58 each. These soft cases will be used to hold and protect the printers in the patrol units, crime suppression unit, detective bureau and jail. The printer can be used while still in the soft case. The total cost for the soft cases will be \$1,334 plus tax.

With the purchase of the charging adaptors for patrol units and traffic division, the Police Department would still need to provide a means to charge the batteries for the remaining printers, so this proposal includes purchasing one 4-bay power station (Zebra Quad battery charger) at \$250 each and four (4) spare batteries (Zebra Smart battery ZQ510/20) at \$77 each. This will allow a means to swap out and charge batteries. The total cost for these accessories will be \$558 plus tax.



## FY 2021-22 DECISION PACKAGE

Along with the above costs, the Police Department would also purchase one USB cable (Zebra ZQ500 6" cable) at \$16 each used for programming the printers and a 3-year warranty (Zebra OnecareZQ520) at \$165 for each printer. The total cost for the USB cable and warranty is \$5,296 plus tax.

Description	Total Cost
Printers (Zebra Model ZQ521)	\$21,600
Charging adapters	\$1,002
Soft cases	\$1,334
Accessories	\$558
Cable & 3-year warranty	\$5,296
Sub-Total	\$29,790
Tax (7.75%)	\$2,309
Total	\$32,099

The Police Department received a quote from MSA Systems Inc., who distributes the ZEBRA products on the west coast, and the total cost without tax and shipping will be \$29,790 and with sales tax would cost approximately \$32,100.

This request is recommended to be funded by the Public Safety Augmentation Fund (172) which is restricted for use for public safety services. There is no General Fund impact.

### Fiscal Impact

	<u>Fund/Dept/Program No</u>	<u>FY 2021-22</u>	<u>Ongoing</u>
Salary/Benefits		\$ 0	\$ 0
Services/Supplies		0	0
Capital Outlay	172 21 2141 4639	32,100	0
<b>Subtotal</b>		<b>\$ 32,100</b>	<b>\$ 0</b>
Offset		0	0
<b>Total</b>		<b>\$ 32,100</b>	<b>\$ 0</b>

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## FY 2021-22 DECISION PACKAGE

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**Department:** Fire Services

**Division:** Operations

**Request:** SCBA (Self-Contained Breathing Apparatus) Bottle Replacement

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As the Fire Department continues to rotationally replace its SCBA air bottles, it has identified 25 bottles requiring replacement. The air bottles are inspected routinely in daily duties, and hydrostatically tested every 3-5 years depending on bottle type, to determine integrity and usability in adverse environments. However, every bottle is also issued a service life by the manufacturer. Service life ranges from 15-30 years depending on specification at time of purchase. Our current air bottles were purchased with a 15-year service life and expired in 2020. As air bottles are cycled out, the department is requesting to purchase 30-year service life bottles to replace them.

SCBAs are an OSHA requirement for all operations performed in or around any environment considered to be immediately dangerous to life and health or IDLH. This includes all active fire incidents, hazardous materials incidents, confined space incidents, certain biological medical calls, etc.

Per OSHA, DOT and National Fire Protection Association, the use of SCBA bottles is not permitted past the manufacturer's listed service life. The department has just enough SCBA bottles to outfit every on-duty Firefighter position with a bottle and two spares. The department will be short of that inventory if unable to provide for timely replacement. After this proposed replacement, the next replacement purchase of the current SCBA bottles will be in 2023. The department anticipates to replace the remaining 40 SCBA bottles expected to reach the end of their service life.

This request is recommended to be funded by the Public Safety Augmentation Fund (172) which is restricted for use for public safety services. There is no General Fund impact.

Fiscal Impact				
	<u>Fund/Dept/Program No</u>	<u>FY 2021-22</u>		<u>Ongoing</u>
Salary/Benefits		\$ 0	\$	0
Services/Supplies		0		0
Capital Outlay	172 22 2221 4639	25,000		0
<b>Subtotal</b>		<b>\$ 25,000</b>	<b>\$</b>	<b>0</b>
Offset		0		0
<b>Total</b>		<b>\$ 25,000</b>	<b>\$</b>	<b>0</b>



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*Community Center Replacement Fund (181)*

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## ***FY 2021-22 DECISION PACKAGE***

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**Department:** Community Services

**Division:** Community Center

**Request:** Brea Community Center Equipment and Facility Improvements

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The Community Center Replacement Fund (181) was established by City Council in 1997 as a method of retaining funds for future infrastructure and equipment replacements at the Brea Community Center (BCC). There is \$167,000 currently transferred from the General Fund to this fund annually. No funds were used for the first ten years the fund existed, and the current fund balance is approximately \$730,000.

These funds ensure the facility remains in optimal condition, which is of utmost importance since the BCC is the face of the City to many people with just over 450,000 annual visitors. Pre-COVID, there were consistent special events, facility rentals and a fitness program which account for \$1.2 million of the Department's \$3.2 million in annual revenue. Continuing these investments in this facility will ensure programs are able to rebound from the current pandemic and swiftly achieve equal or higher revenues.

Community Services staff continues to partner with Public Works' Building Division staff to verify needs, projects and associated costs. In Fiscal Year 2021-22, Community Services staff requests a total of \$112,000, as identified below.

1. The equipment at the Brea Fitness Center is used heavily with over 9,000 visitors per month. Replacement of four treadmill fitness machines (FMTL70718) with LED SMART Series incline trainer is necessary due to safety issues. These machines are used by many of our patrons, including seniors and are unable to be repaired at this time. The anticipated cost of replacing these four machines is \$25,000.
2. Every year, broken or damaged tables used for the BCC's successful Facility Rental Program are taken out of inventory, therefore require replacement. These replacements are imperative for the continued success of the Facility Rental Program. The estimated cost is \$11,000.
3. A number of the light fixtures within the outdoor tree-wells need replacement. These lighting fixtures allow for increased visibility at night and help prevent guests from tripping in the tree wells on the premises, especially with the Community Center hosting many programs and rentals in the evening hours. The estimated cost is \$4,000.
4. The Brea Community Center parking lot and driveways are currently outfitted with ADA tiles (or truncated dome detectable warning surfaces) that provide a physical cue for visually disabled individuals as they approach vehicular drive aisles. Many of the current tiles need repair in order to continue meeting ADA standards. The estimated cost is \$60,000.
5. The HVAC unit that supports the Tiny Tots and kitchen area in the Community Center is nearing the end of its lifespan. In order to ensure reliability as we continue to offer programs and facility rentals, the unit needs replacement. The estimate cost is \$12,000.

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## ***FY 2021-22 DECISION PACKAGE***

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### **Fiscal Year 2021-22 Summary and Subtotal:**

1. Fitness Center Treadmills	\$25,000
2. Facility Tables/Garden Chairs Replacements/Patio Furniture	\$11,000
3. Tree Well Lighting	\$4,000
4. ADA Tile Replacement	\$60,000
5. Tiny Tots/Kitchen HVAC Unit Replacement	<u>\$12,000</u>
	<b>\$112,000</b>

<b>Fiscal Impact</b>				
	<u>Fund/Dept/Program No</u>	<u>FY 2021-22</u>		<u>Ongoing</u>
Salary/Benefits		\$ 0	\$	0
Services/Supplies		0		0
Capital Outlay	181 40 4250 4639	<u>112,000</u>		<u>0</u>
<b>Subtotal</b>		<u>\$ 0</u>	<u>\$</u>	<u>0</u>
Offset		0		0
<b>Total</b>		<u>\$ 112,000</u>	<u>\$</u>	<u>0</u>

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*Fixed Asset Replacement Fund (182)*

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## ***FY 2021-22 DECISION PACKAGE***

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**Department:** Community Services  
**Division:** Cultural Arts  
**Request:** Curtis Theatre Equipment Upgrades

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Last fiscal year the Curtis Theatre staff prepared a three-year plan for equipment upgrades for the facility, which is currently in its 41st year of operation. The plan included the following facility upgrades:

- Year One: Replacement of heavyweight black drapes and its track system
- Year Two: Backstage improvements including countertops, lighting, flooring and restrooms
- Year Three: Replacement of audience seating

Due to the constraints COVID-19 has had on the FY 2020-21 budget, the Year One project was put on hold for re-evaluation in FY 2021-22. Because the Curtis Theatre anticipates being closed to the public through the fall of 2021, staff is proposing to reprioritize the phased plan and seek funding for both the drapes and track system project, as well as the replacement of audience seating in FY 2021-22. Both of these projects can be replaced rapidly and while the facility remains dark, ahead of welcoming patrons back in the fall.

### **Replacement of Drapes and Track System:**

The existing drapes were last replaced in 2008 and have a life expectancy of approximately ten years. As with any fabric, stage drapes deteriorate over time. Continuous care has allowed the life of the current drapes to extend beyond their ten-year life expectancy. Staff continuously surveys the drapes for holes and tears, making repairs to the best of their ability. For the safety of theatre patrons and staff, it is imperative to keep drapes flame proofed, per National Fire Protection Agency (NFPA) guidelines, and in good working condition. Replacement of the drapes would not only enhance the visual appeal to theatre patrons, but to potential rental clients as well.

The existing drape track system is original to the facility and has not been replaced for 40 years. The current hardware has lasted a long time, but over several decades, the heavy use has caused the equipment to become worn down and difficult to operate. The anticipated life expectancy of new hardware would be approximately 30 years.

Initial quotes for replacing this equipment is currently estimated at \$19,500.

### **Replacement of Audience Seating & Carpeting:**

The audience seats are also original to the facility, though they were reupholstered in 2006. In addition to them surpassing their lifespan of approximately 30 years, staff has also received feedback from patrons that the current seating is worn down and uncomfortable. In an effort to continue Brea's investment in the arts and the experience of our art patrons, staff recommends funding this project at a time when there is no risk of losing new revenue upon reopening. As with the replacement of drapes, new audience seating would be an attractive selling point for potential rental clients as the Curtis Theatre looks to rebound its revenue following the COVID-19 pandemic.

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## ***FY 2021-22 DECISION PACKAGE***

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The replacement would include enhanced row and seat labels to improve navigation throughout the audience area. The replacement will also maintain the current 199 seats, which includes accommodations for ADA accessibility and a movable back row that allows for flexibility within the facility.

Initial quotes for replacing audience seats is currently estimated at \$120,000.

In addition to the seating replacement, the timing would be ideal to replace the carpeting under the seats and throughout the house and lobby. The existing carpet has not been replaced since 2006 and is showing signs of wear and tear. Due to the ease of replacing the carpeting while the house seats are removed, staff would recommend completing these two projects simultaneously.

Initial quotes for replacing the carpeting is currently estimated at \$40,000.

<b>Fiscal Impact</b>				
	<u>Fund/Dept/Program No</u>	<u>FY 2021-22</u>		<u>Ongoing</u>
Salary/Benefits		\$ 0	\$	0
Services/Supplies		0		0
Capital Outlay	182 40 4542 4639	<b>179,500</b>		0
<b>Subtotal</b>		<b>\$ 0</b>	<b>\$</b>	<b>0</b>
Offset		0		0
<b>Total</b>		<b>\$ 179,500</b>	<b>\$</b>	<b>0</b>

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## *Narcotics Enforcement Asset Seizure Fund (231)*

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## FY 2021-22 DECISION PACKAGE

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**Department:** Police Services  
**Division:** Investigation / Records  
**Request:** Purchase of Demographic Data Collection Computer Module

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In 2015, the California legislature passed Assembly Bill 953 and requires all law enforcement agencies in the state to collect perceived demographic and other detailed data regarding pedestrian and traffic stops. The data is not to be collected from identification like a passport or driver's license; rather, the data is based upon the officer's perception of the person they stopped. A "stop" is defined as any detention or search, including consensual searches, and this information must be reported to the California Department of Justice (DOJ). The data that is collected for RIPA includes observed age, race, gender, and disabilities; reason for the stop, actions taken during the stop and results of the stop; search information, property seized, and evidence found.

The information collected is published annually by The Racial and Identity Profiling Advisory Board (RIPA). The Board consists of a diverse group of members that represent the public, law enforcement, and educators. At the direction of the Legislature, their charge is to eliminate racial/identity profiling, and improve diversity and racial/identity sensitivity in law enforcement. The California Department of Justice, Office of the Attorney General, has the primary oversight of the RIPA Board.

The implementation of the collection of data is determined by the size of the law enforcement agency. The department's implementation date is January 1, 2022. The department's Records Management System, Spillman, is owned by Motorola Solutions. Motorola Solutions has created a Spillman module for the collection of the RIPA data. The reports have a built-in validation process and will submit data to California DOJ directly. The Police Department proposes to purchase this module in order to comply with the requirement to collect and report data by January 2022.

The fiscal impact is a one-time cost of \$17,175 in FY 2021-22, which includes installation and project management. Beginning in year two (FY 2022-23), 12 months after implementation, the module will cost \$2,233 in annual maintenance fees.

The initial one-time cost is recommended to be funded by the Narcotics Enforcement Asset Seizure Fund (231) which is restricted for use for police services. There is no General Fund impact with the initial cost. The ongoing maintenance cost is recommended to be funded by the City's IT Internal Service Support Fund (475).

Fiscal Impact				
	Fund/Dept/Program No		FY 2021-22	Ongoing
Salary/Benefits		\$	0	\$ 0
Services/Supplies	475 14 171 4291		0	2,233
Service/Supplies	231 21 2141 4612		17,175	0
	<b>Subtotal</b>	\$	<b>17,175</b>	\$ 2,233
Offset			0	0
	<b>Total</b>	\$	<b>17,175</b>	\$ 2,233



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## ***FY 2021-22 DECISION PACKAGE***

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**Department:** Police Services  
**Division:** Uniform/Patrol  
**Request:** Purchase of Ten Toughbook Tablets

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The Police Department issues Panasonic Toughbook tablets to each Officer, Detective, Detective Supervisor, and Police Services Officer. The tablets replaced permanently installed Mobile Data Computers (MDCs) inside patrol cars and have replaced personal computers in report writing areas. The Police Department purchased and issued these tablets in FY 2019-20. Tablets allow access to City networks like any other City-owned PC, but also gives access to Police Department systems. The tablets are able to be removed from the police cars, allowing them to be used in field situations. Police officers can also use the tablets in place of digital cameras.

At the time of the original purchase, in order to save money, the department chose to have the patrol supervisors share three tablets that were assigned to the three supervisor cars. The department also chose to purchase only two spare tablets. Because of overlapping shifts, there have been a number of occasions where supervisors have had to drive a regular patrol car (rather than a supervisor car) and because they were not issued a tablet, had to operate without a computer. In the current technological age, not having access to a computer hampers the supervisor's effectiveness. Being used in field settings, the tablets occasionally encounter issues that require repair. When this occurs overnight or on a weekend, the affected officer is issued a spare tablet. Having only two spare tablets, the spares are almost perpetually being used by an officer with a computer that is out for repair.

The department proposes purchasing ten (10) additional tablets at a cost of \$4,430.63 per tablet (including taxes and four-year warranty). The ten tablets will be dispersed as follows:

- There are currently eight patrol supervisors – three lieutenants and five sergeants. Five of the tablets will be used (in combination with the three pre-existing supervisor tablets) to issue a tablet to each supervisor – rather than having them assigned to the supervisor cars;
- One tablet will be issued to the Professional Standards Lieutenant;
- One tablet will be issued to the Detective Lieutenant (a position is anticipated to be created and staffed early in FY 2021-22);
- One tablet will be issued and shared between the two Jailers. Jailers work at night, transporting prisoners and doing parking enforcement and use vehicles that have computer docks, but no computers; and
- Two tablets will be added to the supply of spare tablets.

The department received a bid from CDCE Inc. who is the same vendor that provided the original supply of tablets. The proposed additional tablets will be configured and outfitted identically to the tablets purchased in FY 2019-20. The department also consulted with the Information Technology Division on this purchase and they advised that they would be able to maintain these computers without any additional staff or funding needs.

This request is recommended to be funded by the Narcotics Enforcement Asset Seizure Fund (231) which is restricted for use for police services. There is no General Fund impact.



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## FY 2021-22 DECISION PACKAGE

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Fiscal Impact				
	<u>Fund/Dept/Program No</u>	<u>FY 2021-22</u>		<u>Ongoing</u>
Salary/Benefits		\$ 0	\$	0
Services/Supplies		0		0
Capital Outlay	231 21 2141 4639	<b>44,306</b>		0
<b>Subtotal</b>		<b>\$ 44,306</b>	<b>\$</b>	<b>0</b>
Offset		0		0
<b>Total</b>		<b>\$ 44,306</b>	<b>\$</b>	<b>0</b>

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*Air Quality Improvement Fees Fund (240)*

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**Recommended for Council Approval**



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## ***FY 2021-22 DECISION PACKAGE***

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**Department:** Police Services  
**Division:** Uniform/Patrol  
**Request:** Purchase Four Electronic Assist Bicycles (E-bikes)

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The current patrol bicycles are at least 20 years old and, while still mostly functional, are showing their age. The current trend in law enforcement bicycles is to use electric assist bicycles, or E-bikes, instead of traditional bicycles. The technology in E-bikes has increased exponentially and the performance, range, and ease of use has made them viable for use in a patrol role.

A traditional bicycle may be able to obtain 15 mph while responding to a call for service, but an E-bike can easily be pedaled up to 28 mph with less effort. The low speed of a traditional bicycle extends response times and generally relegates the bicycle officer to going to calls in a small geographic area. E-bikes allow an officer to respond to calls in a larger geographic area with a shorter response time. With the increased speed, maneuverability, and range, an officer on an E-Bike can arrive to calls for service faster than a traditional police radio car during high traffic times, and would also reduce traffic congestion in the process.

With the extended range, decreased response time, and increased maneuverability, officers working on E-bikes would be ideal for patrolling congested areas and areas that can be less accessible in a patrol car – Downtown/Birch Street Promenade, Tracks to Trails, Brea Mall, city parks, and parking structures.

The Police Department proposes purchasing four electric assist Giant Roam E+ brand bicycles from a dealer in Brea. They would be equipped by the dealer with police lighting and service lights, a rear carrying rack, and a rear equipment bag. The bicycles include a battery and charger as well as pedals. The Police Department would purchase two medium-sized and two extra-large-sized bicycles to fit police officers from 5'7" to 6'7". The bicycles would be delivered fully equipped from the Brea dealer, and would include initial adjustment, setup and break-in maintenance. The price for the E-bikes are \$3,000 each, for a total of approximately \$12,000. It should be noted that the attached estimate is for the bicycles only, and not lighting, rack, or equipment bag.

The Police Department has a small budget for the bicycle team that would cover incidental repairs and maintenance. Thus, this purchase would not incur any ongoing expenses beyond what could be covered by the current budget. The current bicycles have held up remarkably well over the years and it is anticipated that the E-bikes will enjoy similar levels of longevity and reliability.

This request is recommended to be funded by the Air Quality Improvement Fees Fund (240) which receives funding from the South Coast Air Quality Maintenance District (AQMD) for projects that lower vehicle emissions and improves air quality. This request qualifies as an eligible purchase and there are sufficient funds in Fund 240 to support this request. There is no General Fund impact.

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## FY 2021-22 DECISION PACKAGE

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Fiscal Impact				
	<u>Fund/Dept/Program No</u>	<u>FY 2021-22</u>		<u>Ongoing</u>
Salary/Benefits		\$ 0	\$	0
Services/Supplies	240 21 2131 4387	12,000		0
Capital Outlay		0		0
	<b>Subtotal</b>	<b>\$ 12,000</b>	<b>\$</b>	<b>0</b>
Offset		0		0
	<b>Total</b>	<b>\$ 12,000</b>	<b>\$</b>	<b>0</b>

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*Fire Impact Fees Fund (542)*

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**Recommended for Council Approval**



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## FY 2021-22 DECISION PACKAGE

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**Department:** Fire Services  
**Division:** Operations  
**Request:** Adding New Fire Command Vehicle

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As indicated by the Brea and Fullerton shared command staff agreement, ownership of command vehicles to be utilized by Chief Fire Officers is shared between the two cities. Command vehicles are specific response vehicles with mission capable equipment specific to emergency lighting, sirens, multiple varying radio platforms, resource tracking technology, reconnaissance technology and other miscellaneous items required for long term incident stabilization. The command vehicle and Chief Officer in it assume Incident Command on arrival, setting the objectives and strategies for the responding resources to perform. Post incident, the Chief Officer assumes the on-scene administrative role, as the command vehicle also serves as a secondary mobile office. It is for the aforementioned reasons that the NFPA 1710, Orange County Fire Services Annex and Brea Fire Policy require a Chief Officer to arrive on scene within eight minutes of a multi-unit response.

The most recent addition to the Battalion Chief Command fleet was purchased in 2018. It is a highly capable heavy-duty truck platform, providing the most up-to-date technology to our staff. The backup to that vehicle is a Brea owned 2011 SUV which does not provide the same technological advances or heavy duty and off-road capabilities. At time of implementation, Brea City Council liked the new command platform and requested staff to pursue a second build to be owned by Brea. This addition will provide a comparable reserve command vehicle to be used when the other vehicle is out-of-service and will also be used exclusively as the second duty Chief Officer response vehicle. During “red-flag” fire weather, or other times of increased public safety threat, a Chief Officer is upstaffed for increased response.

Brea Fire Department Impact Fees are established to meet the impacts of development and infrastructural growth. The fees are exclusive to only the fire department and must be used for additional equipment the department identifies as necessary to address that growth. As call volume, fire behavior and incident scope all continue to increase with the growth of the City, the addition of this command vehicle to the fleet will ensure there is always a fully capable, all-hazard command and control platform to operate from. With the only current platform in the fleet, there is vulnerability to mechanical repairs, strike team deployments, and increased staffing difficulties which may render command staff without the heavier duty and more modern build when needed the most.

This request is recommended to be funded by the Fire Impact Fees Fund (542) which is restricted for use for fire equipment purchases. The ongoing maintenance costs would be funded from the City’s General Fund (110) through the City’s Vehicle Maintenance Fund (480) and is estimated to cost \$8,000 to \$10,000 annually.

Fiscal Impact				
	<u>Fund/Dept/Program No</u>	<u>FY 2021-22</u>		<u>Ongoing</u>
Salary/Benefits		\$ 0	\$	0
Services/Supplies	110 22 2211 5819	0		10,000
Capital Outlay	542 22 2221 4641	175,000		0
<b>Subtotal</b>		<b>\$ 175,000</b>	<b>\$</b>	<b>10,000</b>
Offset		0		0
<b>Total</b>		<b>\$ 175,000</b>	<b>\$</b>	<b>10,000</b>





# 110 GENERAL FUND

*The General Fund is used to account for all of the general revenues of the City not specifically levied or collected for other City funds and for the expenditures related to the rendering of general services by the City. The General Fund is used to account for all resources not required to be accounted for in any other fund.*

	Actual FY 2019-20	Adopted FY 2020-21	Estimated FY 2020-21	Budget FY 2021-22
<b>Beginning Balance 7/1</b>	<b>\$ 6,462,425</b>	<b>\$ 3,130,406</b>	<b>\$ 3,250,052</b>	<b>\$ 331,727</b>
<b>Resources</b>				
Revenues				
Property Tax	11,514,336	12,317,300	12,317,300	12,841,800
Sales Tax	21,495,924	21,170,918	19,968,354	22,811,546
Transient Occupancy Tax	1,352,527	1,543,136	880,912	1,162,692
Franchise Tax	3,447,009	2,602,300	2,545,700	2,608,900
Business Tax	1,036,931	1,100,000	1,100,000	1,040,000
Licenses & Permits	823,020	520,746	605,076	461,777
Motor Vehicle In-Lieu Fees	4,491,976	4,693,010	4,693,010	4,828,530
Community Services	2,360,836	2,513,323	691,996	1,798,619
All Other	8,872,972	8,435,495	8,843,428	7,792,190
Sub-total Revenues	55,395,531	54,896,228	51,645,776	55,346,054
Transfers-in				
General Plan Maintenance Fee (120)	51,000	-	-	-
Supplemental Law Enf. Services (173)	296,485	100,000	100,000	100,000
Fixed Asset Replacement (182)	97,950	-	-	-
Gas Tax (220)	450,000	450,000	450,000	450,000
Park Development (250)	-	-	-	-
Sanitation & Street Sweeping (440)	-	-	-	-
External IT Services (460)	-	-	-	-
Risk Management (470)	-	-	-	-
Sub-total Transfers-in	895,435	550,000	550,000	550,000
Transfer from Reserves	1,255,014	1,560,050	1,692,120	-
Total Resources	57,545,980	57,006,278	53,887,896	55,896,054
<b>Total Available</b>	<b>64,008,405</b>	<b>60,136,684</b>	<b>57,137,948</b>	<b>56,227,781</b>

# 110 GENERAL FUND

	Actual FY 2019-20	Adopted FY 2020-21	Estimated FY 2020-21	Budget FY 2021-22
<b>Requirements</b>				
Expenditures				
Management Services	2,880,866	3,133,111	3,356,388	3,149,553
Administrative Services	3,194,174	3,213,390	3,107,819	3,791,337
Police Services	22,881,565	23,843,347	23,389,017	24,867,920
Fire Services	8,415,435	8,361,981	9,198,076	8,252,010
Community Development	2,813,094	2,981,130	3,295,623	3,163,820
Community Services	7,296,693	7,787,712	6,755,713	7,898,868
Public Works	8,630,042	5,501,108	5,420,113	5,495,549
Sub-total Expenditures	56,111,869	54,821,779	54,522,749	56,619,057
Transfers-out				
Paramedic Services (174)	1,107,857	1,091,299	1,092,300	1,154,830
Community Center Replacement (181)	167,000	167,000	167,000	167,000
Fixed Asset Replacement (182)	660,000	600,000	600,000	750,000
Sanitation & Street Sweeping (440)	235,000	326,200	424,172	196,758
Equipment & Vehicle Maintenance (48C)	30,000	-	-	-
Capital Improvement (510)	-	-	-	-
Sub-total Transfers-out	2,199,857	2,184,499	2,283,472	2,268,588
Transfer to Reserves	2,446,627	1,472,927	-	520,357
<b>Total Requirements</b>	60,758,353	58,479,205	56,806,221	59,408,002
<b>Ending Balance 6/30</b>	<b>\$ 3,250,052</b>	<b>\$ 1,657,479</b>	<b>\$ 331,727</b>	<b>\$ (3,180,221)</b>
<b>Reserves</b>				
Operating Reserve 10%	5,746,070	5,700,628	5,680,622	5,888,765
Budget Stabilization Reserve 15%	8,619,105	8,550,942	8,520,933	8,833,147
Encumbrances	1,528,500	-	-	-
Solar energy bonds reserve fund	303,564	270,943	303,564	303,564
<b>Total Reserves</b>	<b>\$16,197,239</b>	<b>\$14,522,513</b>	<b>\$14,505,119</b>	<b>\$15,025,476</b>

# 172 PUBLIC SAFETY AUGMENTATION FUND

*The Public Safety Augmentation Fund is used to account for sales tax revenue generated by the enactment of Proposition 172 and for expenditures related to the enhancement of public safety services.*

	Actual FY 2019-20	Adopted FY 2020-21	Estimated FY 2020-21	Budget FY 2021-22
<b>Beginning Balance 7/1</b>	<b>\$ 119,435</b>	<b>\$ 150,286</b>	<b>\$ 199,672</b>	<b>\$ 298,601</b>
<b>Resources</b>				
Revenues				
Sales Tax	473,395	454,542	454,542	524,300
Interest	2,785	1,500	1,500	4,500
Total Revenues	476,180	456,042	456,042	528,800
Transfers-in				
Fixed Asset Replacement (182)	305,000	305,000	305,000	305,000
Dispatch Impact Fees (543)	-	-	-	-
Total Resources	781,180	761,042	761,042	833,800
<b>Total Available</b>	<b>900,615</b>	<b>911,328</b>	<b>960,714</b>	<b>1,132,401</b>
<b>Requirements</b>				
Expenditures	650,943	582,113	662,113	462,658
Transfers-out				
Information Technology (475)	50,000	-	-	-
Transfer to Reserves	-	-	-	400,000
<b>Total Requirements</b>	<b>700,943</b>	<b>582,113</b>	<b>662,113</b>	<b>862,658</b>
<b>Ending Balance 6/30</b>	<b>\$ 199,672</b>	<b>\$ 329,215</b>	<b>\$ 298,601</b>	<b>\$ 269,743</b>
<b>Reserves</b>				
Equipment Replacement	-	-	-	400,000
<b>Total Reserves</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400,000</b>

# 1 8 1 COMMUNITY CENTER REPLACEMENT FUND

*This fund was established in May 1997 to retain funds which are set aside annually for the future replacement of the Community Center facility and equipment.*

	Actual FY 2019-20	Adopted FY 2020-21	Estimated FY 2020-21	Budget FY 2021-22
<b>Beginning Balance 7/1</b>	<b>\$ 1,032,404</b>	<b>\$ 656,767</b>	<b>\$ 841,179</b>	<b>\$ 730,716</b>
<b>Resources</b>				
Transfers-in				
General Fund (110)	167,000	167,000	167,000	167,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Resources	167,000	167,000	167,000	167,000
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Available</b>	<b>1,199,404</b>	<b>823,767</b>	<b>1,008,179</b>	<b>897,716</b>
<b>Requirements</b>				
Expenditures	299,273	39,100	277,463	-
Transfers-out				
Capital Improvement (510)	58,952	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Requirements</b>	<b>358,225</b>	<b>39,100</b>	<b>277,463</b>	<b>-</b>
<b>Ending Balance 6/30</b>	<b>\$ 841,179</b>	<b>\$ 784,667</b>	<b>\$ 730,716</b>	<b>\$ 897,716</b>

# 1 8 2 F I X E D A S S E T R E P L A C E M E N T F U N D

*The Fixed Asset Replacement Fund was established in March 2002 to provide funding for the replacement of City-owned infrastructure, facilities and capital assets.*

	Actual FY 2019-20	Adopted FY 2020-21	Estimated FY 2020-21	Budget FY 2021-22
<b>Beginning Balance 7/1</b>	<b>\$ 6,974,003</b>	<b>\$ 1,549,593</b>	<b>\$ 5,317,896</b>	<b>\$ 2,788,263</b>
<b>Resources</b>				
Revenues				
Interest	-	-	-	-
Transfers-in				
General Fund (110)	660,000	600,000	600,000	750,000
Water Utility (420)	-	-	-	-
Dispatch Impact Fees (543)	-	-	-	-
Midbury Assesment (845)	-	-	-	-
Transfer from Reserves	-	-	1,279,314	250,000
<b>Total Resources</b>	<b>660,000</b>	<b>600,000</b>	<b>1,879,314</b>	<b>1,000,000</b>
<b>Total Available</b>	<b>7,634,003</b>	<b>2,149,593</b>	<b>7,197,210</b>	<b>3,788,263</b>
<b>Requirements</b>				
Transfers-out				
General Fund (110)	97,950	-	-	-
Public Safety Augmentation (172)	305,000	305,000	305,000	305,000
Information Technology (475)	664,835	-	-	-
Building Occupancy (490)	70,000	-	-	-
Capital Improvement (510)	1,178,322	378,000	4,103,947	1,190,421
Transfers to Reserves	-	-	-	-
<b>Total Requirements</b>	<b>2,316,107</b>	<b>683,000</b>	<b>4,408,947</b>	<b>1,495,421</b>
<b>Ending Balance 6/30</b>	<b>\$ 5,317,896</b>	<b>\$ 1,466,593</b>	<b>\$ 2,788,263</b>	<b>\$ 2,292,842</b>
<b>Reserves</b>				
Birch Hills Golf Course	180,000	180,000	-	-
Civic and Cultural Center Remodel	1,349,314	1,349,314	250,000	-
<b>Total Reserves</b>	<b>\$ 1,529,314</b>	<b>\$ 1,529,314</b>	<b>\$ 250,000</b>	<b>\$ -</b>

## 231 NARCOTICS ENFORCEMENT ASSET SEIZURE FUND

*This fund is used to account for assets seized by the Police Services Department during narcotics investigations. These funds can be used only for police services.*

	Actual FY 2019-20	Adopted FY 2020-21	Estimated FY 2020-21	Budget FY 2021-22
<b>Beginning Balance 7/1</b>	<b>\$ 235,159</b>	<b>\$ 115,345</b>	<b>\$ 117,332</b>	<b>\$ 115,323</b>
<b>Resources</b>				
Revenues				
Fines & Forfeitures	2,725	5,000	129,550	5,000
Interest	1,732	1,050	1,050	1,000
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Resources	4,457	6,050	130,600	6,000
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Available</b>	239,616	121,395	247,932	121,323
<b>Requirements</b>				
Expenditures	76,284	57,609	132,609	-
Transfers-out				
Information Technology (475)	46,000	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Requirements</b>	122,284	57,609	132,609	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Ending Balance 6/30</b>	<b>\$ 117,332</b>	<b>\$ 63,786</b>	<b>\$ 115,323</b>	<b>\$ 121,323</b>

## 240 AIR QUALITY IMPROVEMENT FEES FUND

*This fund is used to account for revenues received and expenditures made to improve the quality of air by reducing traffic on City streets and highways. The primary source of revenue is the City's share, \$0.40 per vehicle, of the \$2.00 per vehicle air quality fee (imposed by the State) for each vehicle registered in the City.*

	Actual FY 2019-20	Adopted FY 2020-21	Estimated FY 2020-21	Budget FY 2021-22
<b>Beginning Balance 7/1</b>	<b>\$ 311,011</b>	<b>\$ 369,502</b>	<b>\$ 357,469</b>	<b>\$ 33,969</b>
<b>Resources</b>				
Motor Vehicle License Fees	42,383	56,000	56,000	56,000
Grants	-	-	-	56,500
Interest	4,075	3,500	3,500	2,800
	<hr/>	<hr/>	<hr/>	<hr/>
Total Resources	46,458	59,500	59,500	115,300
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Available</b>	<b>357,469</b>	<b>429,002</b>	<b>416,969</b>	<b>149,269</b>
<b>Requirements</b>				
Expenditures	-	-	383,000	96,000
Transfers-out				
Capital Improvement (510)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Requirements</b>	<b>-</b>	<b>-</b>	<b>383,000</b>	<b>96,000</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Ending Balance 6/30</b>	<b>\$ 357,469</b>	<b>\$ 429,002</b>	<b>\$ 33,969</b>	<b>\$ 53,269</b>



## 5 4 2 F I R E I M P A C T F E E S F U N D

*This fund is used to account for the receipt and expenditure of impact fees collected from developers to mitigate the future impact that development has on fire services.*

	Actual FY 2019-20	Adopted FY 2020-21	Estimated FY 2020-21	Budget FY 2021-22
<b>Beginning Balance 7/1</b>	<b>573,995</b>	<b>627,706</b>	<b>931,934</b>	<b>614,434</b>
<b>Resources</b>				
Revenues				
Impact Fees	534,073	-	-	116,750
Interest	12,040	5,000	5,000	9,200
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Resources	546,113	5,000	5,000	125,950
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Available</b>	<b>1,120,108</b>	<b>632,706</b>	<b>936,934</b>	<b>740,384</b>
<b>Requirements</b>				
Expenditures	188,174	42,500	322,500	187,500
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Requirements</b>	<b>188,174</b>	<b>42,500</b>	<b>322,500</b>	<b>187,500</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Ending Balance 6/30</b>	<b>\$ 931,934</b>	<b>\$ 590,206</b>	<b>\$ 614,434</b>	<b>\$ 552,884</b>

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## 2021-22 USER FEES

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*In preparation of each budget, City departments are requested to review their fees charged for City Services. This review and analysis includes an evaluation of the costs to provide services and can also include comparing Brea's fee to those charged by other agencies providing similar services. Based upon recent staff review and analysis, the following are new proposed user fees beginning with FY 2021-22.*

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### Community Development

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#### **Planning Division Preliminary Plan Review (PPR)**

The City's Development Review Team consists of staff from the Community Development, Public Works, Fire, Police and Community Services' Department. They are committed to working with developers to provide information to assist their development projects within the City. Currently, the Development Review Team reviews development projects in various stages including those projects that have yet to submit a formal development application. On occasion, prospective applicants may request some initial feedback from staff before submitting a formal application. This valuable feedback is currently provided to the prospective applicant at no charge.

The department is recommending to charge a new screen check fee or a Preliminary Plan Review (PPR) fee to allow the City to recover the staff costs associated with setting up meetings with the developer, reviewing the feasibility of the project, providing written comments, and presenting the concept to City Council, prior to a formal application being submitted. Staff is proposing to charge the prospective applicant for actual staff time spent through the City's Developer Deposit Program. Initiating this new fee is not intended to disincentivize development in the City, but rather a mechanism to maintain staff's high level of customer service.

Staff has evaluated estimated staffing costs associated with screen checks over the past five years. Depending on the project, a preliminary review can take up to 14 hours of staff time, or approximately \$1,600. Over the last five years, approximately \$14,000 to \$62,000 of staff time has been charged to the General Fund, with an estimated \$8,000 charged to date this fiscal year for the processing of five screen checks.

Below are the current development rates by activity:

Division/Activity	Hourly Rate
Planning Plan Check and Entitlement	\$87.00
Building Plan Check	\$104.00
Building Inspection	\$116.00
Engineering Plan Check	\$137.00
Engineering Inspection	\$134.00
Fire Plan Check and Inspection	\$119.00

\* No fee currently charged for Police or Community Services comments

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## 2021-22 USER FEES

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### Planning Division Preliminary Plan Review (PPR) (Continued)

Therefore, the department is recommending that the developer submit a \$2,000 deposit, similar to other development applications. Any deposit amount provided by the prospective applicant can be credited towards future planning applications, if the developer decides to submit a formal application.

**Effective date:** *July 1, 2021*

**Prior Resolution:** *N/A*

**Proposed Revenue:** *\$14,000*

**Current Fee:** *N/A*

**Proposed Fee:** *see current  
development hourly rates*

### Zoning Verification Letter

A zoning verification letter is prepared by Planning Division staff to inform commercial property owners, lenders and prospective buyers of zoning information related to the particular property based on the City's current zoning codes and may include past history of the site. This is commonly used in property appraisals, mortgage lending, legal disputes, and land speculations.

A Zoning Verification Letter can take staff approximately three hours to research and prepare the formal letter for the requestor. This costs the City approximately \$261 in staff time to prepare a verification letter.

Currently, there is no charge for this service and the department is requesting to charge a flat \$261 to provide this Zoning Verification Letter. Other jurisdictions that charge this fee include City of Anaheim (\$285), City of Yorba Linda (\$255), City of Orange (\$300), City of Placentia (\$341), and City of Fullerton (\$78.62).

The department is committed to working with Zoning Letter requestor's and providing information in a timely manner. This fee proposal is not designed to disincentive development in the City, but rather a mechanism to maintain staff's high level of customer service, while keeping up with current trends and standards of other cities.

The proposed flat fee of \$261 (assuming three-hour review time and preparation of formal letter) is projected the City can recover \$6,525 annually on associated staff costs. This is based upon receiving 25 zoning verification letter requests.

**Effective date:** *July 1, 2021*

**Prior Resolution:** *N/A*

**Proposed Revenue:** *\$6,525*

**Current Fee:** *N/A*

**Proposed Fee:** *\$261*

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## *Successor Agency to the Brea Redevelopment Agency*

### ***FY 2021-22 BUDGET***

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The City accepted the role of Successor Agency to the Brea Redevelopment Agency in 2012 when the State eliminated redevelopment agencies. The Successor Agency is charged with unwinding the former redevelopment agency after its 40 years of operation. A critical part of the process is the Last and Final Recognized Obligation Payment Schedule (LFROPS), which was approved by Brea's Oversight Board and accepted by the State Department of Finance (DOF) last year. This document summarizes expenditures of enforceable obligations remaining for the Successor Agency.

Also last year, the City successfully realized access to a portion of the bond proceeds from the 2011 Redevelopment Bonds to be utilized for their intended purposes. These proceeds have been used to fund a portion of the Super Block I Downtown Parking Structure that was open to the public in December 2017.

With the wind down process, including the activities mentioned above, having been completed, much of the process is now complete. The approval of a Last and Final ROPS means the Successor Agency no longer has to submit Annual ROPS to the County oversight board. Accordingly, further reductions to administrative allowances from the ROPS is reflected in the budget. Brea's Oversight Board has now been disbanded and remaining staff expenditures are focused on the administration and payment of all outstanding bonds and the Brea Mall tax sharing agreement programmed in the Administrative Services (Finance Division).

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*Successor Agency to the Brea Redevelopment Agency*  
**EXPENDITURE SUMMARY**

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**FY 2021-22**

**Long Term Obligations**

Bond Payments	\$ 14,772,545
Property Tax Sharing Payments	<u>1,768,673</u>
<b>Total</b>	<b>\$ 16,541,218</b>

**Administration**

Professional Services	45,000
Legal, Accounting and Auditing, and Support Services	<u>35,896</u>
<b>Total</b>	<b>\$ 80,896</b>

**TOTAL AGENCY BUDGET      \$ 16,622,114**

**CITY OF BREA**

**SEVEN-YEAR  
CAPITAL IMPROVEMENT  
PROGRAM**

***PROPOSED***

**FY 2021-2022 through FY 2027-2028**



## City of Brea

Honorable Mayor and City Council  
City of Brea  
1 Civic Center Circle  
Brea, CA 92821

### **RE: 2021-2022 CAPITAL IMPROVEMENT PROGRAM BUDGET MESSAGE**

Dear Mayor and City Council:

The Public Works Department in coordination with other City Departments has prepared the seven-year Capital Improvement Program (CIP) budget plan. The goals of the CIP are to enhance the quality of life in the community, ensure a safe environment and to improve transportation, utilities and City facilities. The CIP budget plan is both a planning and implementation document. The first year of the CIP includes the appropriation of funds for Fiscal Year (FY) 2021-22. Consistent with the General Fund Budget, this is a one-year request. The remaining six years of the CIP are not a commitment of funds, but rather used as a long-range planning tool for subsequent investments in the City's infrastructure.

There are currently 60 projects in the 7-year CIP budget plan estimated at just over \$101 million. These projects are either continuing, new, or annual programs and are in various stages of development, such as planning, design, or construction. Staff is requesting for \$8,207,773 in new funding for Fiscal Year 21-22.

The CIP is divided into six improvement categories, namely: Street, Traffic Safety, Sewer, Water, Facility and Golf Course Improvements. The following are highlights of the FY 2021-22 Capital Improvement Program:

#### **Street Improvements**

Work continues on the design or construction of several large street/roadway improvement projects that are being carried forward from FY21-22, such as 57/Lambert Interchange (CIP 7251) and Country Hills Subdivision Water Connections and Pavement Rehabilitation (CIP 7322).

Requested appropriations for FY21-22 include funding for our annual Citywide Slurry Seal (CIP 7312) and Citywide Sidewalk Replacement (CIP 7313) projects; funding to improve pavement on Brea Boulevard (CIP 7299), Walnut Way (CIP 7326), and Central Avenue and State College (CIP 7327); and funding to design and construct new sidewalk as part of the Berry Street Sidewalk Installation Project (CIP 7324).

**City Council**

**Steven Vargas**  
*Mayor*

**Cecilia Hupp**  
*Mayor Pro Tem*

**Christine Marick**  
*Council Member*

**Glenn Parker**  
*Council Member*

**Marty Simonoff**  
*Council Member*

### **Traffic Safety**

The Birch Street Traffic Synchronization Project (CIP 7709) is in the last phase of monitoring. New request for FY 21-22 is to synchronize traffic signals to improve traffic flow along Lambert Road (CIP 7716) and installation of Cliffwood Neighborhood Traffic Calming Improvements (CIP 7717). CIP 7717 includes proposed improvements to three signalized intersections at Cliffwood/Lambert, Cliffwood/State College, and Balsa/State College.

### **Sewer**

Last year, the preparation of the Sewer Master Plan kicked off. The Master Plan will provide the next seven years of recommended projects and the plan is near completion. Design continues on the South Brea Sewer Repairs Project (CIP 7626) and construction is planned for Fall of 2021. In addition, funding is also included for our annual Sewer Mainline Relining Project (CIP 7617).

### **Water**

In Fiscal Year 20-21, one of our main goals was to deliver Water improvements projects. In last fiscal year, a number of significant projects were completed such as watermain replacements in the Eagle Hills Tract, North Hills West, Puente, Gemini, Northwood and Titan Way. Projects nearing construction completion are the areas in the Napoli Tract, North Hills East and Moorpark Drive. Projects that have started construction are in the areas of the Pleasant Hills and Steele Drive. Projects in design include South Brea Water Improvement Project (CIP 7454/7466), Candlewood Tract, and Booster Station 2 & 3 Improvements.

Requested appropriations for FY21-22 include funding for the South Brea Neighborhood Water Main Replacement (CIP 7454/7466), North Associated Road High Pressure Line Replacement (CIP 7476), Rehabilitation of the Road around the Berry Street Reservoir (CIP 7965) and the annual Miscellaneous Water Improvement Program (CIP 7442).

### **Facility Improvements**

Design continues for Arovista Park Restroom Repairs (CIP 7940), Skate Park Upgrades (CIP 7914), Tracks Segment 3 Drainage Repairs (CIP 7952) and Landscape Median Improvements along Associated Road (CIP 7936).

In late 2021, construction is expected to commence for Arovista Parking Lots Repairs (CIP 7947/7948), Fire Station No. 1 Seismic Upgrades (CIP 7922), and Tamarack Parking Lot Rehabilitation (CIP 7956)

New request for FY 21-22 being proposed are the Energy Management Program Upgrade (CIP 7970), Security Upgrades at Civic Center, Senior Center & City Yard (CIP 7971), New office Furniture for the private offices on the 3<sup>rd</sup> floor of Civic & Cultural Center (CIP 7955), Replace Small Pool Plaster at The Plunge (CIP 7972), Freight Elevator upgrades at the Civic & Cultural Center (CIP 7974), Senior Center & Pioneer Hall Roof System Upgrades (CIP 7975) and the new Plymovent Exhaust System for the Mechanics Bay (CIP 7976).



**Golf Course Improvements**

Work is almost complete on the replacement of the bridge over the channel adjacent to Birch Hills Golf Course. The replacement of the bridge will allow for the renumbering of the golf holes to make play more interesting since the first three holes will no longer be of similar lengths.

Requested appropriations for FY21-22 include funding for two new projects, Slurry Seal & Stripe Parking Lot & Cart Paths at Birch Hills Golf Course (CIP 7968) and Clubhouse Doors & Concrete at Brea Creek Golf Course (CIP 7969).

In conclusion, we want to thank the City Council for your continued support of this program. Your continued support helps the City meet its overall goal of providing well-maintained, quality infrastructure for our community.

Sincerely,



Tony Olmos, P.E.  
Public Works Director

**CITY OF BREA**

**SEVEN-YEAR CAPITAL IMPROVEMENT  
PROGRAM BUDGET**

**FY 2021-2022 through FY 2027-2028**

**GENERAL PLAN  
CONFORMANCE RESOLUTION**

## **RESOLUTION NO. PC 2021-03**

### **A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF BREA FINDING THE FISCAL YEAR 2021-22 CAPITAL IMPROVEMENT PROGRAM IN CONFORMANCE WITH THE GENERAL PLAN PURSUANT TO SECTION 65401 OF THE GOVERNMENT CODE.**

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

(i) The Planning Commission of the City of Brea has reviewed for conformity with the General Plan, as required by Section 65401 of the Government Code, a list of projects being planned, designed, or constructed in Fiscal Year (FY) 2021 - 22 by the Capital Improvement Program (CIP).

(ii) All projects, as listed in Exhibit A, are located in the City of Brea and are consistent with policies of the City.

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

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

**NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED** by the Planning Commission of the City of Brea as follows, in all respects as set forth in the Recitals, Part A, of this Resolution, that:

1. The FY 2021 - 22 FY CIP projects, identified within the General Plan Conformance Matrix, have been reviewed with regard to their conformance with the General Plan.

2. Said FY 2021 - 22 CIP projects are in conformity with the General Plan, pursuant to Section 65401 of the Government Code.

3. The proposed CIP has been found to serve the implementation of various goals and policies of the General Plan as specifically outlined within the General Plan Conformance Matrix.

4. This Resolution shall constitute this Commission's report and recommendation to the City Council as required by the Government Code.

5. The Planning Commission also finds and determines that the projects identified in Exhibit A, Section I have been found to be categorically exempt from the requirements of the California Environmental Quality Act of 1970, as amended, and the guidelines promulgated thereunder pursuant to Section 15301 and 15262 of Division 6 of Title 14 of the California Code of Regulations.

6. The Secretary of this Commission shall certify to the adoption of this Resolution and forthwith transmit a certified copy to the City Council, as the report required to meet California Government Code 65401.

**ADOPTED AND APPROVED** this 27<sup>th</sup> day of April 2021.

  
Chairman, Planning Commission

I, Jason Killebrew, Secretary to the Planning Commission of the City of Brea, do hereby certify that the foregoing Resolution was introduced at a regular meeting of the Planning Commission of the City of Brea held on the 27<sup>th</sup> day of April 2021, and was finally passed at a regular meeting of the Planning Commission of the City of Brea, held on the 27<sup>th</sup> day of April, 2021, by the following votes:

AYES: COMMISSIONERS: Schlotterbeck, Brattain, Barnes-Ramos, Chandel, Phu

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ATTEST:

  
Secretary, Planning Commission

**EXHIBIT A – Project Environmental Clearance Status****Section I – Environmental Findings Completed/Recorded****Categorical Exempt Projects**

7312 Citywide Slurry Seal Program  
 7313 Citywide Sidewalk Replacement  
 7470 Replace Pump at Carbon Canyon Booster No. 3  
 7473 Valencia Reservoir Repainting  
 7704 Emergency Changeable Message Signs  
 7709 Birch Street Traffic Signal Synchronization  
 7914 Skate Park Upgrades  
 7923 Fire Station No. 1 Seismic Upgrades  
 7940 Arovista Park Restroom Repairs  
 7947 Arovista Park (Lower) Parking Lot Rehabilitation  
 7948 Arovista Park (Upper) Parking Lot Rehabilitation  
 7955 Reconfigure HR & Finance Division Offices (Furniture)

**Section 15301**

Class 1 (c)  
 Class 1 (c)  
 Class 1 (c)  
 Class 1 (d)  
 Class 1 (d)  
 Class 1 (b)  
 Class 1 (d)  
 Class 1 (d)  
 Class 1 (d)  
 Class 1 (d)  
 Class 1 (d)  
 Class 1 (a)

**Categorical Exempt Projects**

7322 Country Hills Subdivision Pavement/Water Rehabilitation  
 7453 Gemini Avenue / Steele Drive Waterline Improvements  
 7454 Walnut-Orange-Juniper St et al. Waterlines  
 7457 Pleasant Hill Tract Water Improvements  
 7466 South Brea Neighborhood Water Main Replacement

**Section 15302**

Class 2 (c)  
 Class 2 (c)  
 Class 2 (c)  
 Class 2 (c)  
 Class 2 (c)

**Categorical Exempt Projects**

7471 Construct Enclosures for Booster Stations 2 & 3  
 7932 City Reclaimed Water Conversion Project

**Section 15303**

Class 3 (d)  
 Class 3 (d)

**Categorical Exempt Projects**

7936 City Facility & Median Landscape Improvements  
 7952 Tracks Segment 3 Drainage Repairs

**Section 15304**

Class 4 (b)  
 Class 4 (b)

**Mitigated Negative Declaration**

7251 SR-57 Freeway / Lambert Road Interchange

## EXHIBIT A – Project Environmental Clearance Status

### Section II – Environmental Findings To Be Completed/Recorded

7218	Traffic Signal Controller Upgrade
7219	Traffic Calming Improvements
7299	Brea Boulevard Pavement Rehabilitation
7305	Brea Boulevard Widening
7306	Imperial Hwy/SR-57 Interchange Improvements
7324	Berry Street Sidewalk Installation
7325	ADA Ramp Compliance Upgrade
7326	Walnut Way Street Improvement Project
7327	Central Avenue & State College Street Improvement Project
7442	Miscellaneous Water Improvement Program
7462	Enterprise Tract Water Improvements
7475	Booster Pump Enclosure & Restroom at Olinda Ranch Park
7476	N. Associated Rd. New High Pressure Water Line
7609	Citywide Sewer Upgrade Program
7617	Sewer Mainline Relining
7626	South Brea Sewer Repairs
7716	Lambert Road Traffic Signal Synchronization
7717	Cliffwood Tract Traffic Calming Improvements
7946	Tracks at Brea Expansion Study
7956	Tamarack Parking Lot Asphalt Rehabilitation
7960	New Switch Gear Boxes at Arovista & Country Hills Parks
7965	Rehabilitate Ring Road At Berry St. Reservoir
7968	Slurry Seal & Stripe Parking Lot & Cart Paths at BHGC
7969	Clubhouse Doors & Concrete at Brea Creek GC
7970	Energy Management Program Upgrade
7971	Security Upgrades at Civic Center, Senior Center & Yard
7972	Replace Small Pool Plaster at The Plunge
7974	Freight Elevator Upgrades at Civic Center
7976	Plymovent Exhaust System for Mechanics Bay

**CITY OF BREA**

**SEVEN-YEAR CAPITAL IMPROVEMENT  
PROGRAM BUDGET**

**FY 2021-2022 through FY 2027-2028**

**PROJECT EXPENDITURE  
SUMMARY**



**Project Expenditure Summary**

PROJECT NAME		Continuing Appropriations*	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28
<b>Street Improvements</b>									
7173	Residential Streets Rehabilitation Program			\$1,380,000	\$1,420,000	\$1,464,000	\$1,510,000	\$1,550,000	\$1,600,000
7193	Annual Arterial Highway Rehabilitation Program			\$920,000	\$948,000	\$977,000	\$1,000,000	\$1,035,000	\$1,060,000
7219	Traffic Calming Improvements	\$81,799	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
7234	Imperial Highway/Kraemer Blvd. Intersection Improvements			\$140,000	\$500,000	\$2,475,000			
7251	SR-57 Freeway/Lambert Road Interchange	\$13,140,349							
7299	Brea Boulevard Street Improvement	\$20,000	\$350,000						
7305	Brea Boulevard Widening	\$136,812							
7306	Imperial Hwy./SR-57 Interchange Improvements	\$309,414		\$200,000	\$2,150,000				
7312	Citywide Slurry Seal Program		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
7313	Citywide Sidewalk Replacement		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
7322	Country Hills Subdivision Pavement/Water Rehabilitation	\$5,635,841							
7324	Berry Street Sidewalk Installation	\$25,583	\$575,000						
7326	Walnut Way Street Improvements		\$50,000	\$180,000					
7327	Central Ave and State College Street Improvement Project		\$50,000	\$550,000					
	Street Improvement Totals	\$19,349,798	\$1,375,000	\$3,720,000	\$5,368,000	\$5,266,000	\$2,860,000	\$2,935,000	\$3,010,000
<b>Traffic Safety Enhancements</b>									
7218	Traffic Signal Controller Upgrade	\$422,491	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
7704	Emergency Changeable Message Signs	\$615,682							
7709	Birch Street Traffic Signal Synchronization		\$27,538						
7716	Lambert Road Traffic Signal Synchronization		\$50,000	\$250,000					
7717	Cliffwood Neighborhood Traffic Calming Improvements		\$400,000						
	Traffic Safety Improvement Totals	\$1,038,173	\$627,538	\$400,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000

\*Continuing Appropriations represent the estimated funding amounts to be carried forward into FY 21/22

**Project Expenditure Summary**

PROJECT NAME		Continuing Appropriations*	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28
<b>Water Improvements</b>									
7442	Miscellaneous Water Improvement Program		\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
7453	Gemini Avenue/Steele Drive Waterline Improvements	\$2,981,069							
7454	Walnut-Orange -Juniper St et al. Waterlines	\$473,111	\$2,473,239						
7457	Pleasant Hill Tract Water Improvements	\$2,840,997							
7462	Enterprise Tract Water Improvements	\$78,500		\$2,550,000					
7465	Candlewood Tract Water Main Replacement			\$1,320,000					
7466	South Brea Neighborhood Water Main Replacement	\$1,401,019	\$784,011						
7468	Buttonwood Drive Tract Water Main Replacements			\$80,000	\$2,070,000				
7469	Pepper Tree Tract Water Main Replacements			\$60,000	\$1,300,000				
7470	Replace Pump at Carbon Canyon Booster No. 3	\$315,704							
7471	Construct Enclosures for Booster Stations 2 & 3	\$828,146							
7472	Oleander St-Catalpa Ave Water Line Replacement			\$80,000	\$1,200,000				
7473	Valencia Reservoir Repainting	\$1,075,000							
7474	AMR (Meter Reading) Upgrade To AMI				\$1,500,000				
7475	Booster Pump Enclosure & Restroom At Olinda Ranch Park	\$2,710,783							
7476	N. Associated Rd New High Pressure Water Line		\$80,000	\$1,280,000					
7965	Rehabilitate Ring Road At Berry Street Reservoir	\$22,289	\$200,000						
	Water Improvement Totals	\$12,726,618	\$3,887,250	\$5,720,000	\$6,420,000	\$350,000	\$350,000	\$350,000	\$350,000
<b>Sewer Improvements</b>									
7609	Citywide Sewer Upgrade Program			\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
7617	Sewer Mainline Relining	\$613,117	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
7626	South Brea Sewer Repairs	\$640,436	\$667,564						
	Sewer Improvement Totals	\$1,253,553	\$967,564	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000

\*Continuing Appropriations represent the estimated funding amounts to be carried forward into FY 21/22

**Project Expenditure Summary**

PROJECT NAME	Continuing Appropriations*	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28
<b>Facility Improvements</b>								
7913 Light Upgrades at Various City Parks					\$210,000			
7914 Skate Park Upgrades	\$616,102							
7923 Fire Station No. 1 Seismic Upgrades	\$1,189,622							
7932 City Reclaimed Water Conversion Project	\$750,433							
7936 City Facility & Median Landscape Improvements	\$155,217							
7940 Arovista Park Restroom Repairs	\$43,500	\$55,000						
7946 Western Extension to the Tracks at Brea	\$27,840			\$3,542,500	\$2,736,394	\$2,736,394		
7947 Arovista Park (Lower) Parking Lot Rehabilitation	\$150,000	\$21,048						
7948 Arovista Park (Upper) Parking Lot Rehabilitation	\$45,627	\$39,373						
7952 Tracks Segment 3 Drainage Repairs	\$168,399	\$60,000						
7955 Reconfigure HR & Finance Division Offices (Furniture)		\$250,000						
7956 Tamarack Parking Lot Asphalt Rehabilitation	\$75,000	\$10,000						
7960 New Switch Gear Boxes At Arovista & Country Hills Parks	\$11,000	\$350,000						
7970 Energy Management Program Upgrade		\$125,000						
7971 Security Upgrades At Civic Center, Senior Center & Yard		\$110,000						
7972 Replace Small Pool Plaster At The Plunge		\$45,000						
7974 Freight Elevator Upgrades At Civic Center		\$150,000						
7975 Senior Center & Pioneer Hall Roofs			\$400,000					
7976 Plymovent Exhaust System For Mechanics Bay		\$35,000						
Facility Improvement Totals	\$3,232,740	\$1,250,421	\$400,000	\$3,542,500	\$2,946,394	\$2,736,394		
<b>Golf Course Improvements</b>								
7968 Slurry Seal & Stripe Parking Lot & Cart Paths At Birch Hills GC		\$50,000						
7969 Clubhouse Doors & Concrete At Brea Creek GC		\$50,000						
Golf Course Improvement Totals		\$100,000						
Totals - All Categories	\$37,600,882	\$8,207,773	\$11,540,000	\$16,780,500	\$10,012,394	\$7,396,394	\$4,735,000	\$4,810,000

\*Continuing Appropriations represent the estimated funding amounts to be carried forward into FY 21/22

**CITY OF BREA**

**SEVEN-YEAR CAPITAL IMPROVEMENT  
PROGRAM BUDGET**

**FY 2021-2022 through FY 2027-2028**

**SUMMARY OF EXPENDITURES  
BY FUND**

## SUMMARY OF EXPENDITURES BY FUND

FUNDING SOURCES	Approved 2020 21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28
<b>SUCCESSOR AGENCY</b>								
FUND 515 (AGENCY BOND PROCEEDS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND 517 (AGENCY BOND PROCEEDS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUNDS</b>								
FUND 110 (GENERAL)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND 140 (C.B.E.D.)	\$ 216,953	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND 172 (PUBLIC SAFETY AUGMENTATION)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND 182 (FARP)	\$ 4,103,947	\$ 1,190,421	\$ 400,000	\$ -	\$ 210,000	\$ -	\$ -	\$ -
FUND 220 (GAS TAX)	\$ 2,388,892	\$ 500,000	\$ 1,090,000	\$ 1,140,000	\$ 957,000	\$ 905,000	\$ 825,000	\$ 950,000
FUND 221 (RMRA)	\$ 1,355,318	\$ 400,000	\$ 2,320,000	\$ 948,000	\$ 977,000	\$ 1,000,000	\$ 1,135,000	\$ 1,060,000
FUND 240 (AQMD)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND 250 (PARK)	\$ 274,009	\$ -	\$ -	\$ 956,475	\$ 1,005,637	\$ 1,005,637	\$ -	\$ -
FUND 260 (MEASURE M)	\$ 3,888,439	\$ 525,000	\$ 1,000,000	\$ 960,000	\$ 1,057,000	\$ 1,005,000	\$ 1,025,000	\$ 1,050,000
FUND 290 (CDBG)	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND 410 (URBAN RUNOFF)	\$ 188,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND 420 (WATER)	\$ 30,898,673	\$ 3,887,250	\$ 4,690,000	\$ 6,140,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
FUND 430 (SEWER)	\$ 2,980,127	\$ 917,564	\$ 1,350,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
FUND 440 (SANITATION)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND 480 (VEHICLE & EQUIP MAINT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND 510 (CAPITAL IMPROVEMENT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND 540 (TRAFFIC IMPACT)	\$ 6,149,486	\$ 627,538	\$ 690,000	\$ 1,250,000	\$ 135,000	\$ 100,000	\$ 100,000	\$ 100,000
FUND 541 (WATER IMPACT)	\$ 9,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND 560 (CAPITAL/MITIGATION)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 52,604,233</b>	<b>\$ 8,047,773</b>	<b>\$ 11,540,000</b>	<b>\$ 12,694,475</b>	<b>\$ 5,991,637</b>	<b>\$ 5,665,637</b>	<b>\$ 4,735,000</b>	<b>\$ 4,810,000</b>
<b>GRANTS AND OTHER FUNDING SOURCES (MISC.)</b>								
FEDERAL GRANTS	\$ 70,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STATE GRANTS	\$ 200,000	\$ -	\$ -	\$ 2,586,025	\$ 1,730,757	\$ 1,730,757	\$ -	\$ -
COUNTY GRANTS	\$ 10,937,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER (FUNDED)	\$ 442,552	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER (UNFUNDED)	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 2,290,000	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 11,650,637</b>	<b>\$ 160,000</b>	<b>\$ -</b>	<b>\$ 4,086,025</b>	<b>\$ 4,020,757</b>	<b>\$ 1,730,757</b>	<b>\$ -</b>	<b>\$ -</b>
<b>GRAND TOTAL</b>	<b>\$ 64,254,870</b>	<b>\$ 8,207,773</b>	<b>\$ 11,540,000</b>	<b>\$ 16,780,500</b>	<b>\$ 10,012,394</b>	<b>\$ 7,396,394</b>	<b>\$ 4,735,000</b>	<b>\$ 4,810,000</b>

**CITY OF BREA**

**SEVEN-YEAR CAPITAL IMPROVEMENT  
PROGRAM BUDGET**

**FY 2021-2022 through FY 2027-2028**

**EXPENDITURE BY FUND**

## 2020-21 EXPENDITURE BY FUND

[illegible]

2020-21 EXPENDITURE BY FUND																				
WATER IMPROVEMENTS		140	182	220	221	250	260	290	410	420	430	465	540	541	911	Misc Rev	Fed Grants	State Grants	County Grants	TOTAL
7430	Moorpark Drive Waterline Improvement (Completed)									\$ 489,536										\$ 489,536
7431	Northwood Water Main Replacement (Completed)			\$ 50,000						\$ 850,000										\$ 900,000
7442	Miscellaneous Water Improvement Program									\$ 559,548										\$ 559,548
7453	Gemini Avenue/Steele Drive Waterline Improvements			\$ 50,000			\$ 200,000			\$ 3,231,069										\$ 3,481,069
7454	Walnut-Orange -Juniper St et al. Waterlines			\$ 100,000						\$ 433,111										\$ 533,111
7457	Pleasant Hills Tract Water Improvements			\$ 50,000			\$ 200,000			\$ 2,590,997										\$ 2,840,997
7458	Napoli Tract Water Improvements (Completed)						\$ 60,000			\$ 2,091,916										\$ 2,151,916
7459	North Hills West Water Improvements (Completed)			\$ 50,000			\$ 200,000			\$ 1,944,737										\$ 2,194,737
7460	North Hills East Water Improvements (Completed)			\$ 50,000			\$ 400,000			\$ 2,580,924										\$ 3,030,924
7461	Cliffwood Tract Water Improvements (Completed)									\$ 14,292										\$ 14,292
7462	Enterprise Tract Water Improvements									\$ 79,468										\$ 79,468
7464	Puente Street Water Main Replacement (Completed)			\$ 207,000			\$ 400,000			\$ 651,574										\$ 1,258,574
7465	Candlewood Tract Water Main Replacement									\$ 80,000										\$ 80,000
7466	South Brea Neighborhood Water Main Replacement						\$ 360,000			\$ 1,091,019										\$ 1,451,019
7467	Eagle Hills Tract Water Main Replacement (Completed)			\$ 50,000			\$ 100,000			\$ 3,073,317										\$ 3,223,317
7470	Replace Pump at Carbon Canyon Booster No. 3									\$ 324,704										\$ 324,704
7471	Construct Enclosures for Booster Stations 2 & 3									\$ 838,146										\$ 838,146
7473	Valencia Reservoir Repainting									\$ 1,100,000										\$ 1,100,000
7475	Booster Pump Enclosure & Restroom At Olinda Ranch Park									\$ 2,910,783										\$ 2,910,783
7965	Rehabilitate Ring Road At Berry Street Reservoir									\$ 40,000										\$ 40,000
20-21 Water Totals		\$ -	\$ -	\$ 607,000	\$ -	\$ -	\$ 1,920,000	\$ -	\$ -	\$ 24,975,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,502,141
FACILITY IMPROVEMENTS		140	182	220	221	250	260	290	410	420	430	465	540	541	911	Misc Rev	Fed Grants	State Grants	County Grants	TOTAL
7903	Super Block 1 Parking Structure (Completed)	\$ 216,953																		\$ 216,953
7909	ADA Transition Plan for Public Facilities (Completed)		\$ 69,161	\$ 122,000																\$ 191,161
7914	Skate Park Upgrades		\$ 646,102																	\$ 646,102
7922	Arovista Park Slope Repairs (Completed)		\$ -																	\$ -
7923	Fire Station No. 1 Seismic Upgrades		\$ 1,189,622																	\$ 1,189,622
7932	City Reclaimed Water Conversion Project									\$ 630,000	\$ 46,443		\$ 65,000	\$ 9,990						\$ 751,433
7936	City Facility & Median Landscape Improvements		\$ 596,093							\$ 104,542										\$ 700,635
7940	Arovista Park Restroom Repairs		\$ 45,000																	\$ 45,000
7942	HVAC Component Replacement At Civic Center		\$ 59,486																	\$ 59,486
7944	Senior Center Kitchen Enhancements (Completed)		\$ 34,747													\$ 5,000				\$ 39,747
7946	Western Extension to the Tracks at Brea																\$ 67,840			\$ 67,840
7947	Arovista Park (Lower) Parking Lot Rehabilitation		\$ 153,952																	\$ 153,952
7948	Arovista Park (Upper) Parking Lot Rehabilitation		\$ 50,627																	\$ 50,627
7950	Dog Park Surface Improvement (Completed)					\$ 24,009														\$ 24,009
7952	Tracks Segment 3 Drainage Repairs								\$ 188,399											\$ 188,399
7954	Civic Center Security System Improvements (Completed)		\$ 233,783																	\$ 233,783
7955	Reconfigure HR & Finance Division Offices (Furniture)		\$ 577,797												\$ 100,206					\$ 678,003
7956	Tamarack Parking Lot Asphalt Rehabilitation		\$ 95,000																	\$ 95,000
7957	Park Irrigation Design & Replacement					\$ 250,000														\$ 250,000
7960	New Switch Gear Boxes At Arovista & Country Hills Parks		\$ 25,000																	\$ 25,000
7961	Parking Lot Rehabilitation At Brea Community Center (Completed)		\$ 110,000																	\$ 110,000
7966	Replace Fencing Around City Service Center									\$ 25,000	\$ 25,000									\$ 50,000
7967	Replace Security Cameras At City Service Center (Completed)									\$ 35,000	\$ 35,000									\$ 70,000
7977	Senior Center Generator Project																	\$ 200,000		\$ 200,000
20-21 Facility Totals		\$ 216,953	\$ 3,886,370	\$ 122,000	\$ -	\$ 274,009	\$ -	\$ -	\$ 188,399	\$ 794,542	\$ 106,443	\$ -	\$ 65,000	\$ 9,990	\$ 100,206	\$ 5,000	\$ 67,840	\$ 200,000	\$ -	\$ 6,036,752
GOLF COURSE IMPROVEMENTS		140	182	220	221	250	260	290	410	420	430	465	540	541	911	Misc Rev	Fed Grants	State Grants	County Grants	TOTAL
7958	New Bridge at Birch Hills Golf Course (Completed)		\$ 130,000									\$ 45,000								\$ 175,000
7959	Parking Lot Improvements at Birch Creek Golf Course (Completed)		\$ 65,000									\$ 90,000								\$ 155,000
20-21 Golf Course Totals		\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,000
TOTAL		\$ 216,953	\$ 4,103,947	\$ 2,388,892	\$ 1,355,318	\$ 274,009	\$ 3,888,439	\$ 150,000	\$ 188,399	\$ 30,898,673	\$ 2,980,127	\$ 135,000	\$ 6,149,486	\$ 9,990	\$ 100,206	\$ 207,346	\$ 70,644	\$ 200,000	\$ 10,937,441	\$ 64,254,870



2021-22 EXPENDITURE BY FUND																				
STREET IMPROVEMENTS		140	181	182	220	221	250	260	290	410	420	430	465	540	541	Misc Rev	Fed Grants	State Grants	County Grants	TOTAL
7219	Traffic Calming Improvements													\$ 50,000						\$ 50,000
7299	Brea Boulevard Street Improvement					\$ 350,000														\$ 350,000
7312	Citywide Slurry Seal Program							\$ 200,000												\$ 200,000
7313	Citywide Sidewalk Replacement				\$ 100,000															\$ 100,000
7324	Berry Street Sidewalk Installation				\$ 300,000			\$ 275,000												\$ 575,000
7326	Walnut Way Street Improvements				\$ 50,000															\$ 50,000
7327	Central Ave and State College Street Improvement Project					\$ 50,000														\$ 50,000
2021-22 Street Improvement Totals		\$ -	\$ -	\$ -	\$ 450,000	\$ 400,000	\$ -	\$ 475,000	\$ -	\$ -	\$ -	\$ -		\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,375,000
TRAFFIC SAFETY ENHANCEMENTS		140	181	182	220	221	250	260	290	410	420	430	465	540	541	Misc Rev	Fed Grants	State Grants	County Grants	TOTAL
7218	Traffic Signal Controller Upgrade							\$ 50,000						\$ 100,000						\$ 150,000
7709	Birch Street Traffic Signal Synchronization													\$ 27,538						\$ 27,538
7716	Lambert Road Traffic Signal Synchronization													\$ 50,000						\$ 50,000
7717	Cliffwood Neighborhood Traffic Calming Improvements													\$ 400,000						\$ 400,000
2021-22 Traffic Totals		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -		\$ 577,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 627,538
WATER IMPROVEMENTS		140	181	182	220	221	250	260	290	410	420	430	465	540	541	Misc Rev	Fed Grants	State Grants	County Grants	TOTAL
7442	Miscellaneous Water Improvement Program										\$ 350,000									\$ 350,000
7454	Walnut-Orange -Juniper St et al. Waterlines										\$ 2,473,239									\$ 2,473,239
7466	South Brea Neighborhood Water Main Replacement										\$ 784,011									\$ 784,011
7476	N. Associated Rd New High Pressure Water Line										\$ 80,000									\$ 80,000
7965	Rehabilitate Ring Road At Berry Street Reservoir										\$ 200,000									\$ 200,000
2021-22 Water Totals		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,887,250	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,887,250
SEWER IMPROVEMENTS		140	181	182	220	221	250	260	290	410	420	430	465	540	541	Misc Rev	Fed Grants	State Grants	County Grants	TOTAL
7617	Sewer Mainline Relining											\$ 300,000								\$ 300,000
7626	South Brea Sewer Repairs				\$ 50,000							\$ 617,564								\$ 667,564
2021-22 Sewer Totals		\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 917,564		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 967,564
FACILITY IMPROVEMENTS		140	181	182	220	221	250	260	290	410	420	430	465	540	541	Misc Rev	Fed Grants	State Grants	County Grants	TOTAL
7940	Arovista Park Restroom Repairs			\$ 55,000																\$ 55,000
7947	Arovista Park (Lower) Parking Lot Rehabilitation			\$ 21,048																\$ 21,048
7948	Arovista Park (Upper) Parking Lot Rehabilitation			\$ 39,373																\$ 39,373
7952	Tracks Segment 3 Drainage Repairs															\$ 60,000				\$ 60,000
7955	Reconfigure HR & Finance Division Offices (Furniture)			\$ 250,000																\$ 250,000
7956	Tamarack Parking Lot Asphalt Rehabilitation			\$ 10,000																\$ 10,000
7960	New Switch Gear Boxes At Arovista & Country Hills Parks			\$ 350,000																\$ 350,000
7970	Energy Management Program Upgrade			\$ 125,000																\$ 125,000
7971	Security Upgrades At Civic Center, Senior Center & Yard			\$ 110,000																\$ 110,000
7972	Replace Small Pool Plaster At The Plunge			\$ 45,000																\$ 45,000
7974	Freight Elevator Upgrades At Civic Center			\$ 150,000																\$ 150,000
7976	Plymovent Exhaust System For Mechanics Bay			\$ 35,000																\$ 35,000
2021-22 Facility Totals		\$ -	\$ -	\$ 1,190,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 1,250,421
GOLF COURSE IMPROVEMENTS		140	181	182	220	221	250	260	290	410	420	430	465	540	541	Misc Rev	Fed Grants	State Grants	County Grants	TOTAL
7968	Slurry Seal & Stripe Parking Lot & Cart Paths At Birch Hills GC												\$ 50,000							\$ 50,000
7969	Clubhouse Doors & Concrete At Brea Creek GC												\$ 50,000							\$ 50,000
2021-22 Golf Course Totals		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
TOTAL		\$ -	\$ -	\$ 1,190,421	\$ 500,000	\$ 400,000	\$ -	\$ 525,000	\$ -	\$ -	\$ 3,887,250	\$ 917,564	\$ 100,000	\$ 627,538	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ 8,207,773

### 2022-23 EXPENDITURE BY FUND

STREET IMPROVEMENTS		182	220	221	260	420	430	540	Unfunded	TOTAL
7173	Residential Streets Rehabilitation Program		\$ 630,000		\$ 750,000					\$ 1,380,000
7193	Annual Arterial Highway Rehabilitation Program			\$ 920,000						\$ 920,000
7219	Traffic Calming Improvements		\$ 50,000							\$ 50,000
7234	Imperial Highway/Kraemer Blvd. Intersection Improvements							\$ 140,000		\$ 140,000
7306	Imperial Hwy./SR-57 Interchange Improvements							\$ 200,000		\$ 200,000
7312	Citywide Slurry Seal Program				\$ 200,000					\$ 200,000
7313	Citywide Sidewalk Replacement		\$ 100,000							\$ 100,000
7326	Walnut Way Street Improvements		\$ 130,000				\$ 50,000			\$ 180,000
7327	Central Ave and State College Street Improvement Project			\$ 550,000						\$ 550,000
22-23 Street Improvement Totals		\$ -	\$ 910,000	\$ 1,470,000	\$ 950,000	\$ -	\$ 50,000	\$ 340,000	\$ -	\$ 3,720,000
TRAFFIC SAFETY ENHANCEMENTS		182	220	221	260	420	430	540	Unfunded	TOTAL
7218	Traffic Signal Controller Upgrade				\$ 50,000			\$ 100,000		\$ 150,000
7716	Lambert Road Traffic Signal Synchronization							\$ 250,000		\$ 250,000
22-23 Traffic Totals		\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 350,000	\$ -	\$ 400,000
WATER IMPROVEMENTS		182	220	221	260	420	430	540	Unfunded	TOTAL
7442	Miscellaneous Water Improvement Program					\$ 350,000				\$ 350,000
7462	Enterprise Tract Water Improvements			\$ 850,000		\$ 1,700,000				\$ 2,550,000
7465	Candlewood Tract Water Main Replacement		\$ 100,000			\$ 1,220,000				\$ 1,320,000
7468	Buttonwood Drive Tract Water Main Replacements					\$ 80,000				\$ 80,000
7469	Pepper Tree Tract Water Main Replacements					\$ 60,000				\$ 60,000
7472	Oleander St-Catalpa Ave Water Line Replacement					\$ 80,000				\$ 80,000
7476	N. Associated Rd New High Pressure Water Line		\$ 80,000			\$ 1,200,000				\$ 1,280,000
22-23 Water Totals		\$ -	\$ 180,000	\$ 850,000	\$ -	\$ 4,690,000	\$ -	\$ -	\$ -	\$ 5,720,000
SEWER IMPROVEMENTS		182	220	221	260	420	430	540	Unfunded	TOTAL
7609	Citywide Sewer Upgrade Program						\$ 1,000,000			\$ 1,000,000
7617	Sewer Mainline Relining						\$ 300,000			\$ 300,000
22-23 Sewer Totals		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000
FACILITY IMPROVEMENTS		182	220	221	260	420	430	540	Unfunded	TOTAL
7975	Senior Center & Pioneer Hall Roofs	\$ 400,000								\$ 400,000
22-23 Facility Totals		\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
<b>TOTAL</b>		<b>\$ 400,000</b>	<b>\$ 1,090,000</b>	<b>\$ 2,320,000</b>	<b>\$ 1,000,000</b>	<b>\$ 4,690,000</b>	<b>\$ 1,350,000</b>	<b>\$ 690,000</b>	<b>\$ -</b>	<b>\$ 11,540,000</b>

## 2023-24 EXPENDITURE BY FUND

STREET IMPROVEMENTS		220	221	250	260	420	430	540	State Grants	Unfunded	TOTAL
7173	Residential Streets Rehabilitation Program	\$ 710,000			\$ 710,000						\$ 1,420,000
7193	Annual Arterial Highway Rehabilitation Program		\$ 948,000							\$ -	\$ 948,000
7219	Traffic Calming Improvements	\$ 50,000									\$ 50,000
7234	Imperial Highway/Kraemer Blvd. Intersection Improvements							\$ 500,000			\$ 500,000
7306	Imperial Hwy/SR-57 Interchange Improvements							\$ 650,000		\$ 1,500,000	\$ 2,150,000
7312	Citywide Slurry Seal Program				\$ 200,000						\$ 200,000
7313	Citywide Sidewalk Replacement	\$ 100,000									\$ 100,000
21-22 Street Improvement Totals		\$ 860,000	\$ 948,000	\$ -	\$ 910,000	\$ -	\$ -	\$ 1,150,000	\$ -	\$ 1,500,000	\$ 5,368,000
TRAFFIC SAFETY ENHANCEMENTS		220	221	250	260	420	430	540	State Grants	Unfunded	TOTAL
7218	Traffic Signal Controller Upgrade				\$ 50,000			\$ 100,000			\$ 150,000
21-22 Traffic Totals		\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 150,000
WATER IMPROVEMENTS		220	221	250	260	420	430	540	State Grants	Unfunded	TOTAL
7442	Miscellaneous Water Improvement Program					\$ 350,000					\$ 350,000
7468	Buttonwood Drive Tract Water Main Replacements	\$ 50,000				\$ 2,020,000					\$ 2,070,000
7469	Pepper Tree Tract Water Main Replacements	\$ 150,000				\$ 1,150,000					\$ 1,300,000
7472	Oleander St-Catalpa Ave Water Line Replacement	\$ 80,000				\$ 1,120,000					\$ 1,200,000
7474	AMR (Meter Reading) Upgrade To AMI					\$ 1,500,000					\$ 1,500,000
21-22 Water Totals		\$ 280,000	\$ -	\$ -	\$ -	\$ 6,140,000	\$ -	\$ -	\$ -	\$ -	\$ 6,420,000
SEWER IMPROVEMENTS		220	221	250	260	420	430	540	State Grants	Unfunded	TOTAL
7609	Citywide Sewer Upgrade Program						\$ 1,000,000				\$ 1,000,000
7617	Sewer Mainline Relining						\$ 300,000				\$ 300,000
21-22 Sewer Totals		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300,000	\$ -	\$ -	\$ -	\$ 1,300,000
FACILITY IMPROVEMENTS		220	221	250	260	420	430	540	State Grants	Unfunded	TOTAL
7946	Western Extension to the Tracks at Brea			\$ 956,475					\$ 2,586,025		\$ 3,542,500
21-22 Facility Totals		\$ -	\$ -	\$ 956,475	\$ -	\$ -	\$ -	\$ -	\$ 2,586,025	\$ -	\$ 3,542,500

<b>TOTAL</b>	<b>\$ 1,140,000</b>	<b>\$ 948,000</b>	<b>\$ 956,475</b>	<b>\$ 960,000</b>	<b>\$ 6,140,000</b>	<b>\$ 1,300,000</b>	<b>\$ 1,250,000</b>	<b>\$ 2,586,025</b>	<b>\$ 1,500,000</b>	<b>\$ 16,780,500</b>
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## 2024-25 EXPENDITURE BY FUND

STREET IMPROVEMENTS		182	220	221	250	260	420	430	540	State Grants	Unfunded	TOTAL
7173	Residential Streets Rehabilitation Program		\$ 732,000			\$ 732,000						\$ 1,464,000
7193	Annual Arterial Highway Rehabilitation Program	\$ -		\$ 977,000								\$ 977,000
7219	Traffic Calming Improvements		\$ 50,000	\$ -								\$ 50,000
7234	Imperial Highway/Kraemer Blvd. Intersection Improvements		\$ 75,000			\$ 75,000			\$ 35,000		\$ 2,290,000	\$ 2,475,000
7312	Citywide Slurry Seal Program					\$ 200,000						\$ 200,000
7313	Citywide Sidewalk Replacement		\$ 100,000	\$ -								\$ 100,000
22-23 Street Improvement Totals		\$ -	\$ 957,000	\$ 977,000	\$ -	\$ 1,007,000	\$ -	\$ -	\$ 35,000	\$ -	\$ 2,290,000	\$ 5,266,000

TRAFFIC SAFETY ENHANCEMENTS		182	220	221	250	260	420	430	540	State Grants	Unfunded	TOTAL
7218	Traffic Signal Controller Upgrade					\$ 50,000			\$ 100,000			\$ 150,000
22-23 Traffic Totals		\$ -	\$ -	\$ -		\$ 50,000	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 150,000

WATER IMPROVEMENTS		182	220	221	250	260	420	430	540	State Grants	Unfunded	TOTAL
7442	Miscellaneous Water Improvement Program						\$ 350,000					\$ 350,000
22-23 Water Totals		\$ -	\$ -	\$ -		\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ 350,000

SEWER IMPROVEMENTS		182	220	221	250	260	420	430	540	State Grants	Unfunded	TOTAL
7609	Citywide Sewer Upgrade Program							\$ 1,000,000				\$ 1,000,000
7617	Sewer Mainline Relining							\$ 300,000				\$ 300,000
22-23 Sewer Totals		\$ -	\$ -	\$ -		\$ -	\$ -	\$ 1,300,000	\$ -	\$ -	\$ -	\$ 1,300,000

FACILITY IMPROVEMENTS		182	220	221	250	260	420	430	540	State Grants	Unfunded	TOTAL
7913	Light Upgrades at Various City Parks	\$ 210,000										\$ 210,000
7946	Western Extension to the Tracks at Brea				\$ 1,005,637					\$ 1,730,757		\$ 2,736,394
22-23 Facility Totals		\$ 210,000	\$ -	\$ -	\$ 1,005,637	\$ -	\$ -	\$ -	\$ -	\$ 1,730,757	\$ -	\$ 2,946,394

<b>TOTAL</b>		<b>\$ 210,000</b>	<b>\$ 957,000</b>	<b>\$ 977,000</b>	<b>\$ 1,005,637</b>	<b>\$ 1,057,000</b>	<b>\$ 350,000</b>	<b>\$ 1,300,000</b>	<b>\$ 135,000</b>	<b>\$ 1,730,757</b>	<b>\$ 2,290,000</b>	<b>\$ 10,012,394</b>
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## 2025-26 EXPENDITURE BY FUND

STREET IMPROVEMENTS		220	221	250	260	420	430	540	State Grants	TOTAL
7173	Residential Streets Rehabilitation Program	\$ 755,000			\$ 755,000					\$ 1,510,000
7193	Annual Arterial Highway Rehabilitation Program		\$ 1,000,000							\$ 1,000,000
7219	Traffic Calming Improvements	\$ 50,000								\$ 50,000
7312	Citywide Slurry Seal Program				\$ 200,000					\$ 200,000
7313	Citywide Sidewalk Replacement	\$ 100,000								\$ 100,000
22-23 Street Improvement Totals		\$ 905,000	\$ 1,000,000	\$ -	\$ 955,000	\$ -	\$ -	\$ -	\$ -	\$ 2,860,000

TRAFFIC SAFETY ENHANCEMENTS		220	221	250	260	420	430	540	State Grants	TOTAL
7218	Traffic Signal Controller Upgrade				\$ 50,000			\$ 100,000		\$ 150,000
22-23 Traffic Totals		\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 100,000	\$ -	\$ 150,000
										\$ -

WATER IMPROVEMENTS		220	221	250	260	420	430	540	State Grants	TOTAL
7442	Miscellaneous Water Improvement Program					\$ 350,000				\$ 350,000
22-23 Water Totals		\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000

SEWER IMPROVEMENTS		220	221	250	260	420	430	540	State Grants	TOTAL
7609	Citywide Sewer Upgrade Program						\$ 1,000,000			\$ 1,000,000
7617	Sewer Mainline Relining						\$ 300,000			\$ 300,000
22-23 Sewer Totals		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000

FACILITY IMPROVEMENTS		220	221	250	260	420	430	540	State Grants	TOTAL
7946	Western Extension to the Tracks at Brea			\$ 1,005,637					\$ 1,730,757	\$ 2,736,394
22-23 Facility Totals		\$ -	\$ -	\$ 1,005,637	\$ -	\$ -	\$ -	\$ -	\$ 1,730,757	\$ 2,736,394

<b>TOTAL</b>		<b>\$ 905,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,005,637</b>	<b>\$ 1,005,000</b>	<b>\$ 350,000</b>	<b>\$ 1,300,000</b>	<b>\$ 100,000</b>	<b>\$ 1,730,757</b>	<b>\$ 7,396,394</b>
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## 2026-27 EXPENDITURE BY FUND

STREET IMPROVEMENTS		220	221	260	420	430	540	Unfunded	TOTAL
7173	Residential Streets Rehabilitation Program	\$ 775,000		\$ 775,000					\$ 1,550,000
7193	Annual Arterial Highway Rehabilitation Program		\$ 1,035,000						\$ 1,035,000
7219	Traffic Calming Improvements	\$ 50,000							\$ 50,000
7312	Citywide Slurry Seal Program			\$ 200,000					\$ 200,000
7313	Citywide Sidewalk Replacement		\$ 100,000						\$ 100,000
22-23 Street Improvement Totals		\$ 825,000	\$ 1,135,000	\$ 975,000	\$ -	\$ -	\$ -	\$ -	\$ 2,935,000

TRAFFIC SAFETY ENHANCEMENTS		220	221	260	420	430	540	Unfunded	TOTAL
7218	Traffic Signal Controller Upgrade			\$ 50,000			\$ 100,000		\$ 150,000
22-23 Traffic Totals		\$ -		\$ 50,000	\$ -	\$ -	\$ 100,000	\$ -	\$ 150,000
									\$ -

WATER IMPROVEMENTS		220	221	260	420	430	540	Unfunded	TOTAL
7442	Miscellaneous Water Improvement Program				\$ 350,000				\$ 350,000
22-23 Water Totals		\$ -		\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000

SEWER IMPROVEMENTS		220	221	260	420	430	540	Unfunded	TOTAL
7609	Citywide Sewer Upgrade Program					\$ 1,000,000			\$ 1,000,000
7617	Sewer Mainline Relining					\$ 300,000			\$ 300,000
22-23 Sewer Totals		\$ -		\$ -	\$ -	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000

<b>TOTAL</b>		<b>\$ 825,000</b>	<b>\$ 1,135,000</b>	<b>\$ 1,025,000</b>	<b>\$ 350,000</b>	<b>\$ 1,300,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ 4,735,000</b>
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## 2027-28 EXPENDITURE BY FUND

STREET IMPROVEMENTS		220	221	260	420	430	540	Unfunded	TOTAL
7173	Residential Streets Rehabilitation Program	\$ 800,000		\$ 800,000					\$ 1,600,000
7193	Annual Arterial Highway Rehabilitation Program		\$ 1,060,000						\$ 1,060,000
7219	Traffic Calming Improvements	\$ 50,000							\$ 50,000
7312	Citywide Slurry Seal Program			\$ 200,000					\$ 200,000
7313	Citywide Sidewalk Replacement	\$ 100,000							\$ 100,000
22-23 Street Improvement Totals		\$ 950,000	\$ 1,060,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,010,000

TRAFFIC SAFETY ENHANCEMENTS		220	221	260	420	430	540	Unfunded	TOTAL
7218	Traffic Signal Controller Upgrade			\$ 50,000			\$ 100,000		\$ 150,000
22-23 Traffic Totals		\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 100,000	\$ -	\$ 150,000
									\$ -

WATER IMPROVEMENTS		220	221	260	420	430	540	Funded	TOTAL
7442	Miscellaneous Water Improvement Program				\$ 350,000				\$ 350,000
22-23 Water Totals		\$ -		\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000

SEWER IMPROVEMENTS		220	221	260	420	430	540	Funded	TOTAL
7609	Citywide Sewer Upgrade Program					\$ 1,000,000			\$ 1,000,000
7617	Sewer Mainline Relining					\$ 300,000			\$ 300,000
22-23 Sewer Totals		\$ -		\$ -	\$ -	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000

<b>TOTAL</b>		<b>\$ 950,000</b>	<b>\$ 1,060,000</b>	<b>\$ 1,050,000</b>	<b>\$ 350,000</b>	<b>\$ 1,300,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ 4,810,000</b>
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**CITY OF BREA**

**SEVEN-YEAR CAPITAL IMPROVEMENT  
PROGRAM BUDGET**

**FY 2021-2022 through FY 2027-2028**

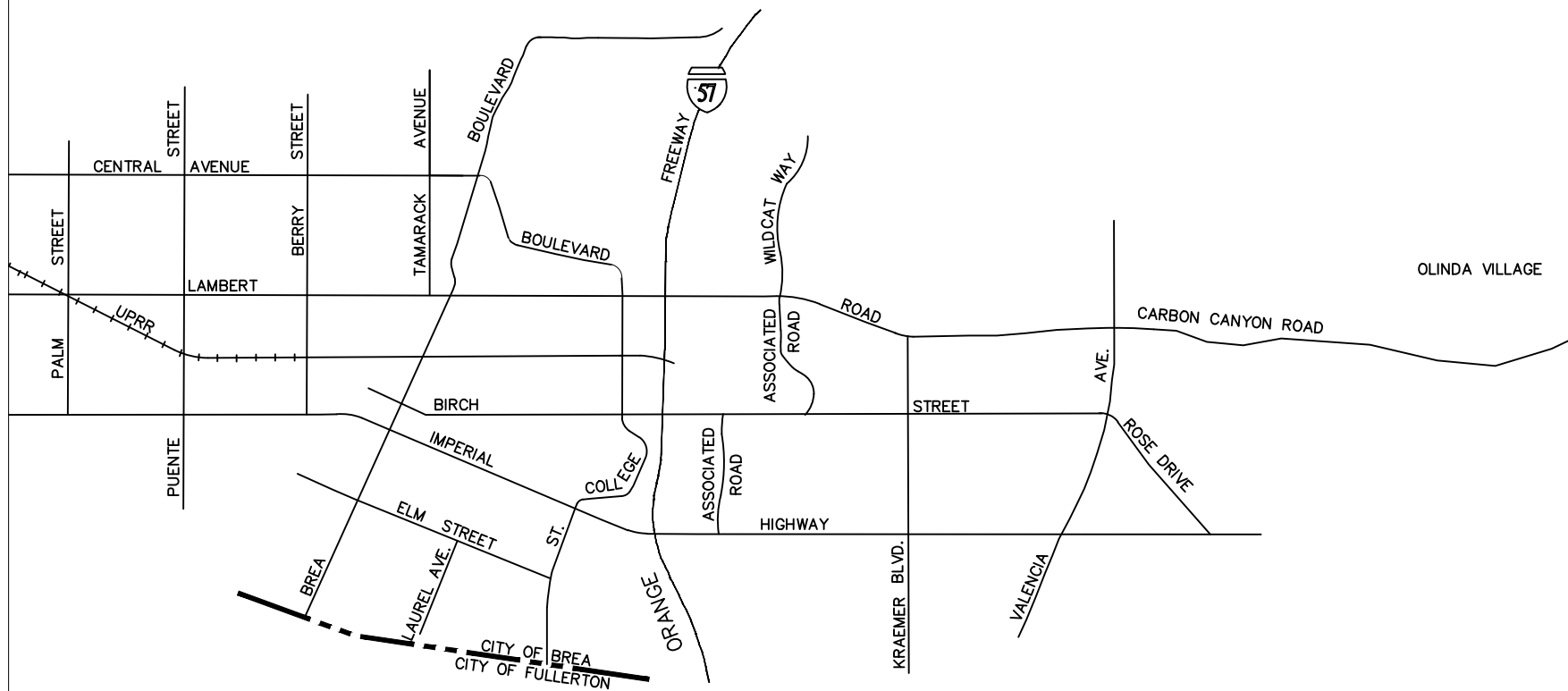
**STREET IMPROVEMENTS**



# PROJECT 7173

## STREET IMPROVEMENTS - RESIDENTIAL STREETS REHABILITATION PROGRAM

### CITYWIDE PROJECT



### VICINITY MAP

NOT TO SCALE

## PROJECT 7173

### STREET IMPROVEMENTS - RESIDENTIAL STREETS REHABILITATION PROGRAM

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

PROJECT 7173	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ 138,000	\$ 142,000	\$ 146,400	\$ 151,000	\$ 155,000	\$ 160,000	\$ 892,400
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ -	\$ 1,035,000	\$ 1,065,000	\$ 1,098,000	\$ 1,132,500	\$ 1,162,500	\$ 1,200,000	\$ 6,693,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ 207,000	\$ 213,000	\$ 219,600	\$ 226,500	\$ 232,500	\$ 240,000	\$ 1,338,600
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,380,000</b>	<b>\$ 1,420,000</b>	<b>\$ 1,464,000</b>	<b>\$ 1,510,000</b>	<b>\$ 1,550,000</b>	<b>\$ 1,600,000</b>	<b>\$ 8,924,000</b>

<b>FUNDING SOURCES</b>										
Fund 220 (Gas Tax)	\$ -	\$ -	\$ -	\$ 630,000	\$ 710,000	\$ 732,000	\$ 755,000	\$ 775,000	\$ 800,000	\$ 4,402,000
Fund 260 (Measure M)	\$ -	\$ -		\$ 750,000	\$ 710,000	\$ 732,000	\$ 755,000	\$ 775,000	\$ 800,000	\$ 4,522,000
	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,380,000</b>	<b>\$ 1,420,000</b>	<b>\$ 1,464,000</b>	<b>\$ 1,510,000</b>	<b>\$ 1,550,000</b>	<b>\$ 1,600,000</b>	<b>\$ 8,924,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21

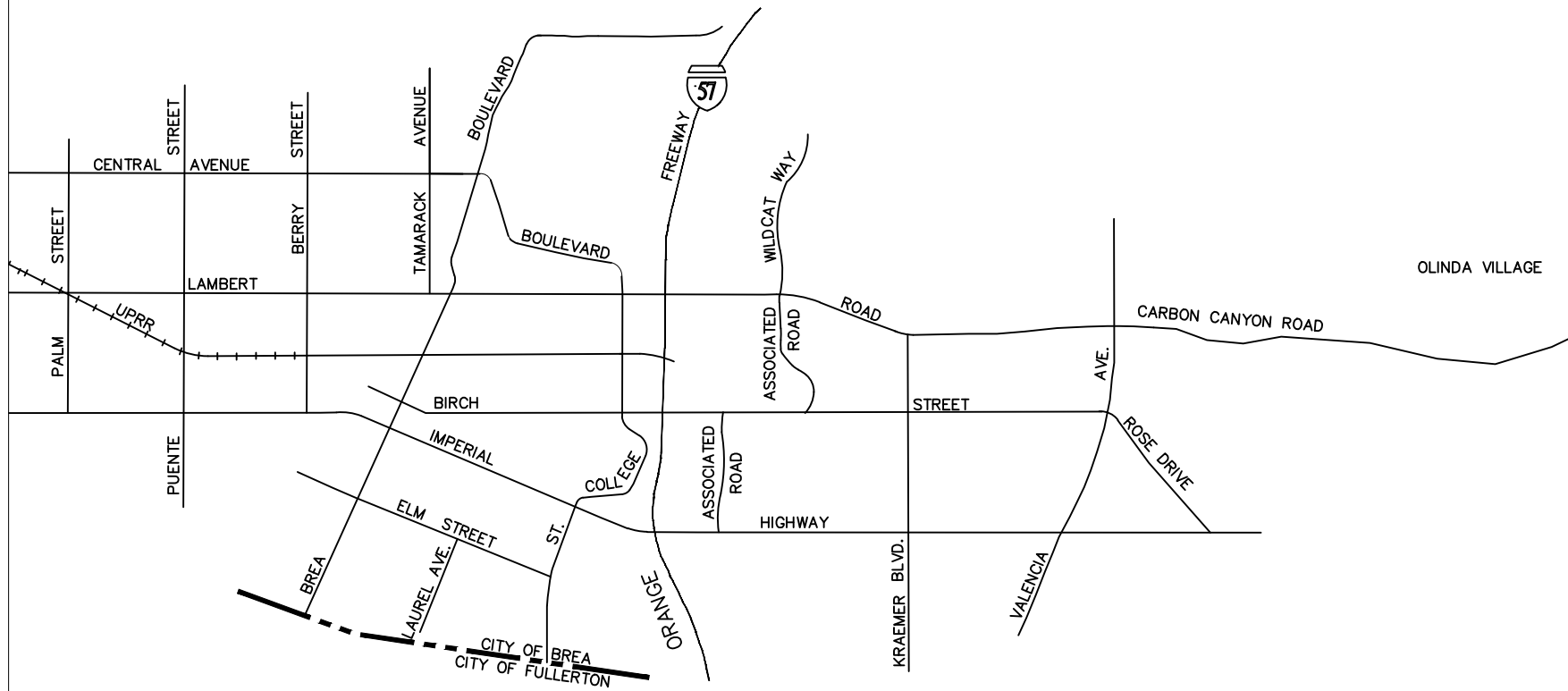
Project Manager Approval:

Will Wenz  
 \_\_\_\_\_  
 (Type Name)

# PROJECT 7193

## STREET IMPROVEMENTS - ANNUAL ARTERIAL HIGHWAY REHABILITATION PROGRAM

### CITYWIDE PROJECT



### VICINITY MAP

NOT TO SCALE

## PROJECT 7193

### STREET IMPROVEMENTS - ANNUAL ARTERIAL HIGHWAY REHABILITATION PROGRAM

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

PROJECT 7193	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ 75,000	\$ 77,500	\$ 80,000	\$ 82,500	\$ 85,000	\$ 87,500	\$ 487,500
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ -	\$ 750,000	\$ 775,000	\$ 800,000	\$ 825,000	\$ 850,000	\$ 875,000	\$ 4,875,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ 95,000	\$ 95,500	\$ 97,000	\$ 92,500	\$ 100,000	\$ 97,500	\$ 577,500
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 920,000</b>	<b>\$ 948,000</b>	<b>\$ 977,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,035,000</b>	<b>\$ 1,060,000</b>	<b>\$ 5,940,000</b>

FUNDING SOURCES										
Fund 221 (RMRA)	\$ -	\$ -	\$ -	\$ 920,000	\$ 948,000	\$ 977,000	\$ 1,000,000	\$ 1,035,000	\$ 1,060,000	\$ 5,940,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 920,000</b>	<b>\$ 948,000</b>	<b>\$ 977,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,035,000</b>	<b>\$ 1,060,000</b>	<b>\$ 5,940,000</b>

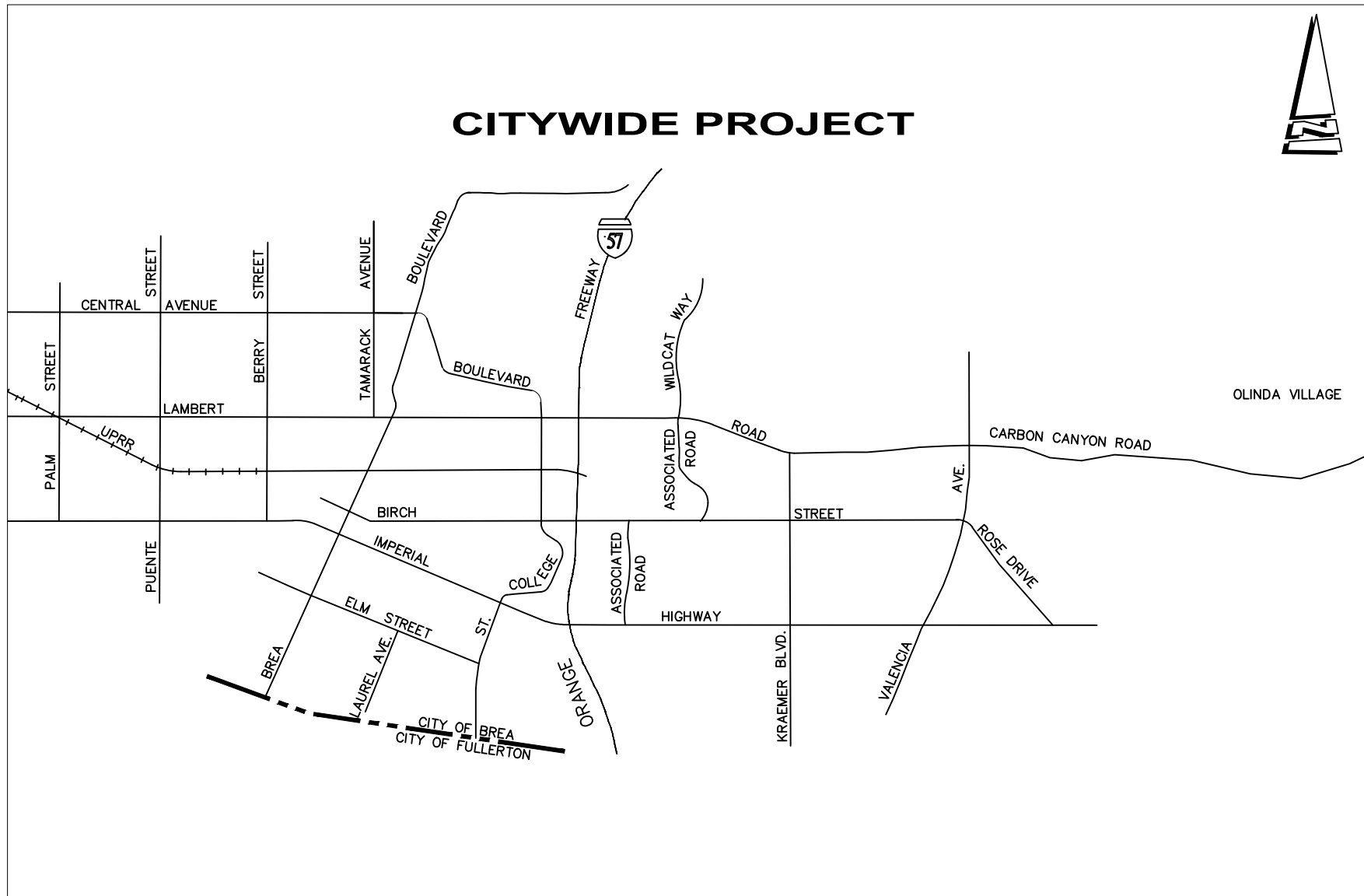
Estimated Expenses 2020-21	Estimated Carryover 2020-21
	\$0

Project Manager Approval:

Will Wenz  
(Type Name)

# PROJECT 7219

## STREET IMPROVEMENTS - TRAFFIC CALMING IMPROVEMENTS



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7219

### STREET IMPROVEMENTS - TRAFFIC CALMING IMPROVEMENTS

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

PROJECT 7219	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 30,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 92,799	\$ 50,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 412,799
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 92,799</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 442,799</b>

<b>FUNDING SOURCES</b>										
Fund 220 (Gas Tax)	\$ -	\$ 92,799	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 392,799
Fund 540 (Traffic Impact)	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 92,799</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 442,799</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$11,000	\$81,799

Project Manager Approval:

Will Wenz  
(Type Name)

[illegible]

7

## PROJECT 7234

### STREET IMPROVEMENTS - IMPERIAL HIGHWAY/KRAEMER BLVD. INTERSECTION IMPROVEMENTS

This project will provide an additional northbound through lane on Kraemer Boulevard and a westbound right-turn lane on Imperial Highway which is part of the City's Traffic Impact Nexus Study. Coordination with Caltrans is required for design, permit and construction. Right-of-way acquisition will be required.

PROJECT 7234	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,250,000	\$ -	\$ -	\$ -	\$ 2,250,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ 140,000	\$ 500,000	\$ 2,475,000	\$ -	\$ -	\$ -	\$ 3,115,000

FUNDING SOURCES										
Fund 540 (Traffic Impact)	\$ -	\$ -	\$ -	\$ 140,000	\$ 500,000	\$ 35,000	\$ -	\$ -	\$ -	\$ 675,000
Other (Unfunded)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,290,000	\$ -	\$ -	\$ -	\$ 2,290,000
Fund 220 (Gas Tax)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Fund 260 (Measure M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ 140,000	\$ 500,000	\$ 2,475,000	\$ -	\$ -	\$ -	\$ 3,115,000

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$0	\$0

Project Manager Approval:

Michael Ho  
(Type Name)



## SR-57 FREEWAY/LAMBERT ROAD INTERCHANGE



**NOT TO SCALE**

## PROJECT 7251

### STREET IMPROVEMENTS - SR-57 FREEWAY/LAMBERT ROAD INTERCHANGE

This project proposes to construct a new eastbound to northbound loop on-ramp and modify the spacing between the existing SR-57 on and off ramps to improve traffic flow. Current funding is for environmental documentation, preparation of final construction drawings, right-of-way acquisition, and construction. Coordination with Caltrans is required for design, permit and construction. Caltrans is the lead agency for Environmental and Implementation. City of Brea is the lead for the Right-of-Way and Design.

PROJECT 7251	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 8,447,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,447,754
RIGHT OF WAY	\$ 6,847,455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,847,455
CONSTRUCTION	\$ 3,460,636	\$ 14,040,349	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,500,985
CONST. ENGINEERING	\$ 310,777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,777
<b>TOTAL</b>	<b>\$ 19,066,622</b>	<b>\$ 14,040,349</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33,106,971</b>

FUNDING SOURCES										
Fund 540 (Traffic Impact)	\$ -	\$ 3,146,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,146,017
County Grants	\$ 19,066,622	\$ 10,894,332	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,960,954
	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 19,066,622</b>	<b>\$ 14,040,349</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33,106,971</b>

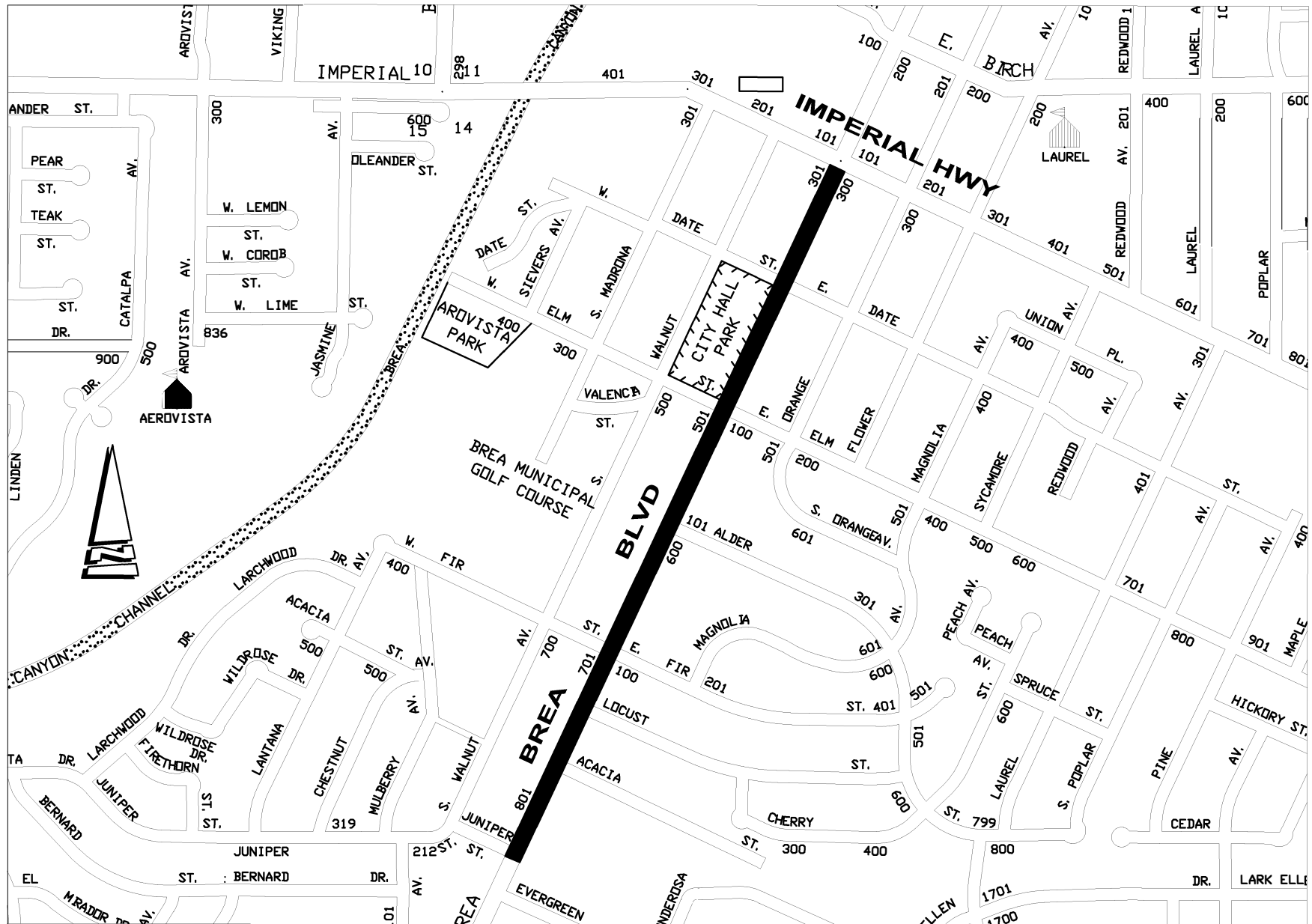
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$900,000	\$13,140,349

Project Manager Approval:

Steve Kooyman  
(Type Name)

**PROJECT 7299**

**STREET IMPROVEMENTS - BREA BLVD STREET IMPROVEMENT**



# VICINITY MAP

NOT TO SCALE

## PROJECT 7299

### STREET IMPROVEMENTS - BREA BOULEVARD STREET IMPROVEMENT

This project will improve the pavement on Brea Boulevard between Imperial Highway and Juniper Street pursuant to the City's Pavement management Plan. The improvements will include updating curbs, gutters and ADA ramps.

PROJECT 7299	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ 950,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 950,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 950,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>

FUNDING SOURCES										
Fund 221 (RMRA)	\$	\$ 50,000	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,000
Fund 260 (Measure M)	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 950,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>

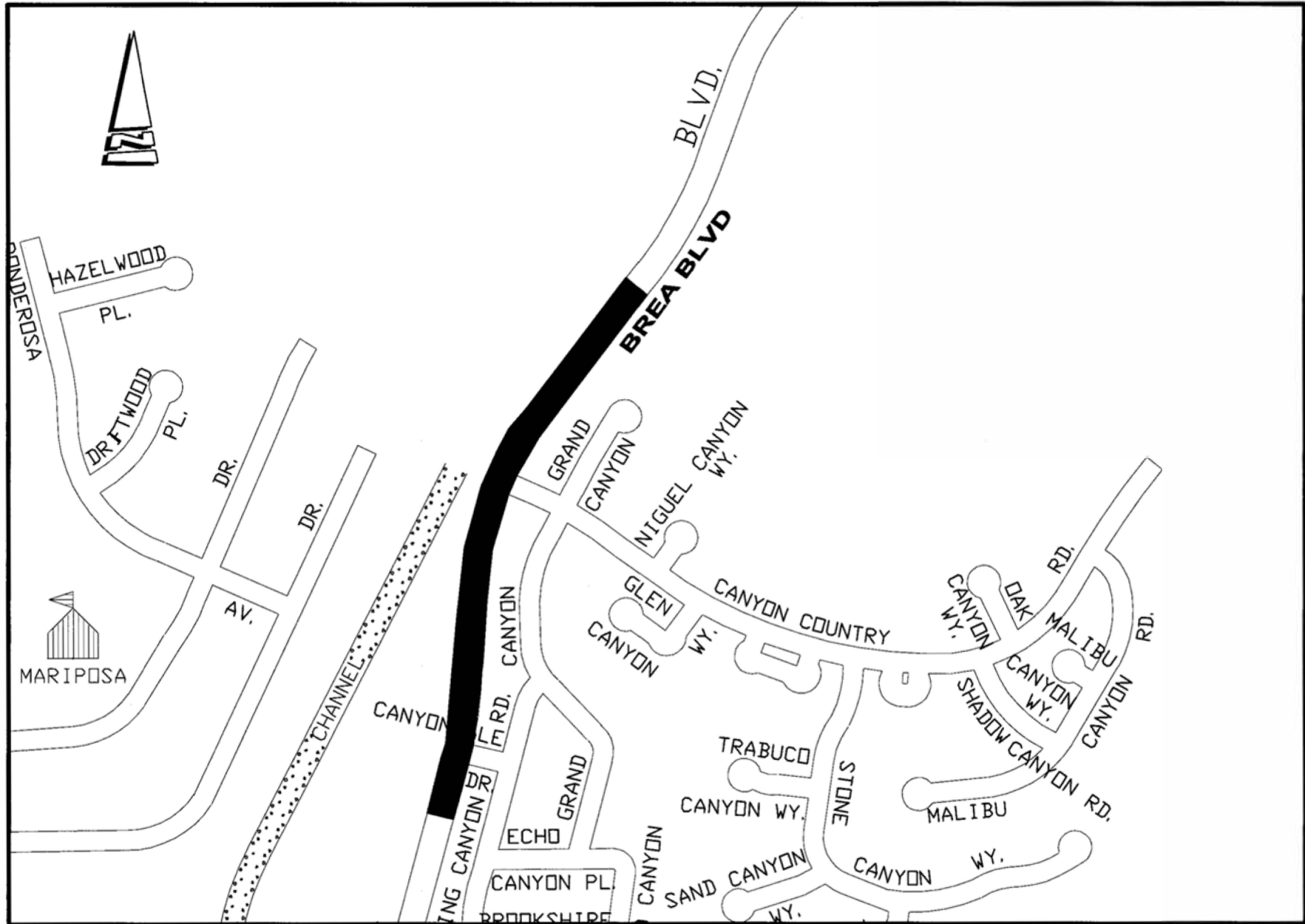
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$30,000	\$20,000

Project Manager Approval:

\_\_\_\_\_  
Ryan Chapman  
(Type Name)

# PROJECT 7305

STREET IMPROVEMENTS - BREA BOULEVARD WIDENING



**VICINITY MAP**

**NOT TO SCALE**

## PROJECT 7305

### STREET IMPROVEMENTS - BREA BOULEVARD WIDENING

As identified in the Transportation Improvement Nexus Program, this project will widen the west side of Brea Boulevard from Canyondale Drive to the north City limit in accordance with the Master Plan of Arterial Highway (MPAH) standards. The widening will address traffic congestion issues related to limited street capacity. Right of way may be required from future development on the west side of Brea Boulevard. This project is part of an overall project of the County of Orange to widen Brea Boulevard/Brea Canyon Road.

PROJECT 7305	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 141,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,812
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 141,812</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 141,812</b>

FUNDING SOURCES										
Fund 540 (Traffic Impact)	\$ -	\$ 141,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,812
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 141,812</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 141,812</b>

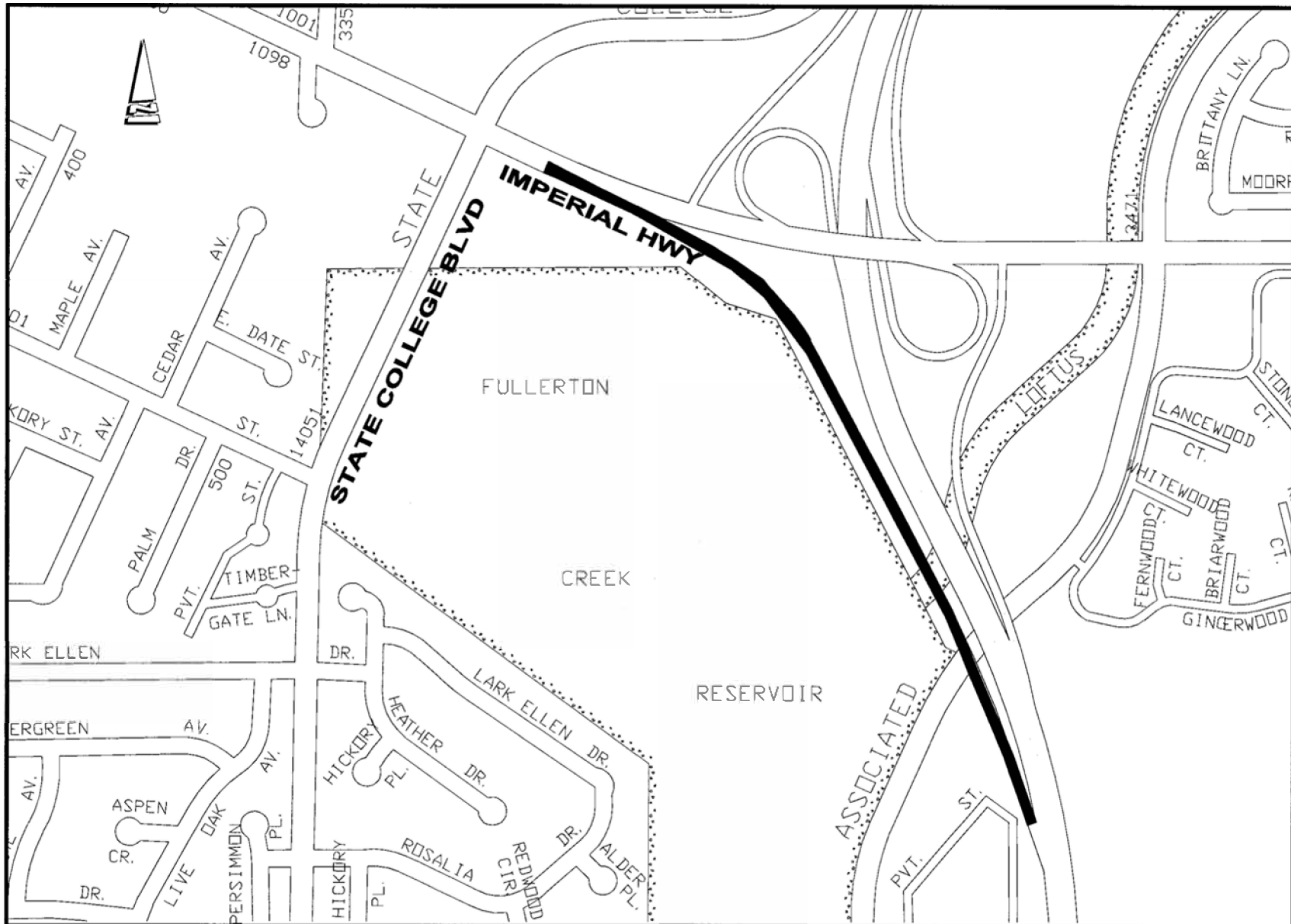
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$5,000	\$136,812

Project Manager Approval:

Michael Ho  
(Type Name)

# PROJECT 7306

## STREET IMPROVEMENTS - IMPERIAL HWY/SR-57 INTERCHANGE IMPROVEMENTS



**VICINITY MAP**

**NOT TO SCALE**

## PROJECT 7306

### STREET IMPROVEMENTS - IMPERIAL HWY/SR-57 INTERCHANGE IMPROVEMENTS

As identified in the Transportation Improvement Nexus Program, this project will widen the SR-57 southbound on-ramp and reconfigure eastbound lanes on Imperial Highway. The project will improve traffic operational performance and reduce congestion on Imperial Highway. Coordination with Caltrans is required for design, permit and construction.

PROJECT 7306	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 20,586	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,586
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
CONSTRUCTION	\$ -	\$ 329,414	\$ -	\$ -	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ 2,229,414
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
<b>TOTAL</b>	<b>\$ 20,586</b>	<b>\$ 329,414</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 2,150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,700,000</b>

FUNDING SOURCES										
Fund 540 (Traffic Impact)	\$ 20,586	\$ 329,414	\$ -	\$ 200,000	\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000
Other (Unfunded)	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 20,586</b>	<b>\$ 329,414</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 2,150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,700,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$20,000	\$309,414

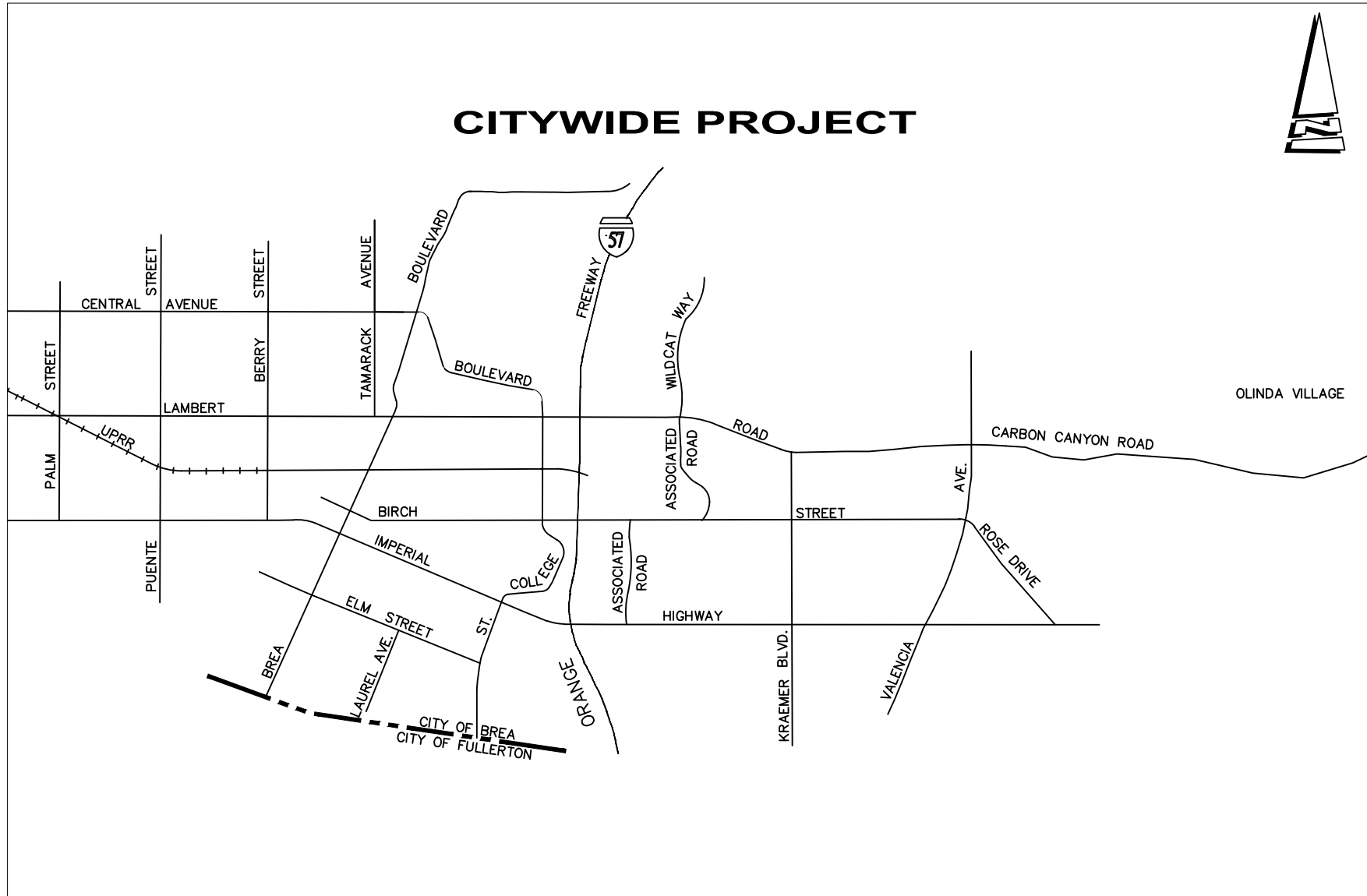
Project Manager Approval:

Michael Ho  
(Type Name)



# PROJECT 7312

## STREET IMPROVEMENTS - CITYWIDE SLURRY SEAL PROGRAM



**VICINITY MAP**  
NOT TO SCALE

## PROGRAM 7312

### STREET IMPROVEMENTS - CITYWIDE SLURRY SEAL PROGRAM

The slurry seal program is an annual proactive, street maintenance program through which City streets are slurry sealed on an eight-year cycle. Each year, a listing of specific streets will be determined for slurry seal in coordination with the Pavement Management Plan (PMP) recommendations.

PROGRAM 7312	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,600,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 1,600,000</b>

FUNDING SOURCES										
Fund 260 (Measure M)	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,600,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 1,600,000</b>

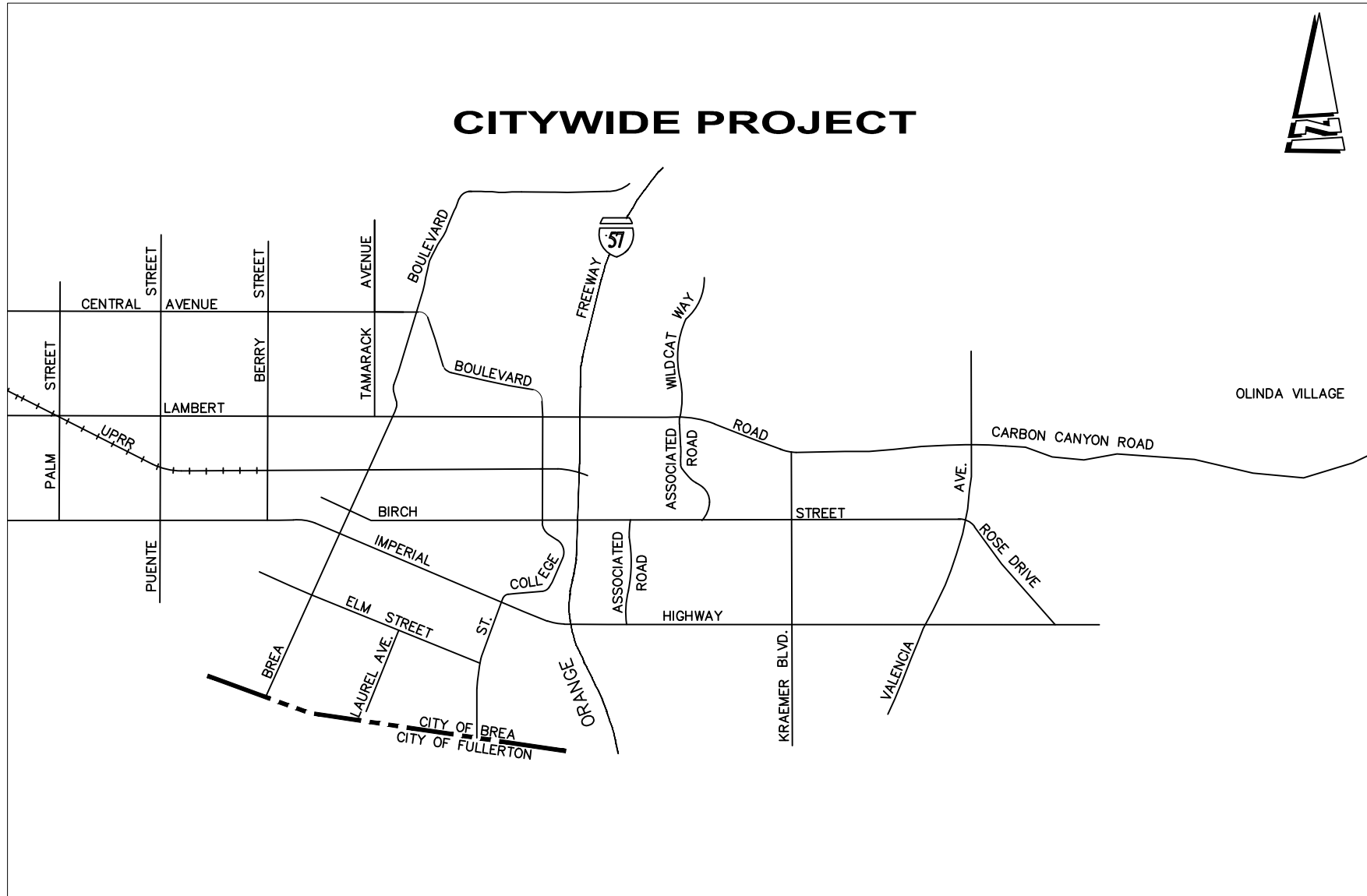
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$100,000	\$0

Project Manager Approval:

Will Wenz  
 (Type Name)

# PROJECT 7313

## STREET IMPROVEMENTS - CITYWIDE SIDEWALK REPLACEMENT



**VICINITY MAP**  
NOT TO SCALE

## PROGRAM 7313

### STREET IMPROVEMENTS - CITYWIDE SIDEWALK REPLACEMENT

This project allows for repair and replacement of displaced concrete sidewalks, curb and gutter, and curb access ramps citywide on an annual as-needed basis.

PROGRAM 7313	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 700,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 700,000

<b>FUNDING SOURCES</b>										
Fund 220 (Gas Tax)	\$ -		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 700,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 700,000

Estimated Expenses 2020-21	Estimated Carryover 2020-21
	\$0

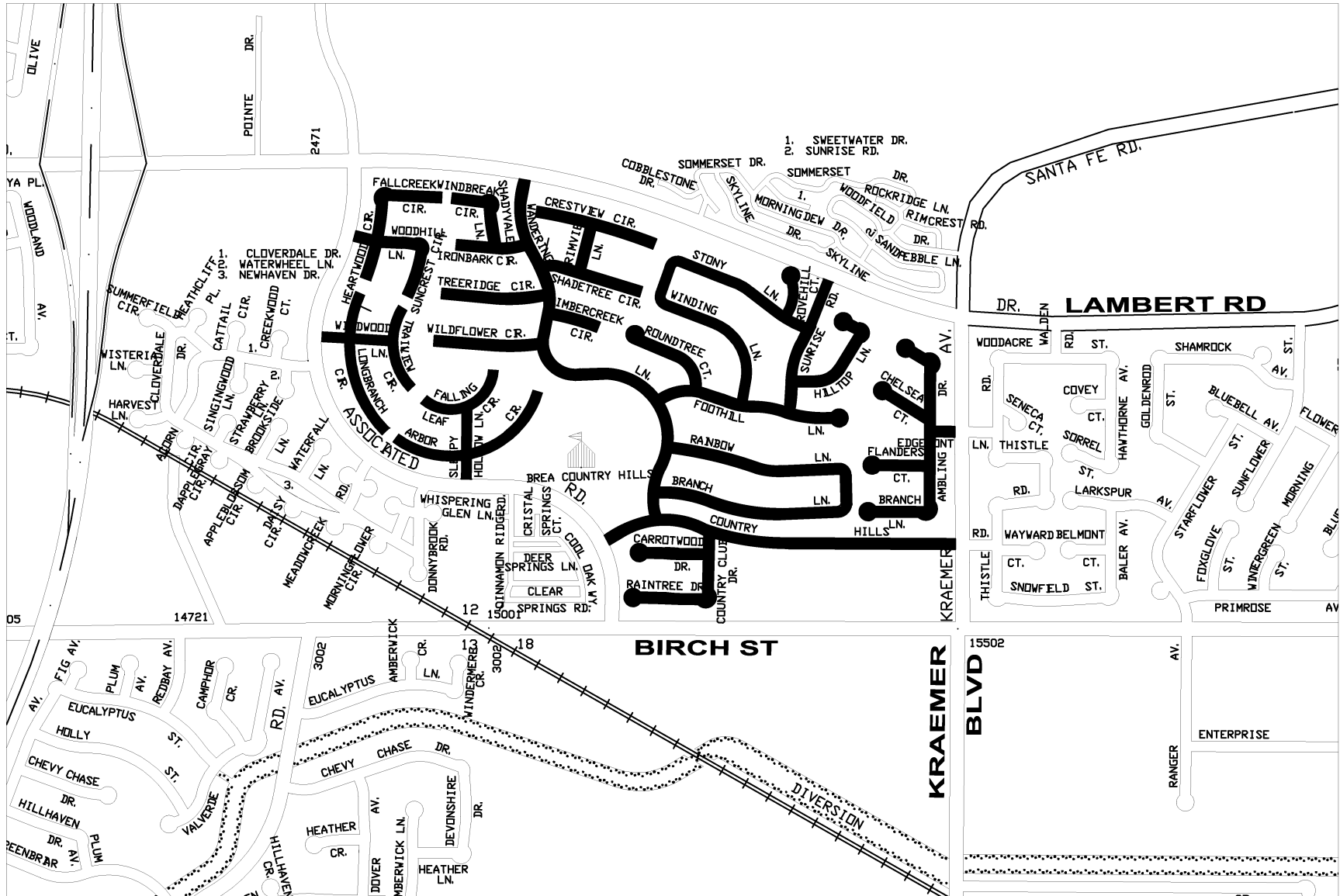
Project Manager Approval:

Will Wenz  
(Type Name)

# PROJECT 7322

## STREET IMPROVEMENTS

### COUNTRY HILLS SUBDIVISION PAVEMENT & WATER CONNECTION REHABILITATION



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7322

### STREET IMPROVEMENTS - COUNTRY HILLS SUBDIVISION PAVEMENT/WATER REHABILITATION

This project will rehabilitate the existing streets within the Country Hills subdivision pursuant to the city's Pavement Management Program (PMP). Additionally, the existing water connections throughout the area will be replaced. The improvements will also include updating curbs, gutters and ADA ramps.

PROJECT 7322	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 81,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,770
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 5,735,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,735,841
CONST. ENGINEERING	\$ 375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375
<b>TOTAL</b>	<b>\$ 82,145</b>	<b>\$ 5,735,841</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,817,986</b>

FUNDING SOURCES										
Fund 260 (Measure M)	\$ 82,145	\$ 875,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 957,145
Fund 221 (RMRA)	\$ -	\$ 660,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 660,841
Fund 420 (Water)	\$ -	\$ 3,807,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,807,000
Fund 220 (Gas Tax)	\$ -	\$ 393,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 393,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 82,145</b>	<b>\$ 5,735,841</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,817,986</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$100,000	\$5,635,841

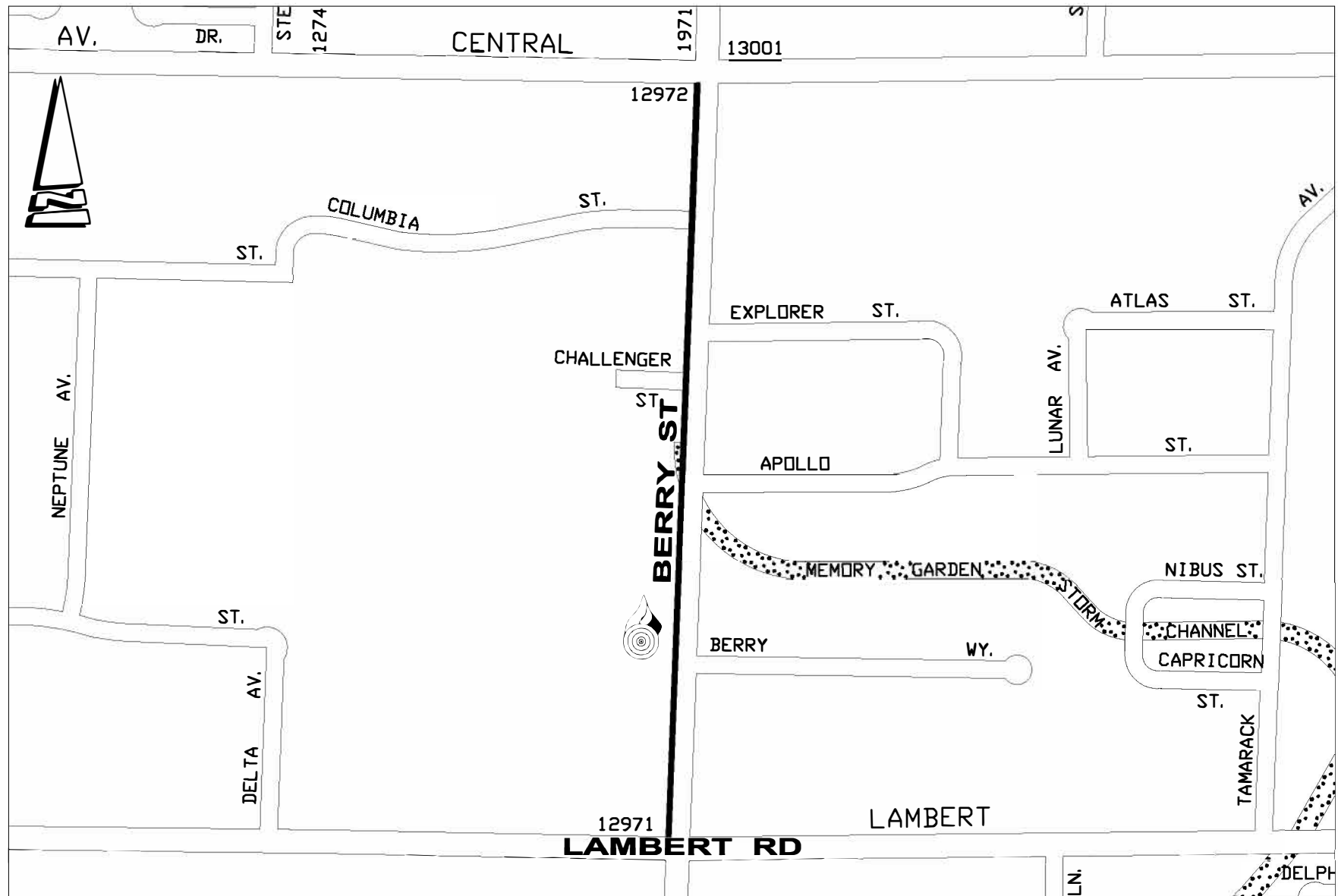
Project Manager Approval:

Raymond Contreras  
(Type Name)

# PROJECT 7324

## STREET IMPROVEMENTS -

### BERRY STREET SIDEWALK INSTALLATION



**VICINITY MAP**  
**NOT TO SCALE**

## PROJECT 7324

### STREET IMPROVEMENTS - BERRY STREET SIDEWALK INSTALLATION

This project will construct approximately 2,000 linear feet of 6-foot wide sidewalks along the west side of Berry Street between Lambert Road and Central Avenue.

PROJECT 7324	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 24,404	\$ 25,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,987
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -		\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 550,000
CONST. ENGINEERING	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
<b>TOTAL</b>	<b>\$ 24,404</b>	<b>\$ 25,583</b>	<b>\$ 575,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 624,987</b>

FUNDING SOURCES										
Fund 220 (Gas Tax)	\$ 24,404	\$ 25,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,987
Fund 260 (Measure M)	\$ -	\$ -	\$ 575,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 575,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 24,404</b>	<b>\$ 25,583</b>	<b>\$ 575,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 624,987</b>

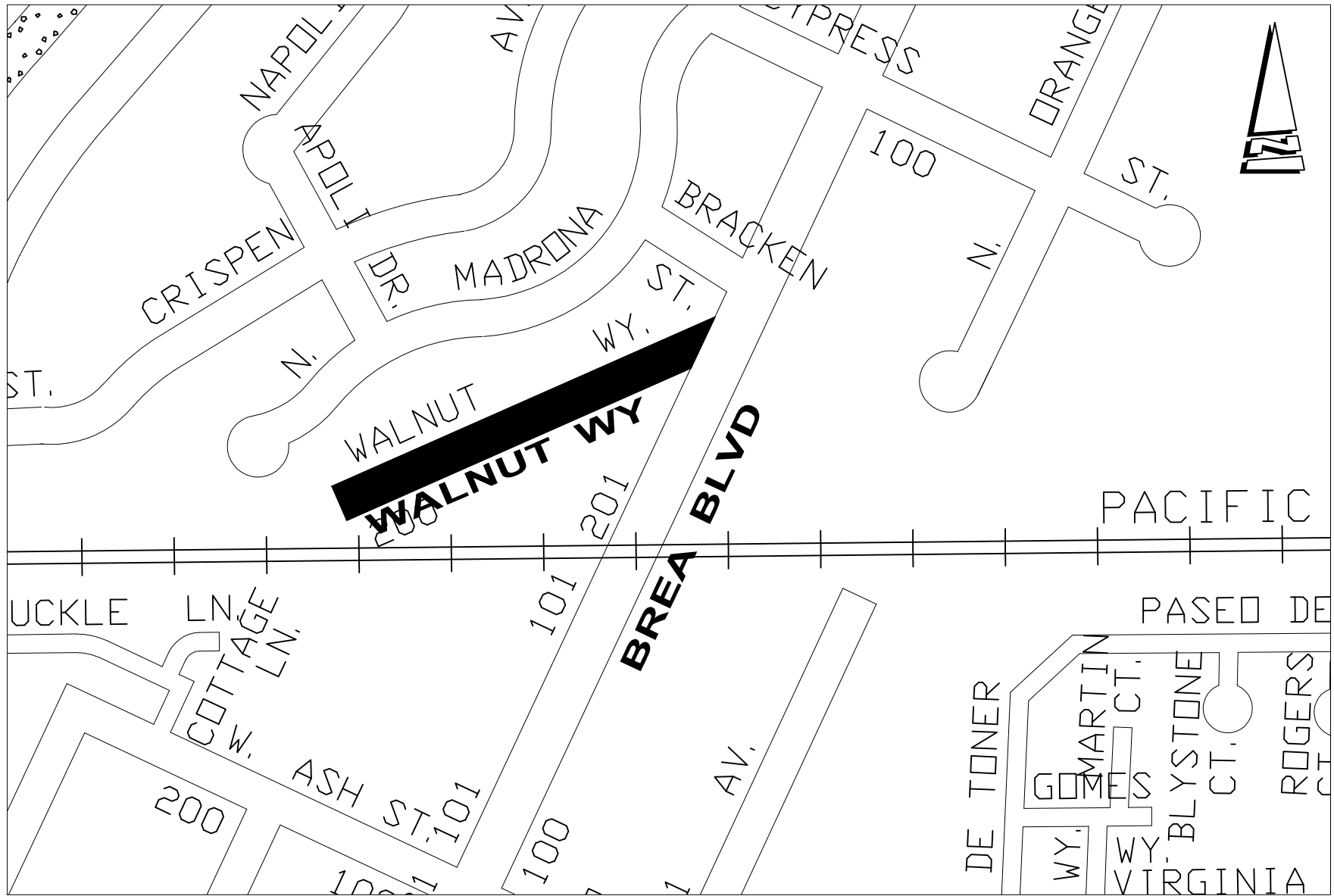
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$0	\$25,583

Project Manager Approval:

Michael Ho  
 \_\_\_\_\_  
 (Type Name)



**PROJECT 7326**  
**STREET IMPROVEMENTS - WALNUT WAY**  
**STREET IMPROVEMENTS**



**VICINITY MAP**  
**NOT TO SCALE**

## PROJECT 7326

### STREET IMPROVEMENTS - WALNUT WAY STREET IMPROVEMENTS

This project will rehabilitate the residential roadway on Walnut Way located south of Bracken and on the west side of Brea Boulevard. The Pavement Condition Index (PCI) on Walnut Way is 53 and the true area is 12,470 square feet.

PROJECT 7326	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ 255,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,000
CONST. ENGINEERING	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 290,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 290,000</b>

FUNDING SOURCES										
Fund 220 (Gas Tax)	\$ -	\$ -	\$ 170,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,000
Fund 420 (Water)	\$ -	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
Fund 430 (Sewer)	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 290,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 290,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21

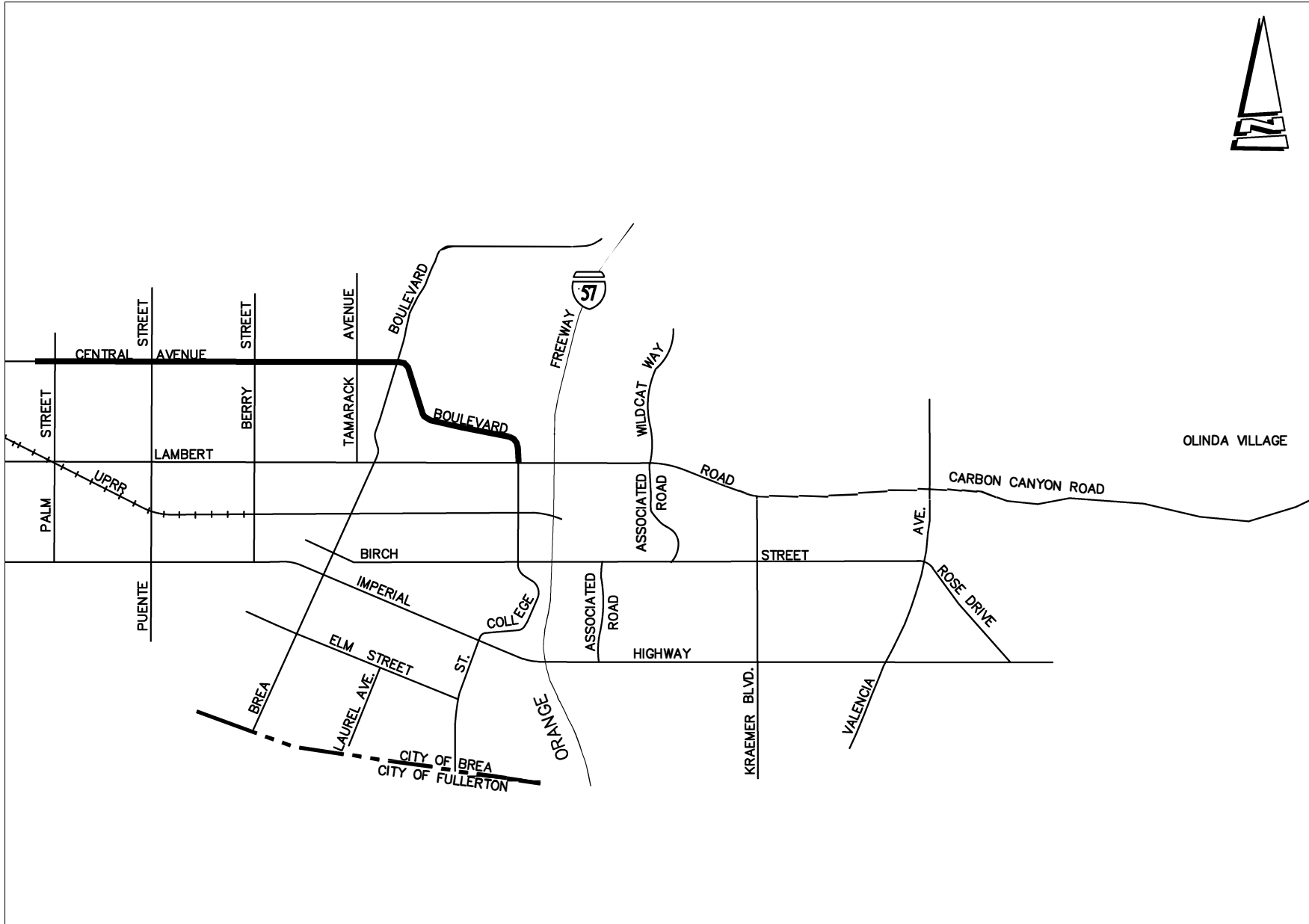
Project Manager Approval:

Michael Ho  
(Type Name)

# PROJECT 7327

## STREET IMPROVEMENTS - CENTRAL AVE AND STATE COLLEGE

### STREET IMPROVEMENT PROJECT



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7327

### STREET IMPROVEMENTS - CENTRAL AVE AND STATE COLLEGE STREET IMPROVEMENT PROJECT

This project will improve the pavement on Central Avenue between West City Limits and Brea Boulevard pursuant to the City's Pavement management Plan. The improvements will include updating curbs, gutters and ADA ramps.

PROJECT 7327	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ -	\$ 816,355	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 816,355
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 841,355</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 891,355</b>

FUNDING SOURCES										
Fund 221 (RMRA)	\$ -	\$ -	\$ 50,000	\$ 841,355	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 891,355
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 841,355</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 891,355</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21

Project Manager Approval:

Michael Ho  
(Type Name)

**CITY OF BREA**

**SEVEN-YEAR CAPITAL IMPROVEMENT  
PROGRAM BUDGET**

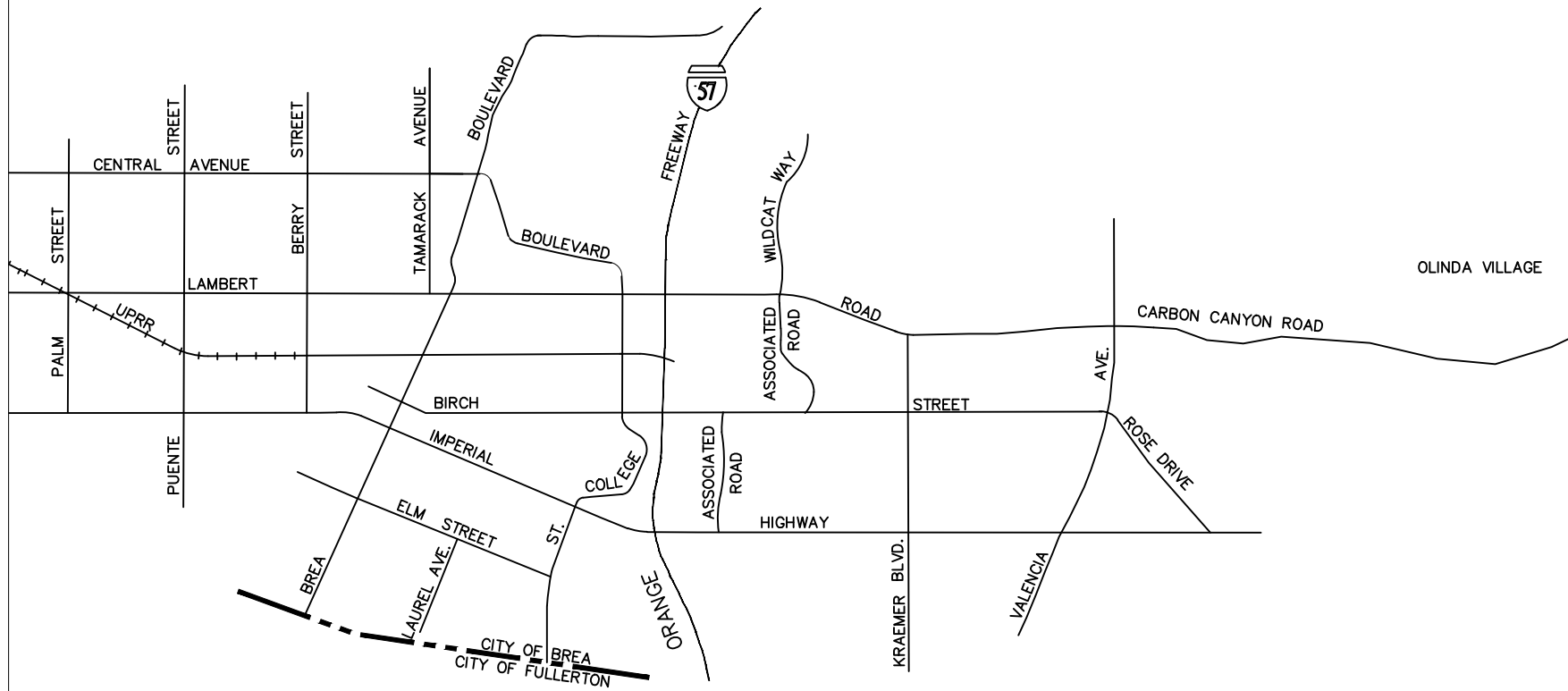
**FY 2021-2022 through FY 2027-2028**

**TRAFFIC SAFETY ENHANCEMENTS**

# PROJECT 7218

## TRAFFIC SAFETY ENHANCEMENTS - TRAFFIC SIGNAL CONTROLLER UPGRADE

### CITYWIDE PROJECT



### VICINITY MAP

NOT TO SCALE

## PROJECT 7218

### TRAFFIC SAFETY ENHANCEMENTS - TRAFFIC SIGNAL CONTROLLER UPGRADE

This project will replace obsolete traffic signal controllers and cabinets, upgrade existing and install new video detection equipment, install Opticom GPS vehicle preemption equipment, install connected vehicle technology, install battery back-up equipment, and upgrade other traffic signal equipment. These improvements will facilitate more efficient vehicle travel times and driver information, improve pedestrian and transit operations, and reduce emergency vehicle response times.

PROJECT 7218	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 1,477	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 176,477
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ 129,600	\$ 425,991	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,255,591
CONST. ENGINEERING	\$ 14,900	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 189,900
<b>TOTAL</b>	<b>\$ 145,977</b>	<b>\$ 425,991</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 1,621,968</b>

FUNDING SOURCES										
Fund 540 (Traffic Impact)	\$ 145,977	\$ 368,806	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,214,783
Fund 260 (Measure M)	\$ -	\$ 57,185	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 407,185
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 145,977</b>	<b>\$ 425,991</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 1,621,968</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$3,500	\$422,491

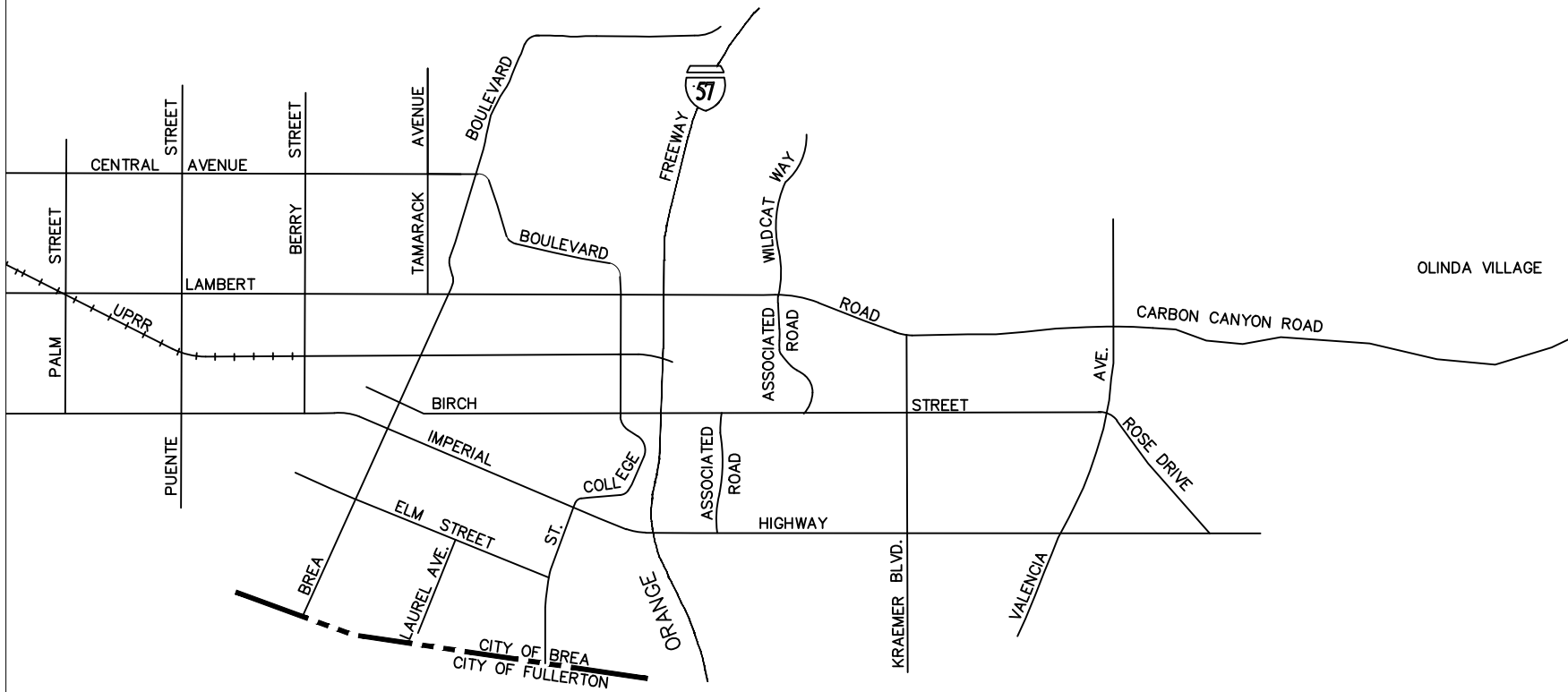
Project Manager Approval:

Dave Roseman  
(Type Name)

# PROJECT 7704

## TRAFFIC SAFETY ENHANCEMENTS - EMERGENCY CHANGEABLE MESSAGE SIGNS

### CITYWIDE PROJECT



### VICINITY MAP

NOT TO SCALE



## PROJECT 7704

### TRAFFIC SAFETY ENHANCEMENTS - EMERGENCY CHANGEABLE MESSAGE SIGNS

This project proposes to install changeable message signs that can be activated to notify drivers of Carbon Canyon Road closures. Signs provided by CalTrans (4 in Brea & 1 in Chino Hills) would be placed strategically so drivers can alter their travel route when Carbon Canyon is closed. This Caltrans project is currently on hold.

PROJECT 7704	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 556
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 655,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 655,682
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 556</b>	<b>\$ 655,682</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 656,238</b>

FUNDING SOURCES										
Fund 540 (Traffic Impact)	\$ 556	\$ 497,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 498,520
Fund 220 (Gas Tax)	\$ -	\$ 157,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,718
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 556</b>	<b>\$ 655,682</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 656,238</b>

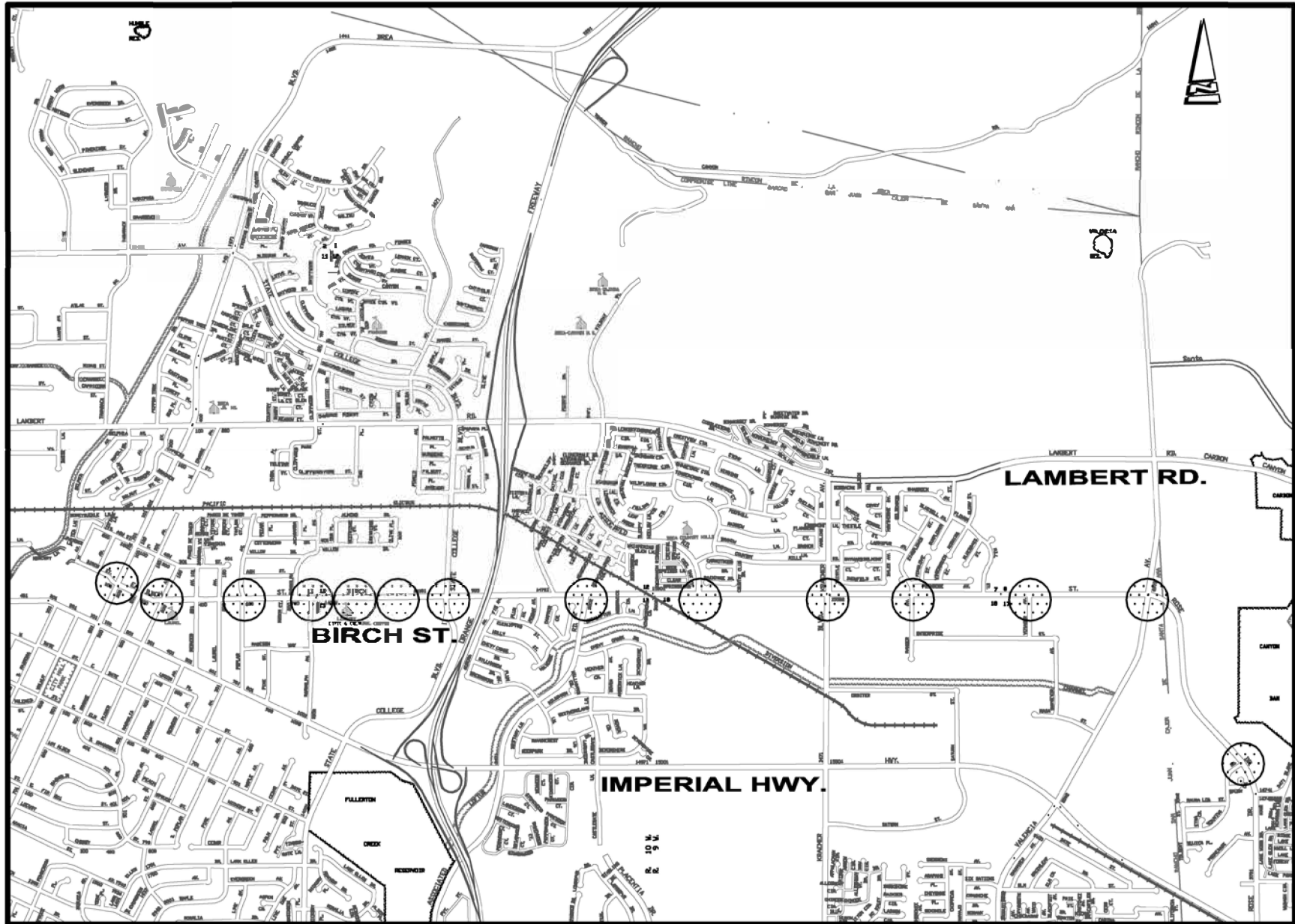
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$40,000	\$615,682

Project Manager Approval:

Michael Ho  
(Type Name)

# PROJECT 7709

## TRAFFIC SAFETY ENHANCEMENTS - BIRCH STREET TRAFFIC SIGNAL SYNCHRONIZATION



**VICINITY MAP**

**NOT TO SCALE**

## PROJECT 7709

### TRAFFIC SAFETY ENHANCEMENTS - BIRCH STREET TRAFFIC SIGNAL SYNCHRONIZATION

This project upgraded traffic signal control equipment, including fiber optic interconnect cable, expanding the existing fiber optic cable network along Birch Street and Rose Drive. Traffic signal timing was reviewed and adjusted to reflect current traffic conditions and to synchronize the traffic signals along the corridor. This project is part of the OCTA M2 Traffic Signal Synchronization Program and is currently in the monitoring phase.

PROJECT 7709	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ 264,351	\$ 47,677	\$ 27,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 339,566
CONST. ENGINEERING	\$ 32,560	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,560
<b>TOTAL</b>	<b>\$ 299,911</b>	<b>\$ 47,677</b>	<b>\$ 27,538</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 375,126</b>

FUNDING SOURCES										
Fund 540 (Traffic Impact)	\$ 299,911	\$ 44,873	\$ 27,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 372,322
Federal Grants	\$ -	\$ 2,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,804
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 299,911</b>	<b>\$ 47,677</b>	<b>\$ 27,538</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 375,126</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21

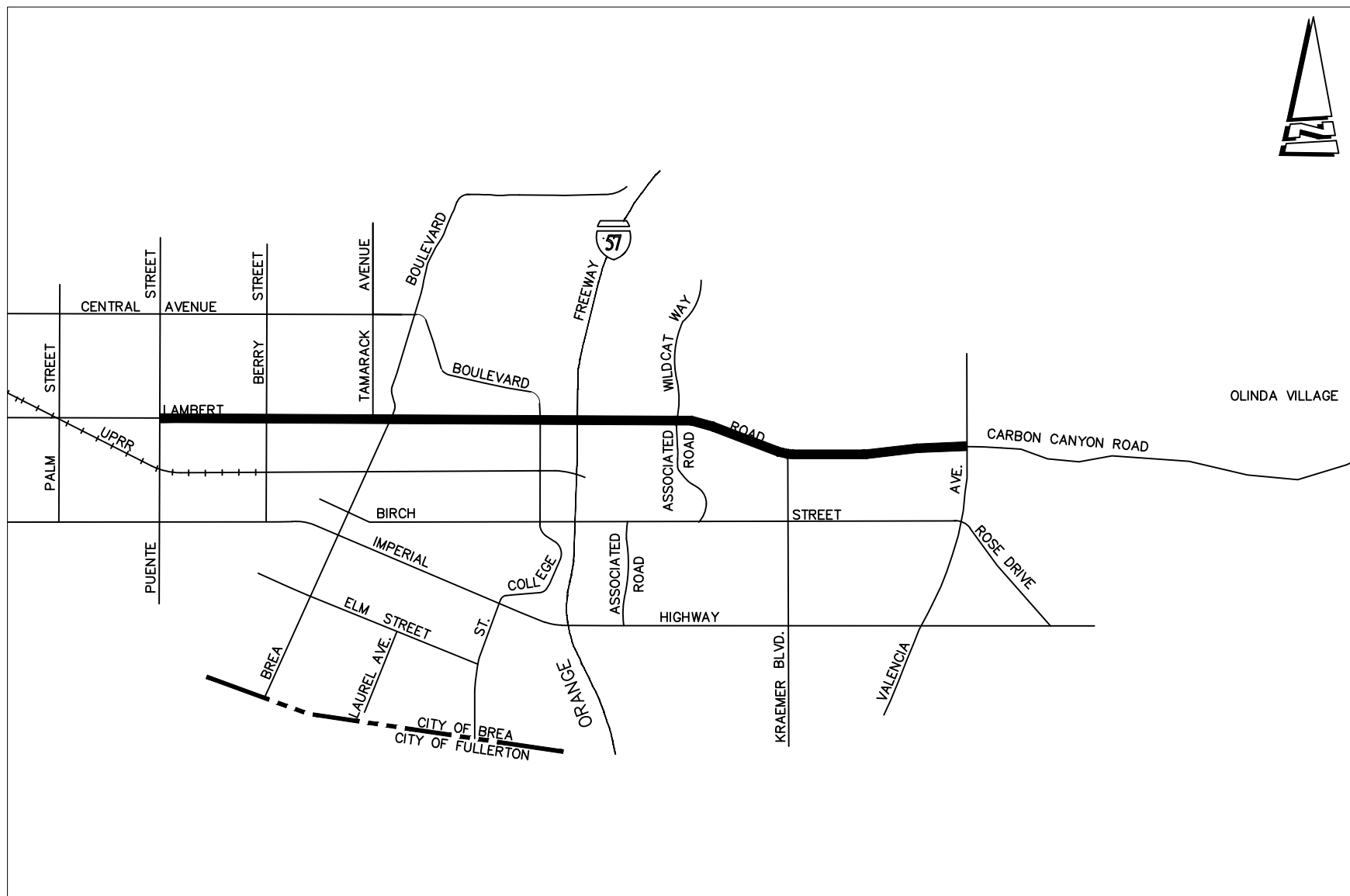
Project Manager Approval:

Warren Coleman  
(Type Name)

# PROJECT 7716

## TRAFFIC SAFETY ENHANCEMENTS - LAMBERT ROAD

### TRAFFIC SIGNAL SYNCHRONIZATION



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7716

### TRAFFIC SAFETY ENHANCEMENTS - LAMBERT ROAD TRAFFIC SIGNAL SYNCHRONIZATION

This project will upgrade traffic signal control equipment, develop traffic signal timing plans and synchronize traffic signals along the Lambert Road/Carbon Canyon corridor in La Habra and Brea. This is a joint project with the City of La Habra as the lead agency under the OCTA M2 Traffic Signal Synchronization Program per Resolution 2019-070 presented at the December 3, 2019 Brea City Council Meeting.

PROJECT 7716	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300,000</b>

FUNDING SOURCES										
Fund 540 (Traffic Impact)	\$ -	\$ -	\$ 50,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300,000</b>

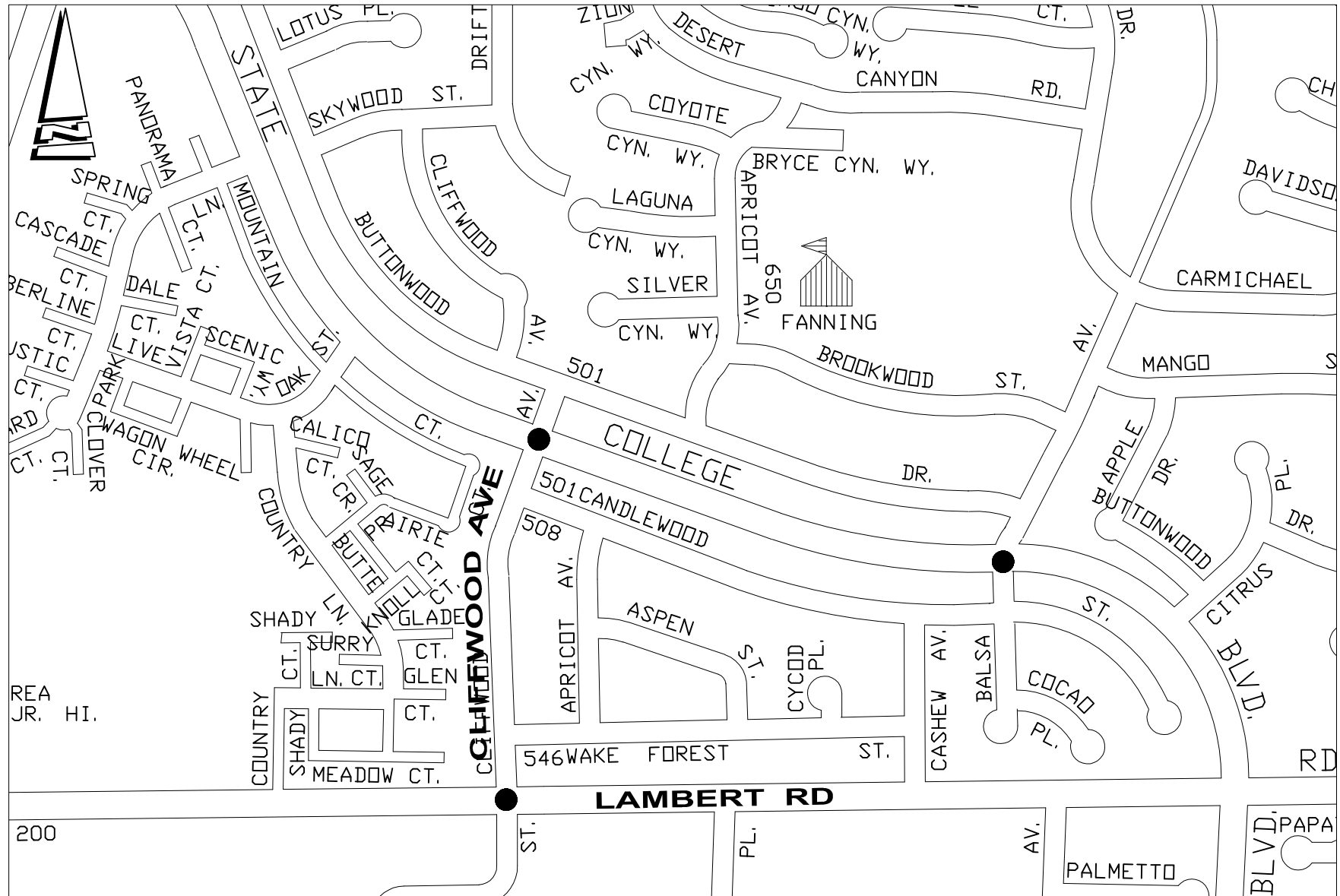
Estimated Expenses 2020-21	Estimated Carryover 2020-21

Project Manager Approval:

Michael Ho  
(Type Name)

# PROJECT 7717

## TRAFFIC SAFETY ENHANCEMENTS - CLIFFWOOD NEIGHBORHOOD TRAFFIC CALMING IMPROVEMENTS



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7717

### TRAFFIC SAFETY ENHANCEMENTS - CLIFFWOOD NEIGHBORHOOD TRACT CALMING IMPROVEMENTS

As a part of the Cliffwood Neighborhood Traffic Calming Study presented at the March 16, 2021 City Council meeting, this project will; 1) install a new protective left turn movement in the east and westbound direction and eliminate through movements in the north and southbound direction for the intersection of Lambert Road and Cliffwood, 2) Replace the existing traffic signal controller for the intersection of State College and Cliffwood, & 3) Install a new eastbound protective left turn for the intersection of Balsa and State College.

PROJECT 7717	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400,000</b>

FUNDING SOURCES										
Fund 540 (Traffic Impact)	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21

Project Manager Approval:

\_\_\_\_\_  
Ryan Chapman  
(Type Name)

**CITY OF BREA**

**SEVEN-YEAR CAPITAL IMPROVEMENT  
PROGRAM BUDGET**

**FY 2021-2022 through FY 2027-2028**

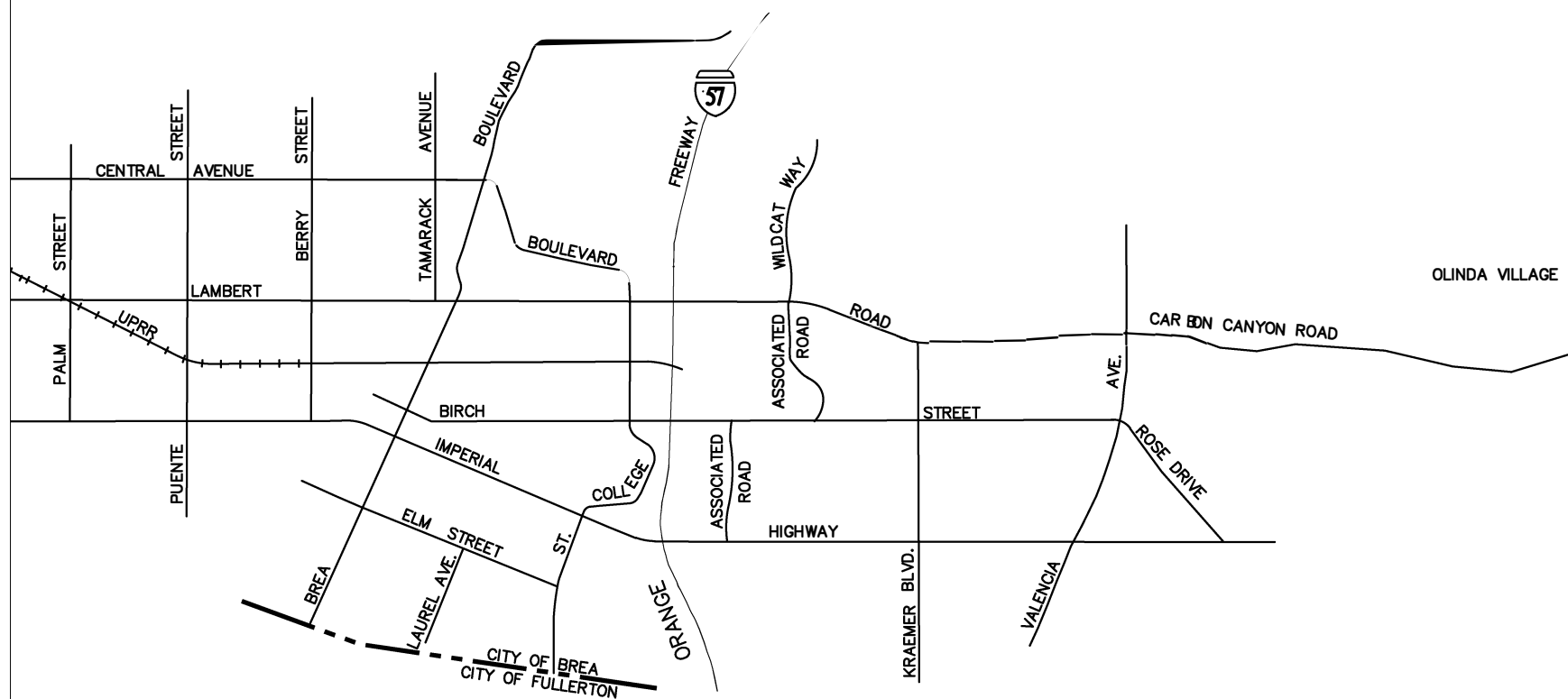
**WATER IMPROVEMENTS**



# PROJECT 7442

## WATER IMPROVEMENTS - MISCELLANEOUS WATER IMPROVEMENT PROGRAM

### CITYWIDE PROJECT



**VICINITY MAP**  
NOT TO SCALE

## PROGRAM 7442

### WATER IMPROVEMENTS - MISCELLANEOUS WATER IMPROVEMENT PROGRAM

This project creates a fund for water improvements as they become necessary. These projects may include emergency water main repairs and upgrade of existing facilities, equipment and appurtenances.

PROGRAM 7442	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 559,548	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 3,009,548
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 559,548</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 3,009,548</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ -	\$ 559,548	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 3,009,548
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 559,548</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 3,009,548</b>

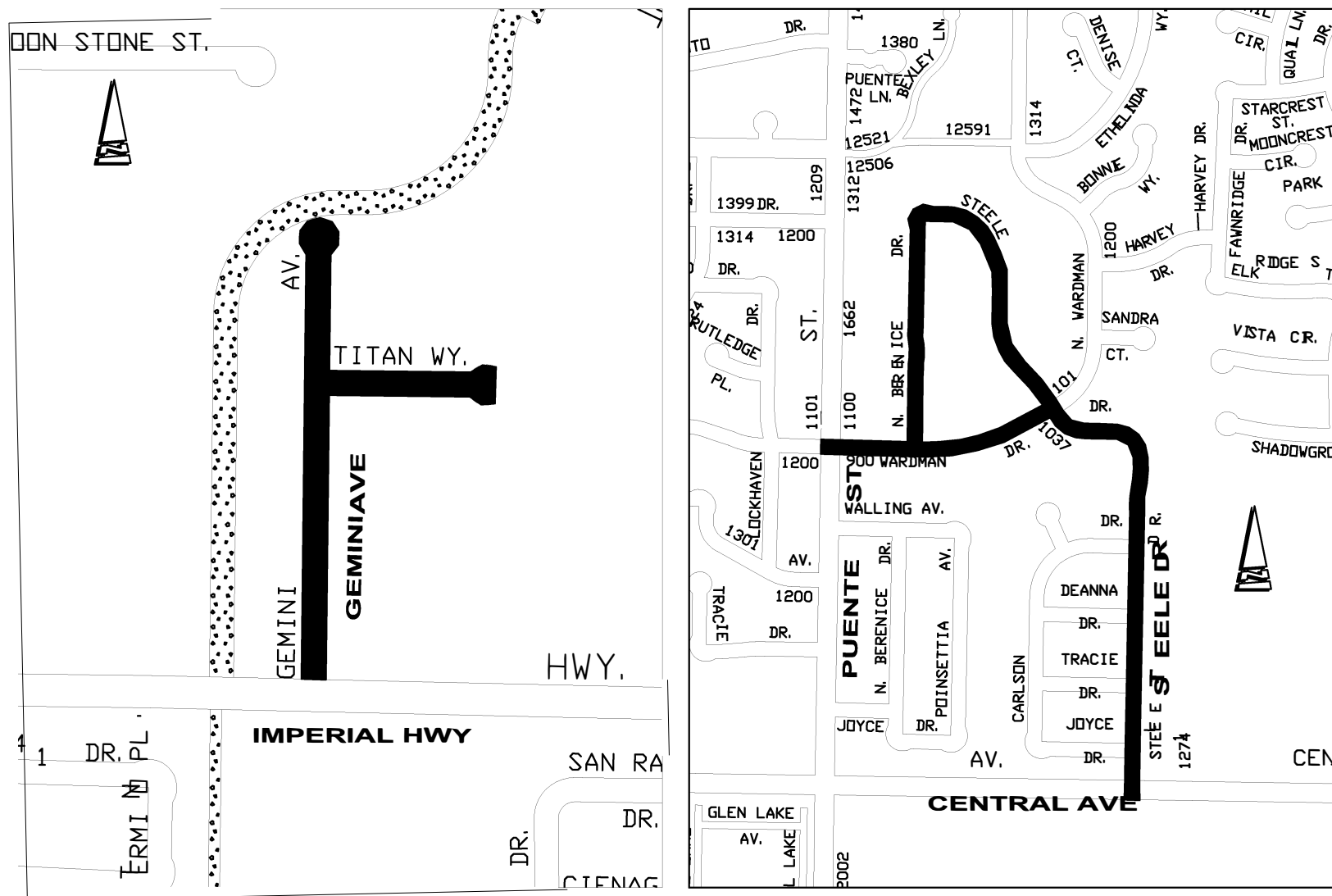
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$550,000	\$9,548

Note: PM for CIP 7936 asking for funding of \$361,000 from Water (carryover estimate)

Project Manager Approval:

Rudy Correa  
(Type Name)

## WATER IMPROVEMENTS - GEMINI AVENUE/STEELE DRIVE WATERLINE IMPROVEMENTS



**NOT TO SCALE**

## PROJECT 7453

### WATER IMPROVEMENTS - GEMINI AVENUE/STEELE DRIVE WATERLINE IMPROVEMENTS

This project will replace the existing waterlines on Steele Drive from Central Avenue to Berenice Drive; Wardman Drive from Puente Street to Steele Drive; Berenice Drive from Wardman Drive to Steele Drive and Gemini Avenue from Imperial Highway to the cul-de-sac, including Titan Way. This project will also replace gate valves and fire hydrants (typical).

PROJECT 7453	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 3,481,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,481,069
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 3,481,069</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,481,069</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ -	\$ 3,231,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,231,069
Fund 220 (Gas Tax)	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Fund 260 (Measure M)	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 3,481,069</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,481,069</b>

Other (Funded) is Developer Funds

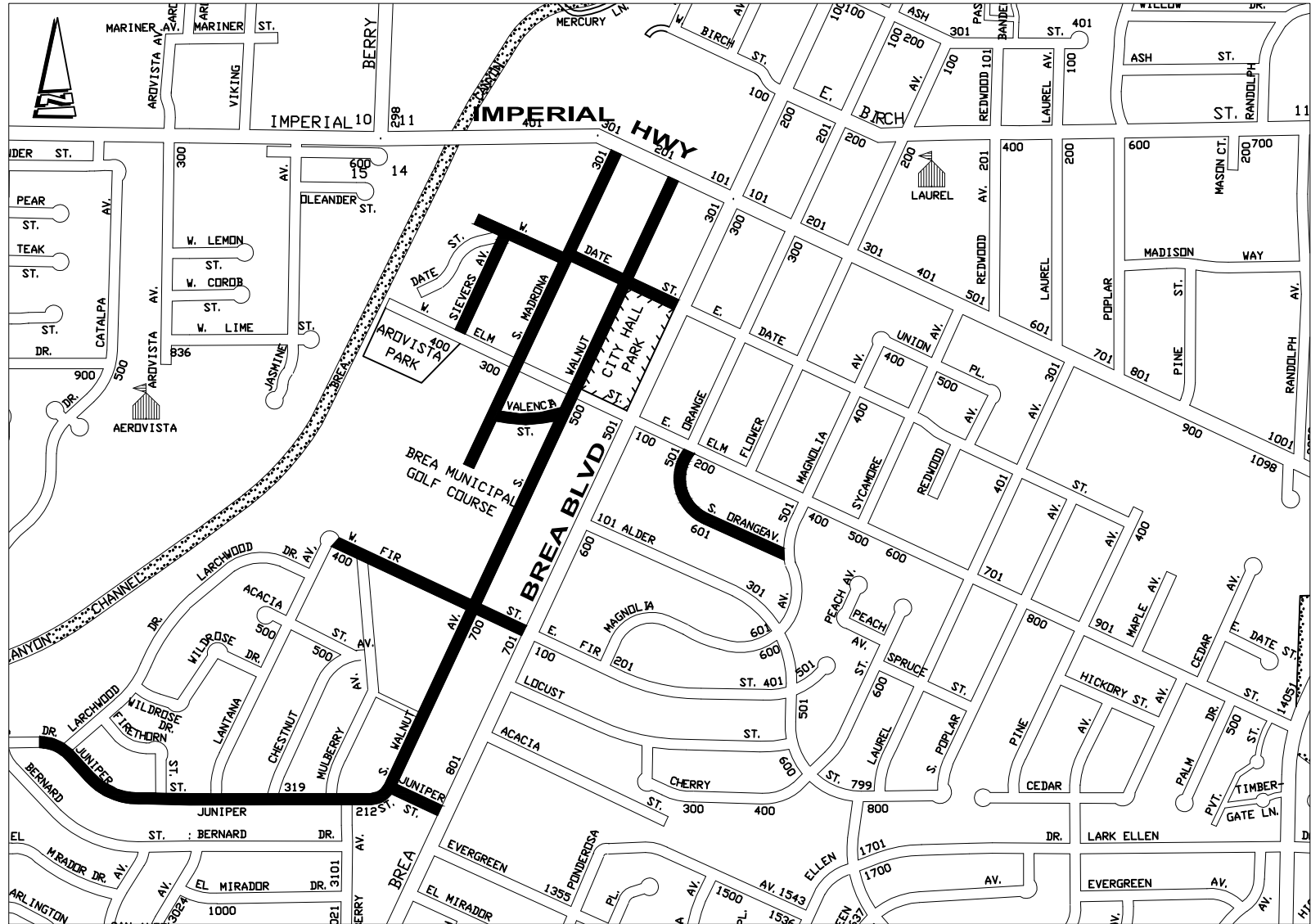
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$500,000	\$2,981,069

Project Manager Approval:

Michael Ho  
(Type Name)

# PROJECT 7454

## WALNUT AVENUE - ORANGE AVENUE - JUNIPER STREET ET AL. WATERLINE IMPROVEMENTS



**VICINITY MAP**

NOT TO SCALE

## PROJECT 7454

### WATER IMPROVEMENTS - WALNUT-ORANGE-JUNIPER ST et al. WATERLINES

This project will replace the waterlines on Walnut Avenue from Imperial Highway to Juniper Street; Date Street from Brea Boulevard to Sievers Avenue, Madrona Avenue south of Imperial Highway, Sievers Avenue south of Date Street, Orange Avenue from Elm Street to Magnolia Avenue; Fir Street from Brea Boulevard to Lantana Avenue; Valencia Street from Madrona Avenue to Walnut Avenue; and Juniper Street from Brea Boulevard to west City limit.

PROJECT 7454	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 11,812	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,812
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 493,111	\$ 3,361,989	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,855,100
CONST. ENGINEERING		\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
<b>TOTAL</b>	<b>\$ 11,812</b>	<b>\$ 533,111</b>	<b>\$ 3,461,989</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,006,912</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ -	\$ 433,111	\$ 2,473,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,906,350
Fund 220 (Gas Tax)	\$ 11,812	\$ 100,000	\$ 623,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 735,367
Fund 260 (Measure M)	\$ -	\$ -	\$ 365,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,195
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 11,812</b>	<b>\$ 533,111</b>	<b>\$ 3,461,989</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,006,912</b>

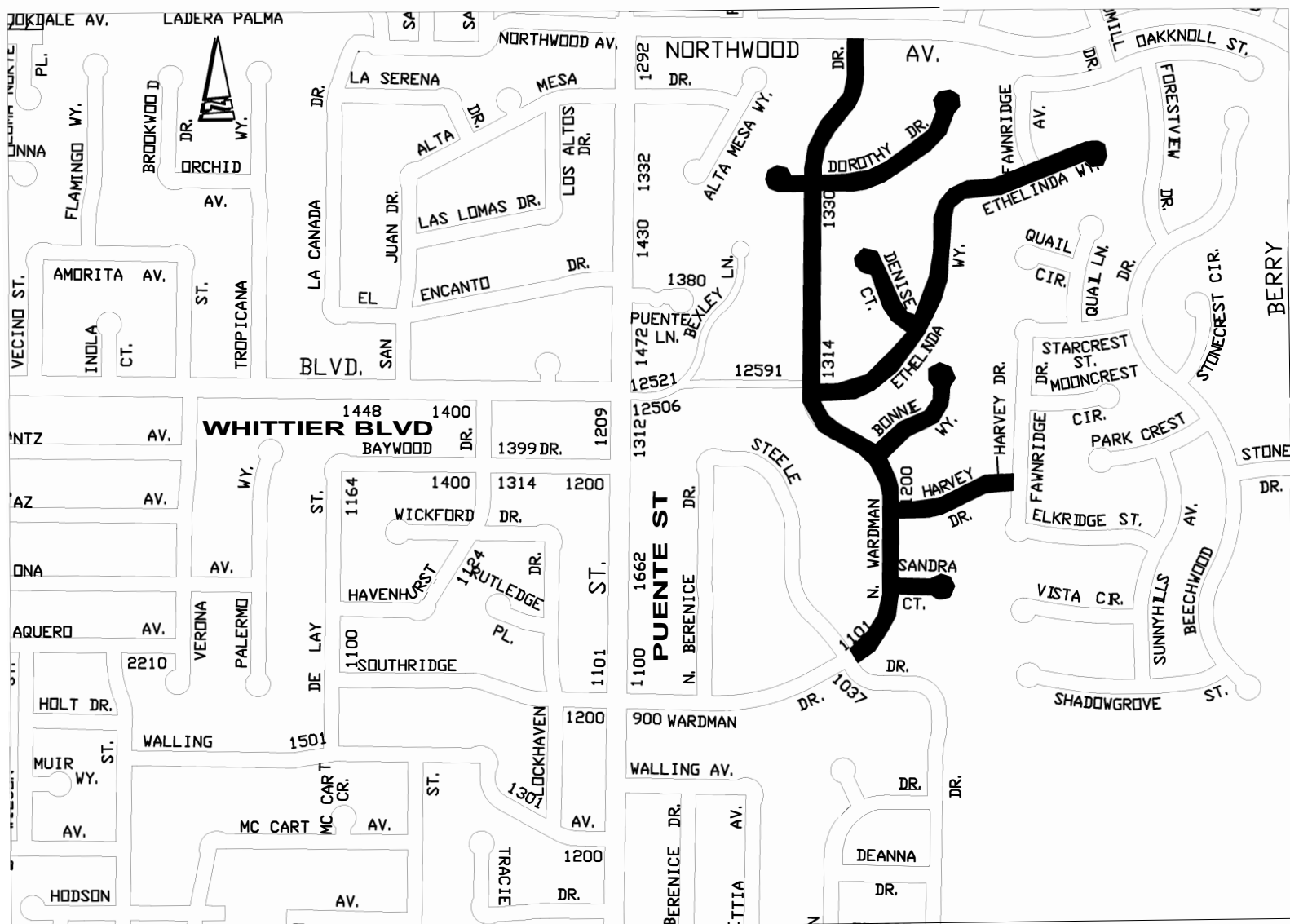
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$60,000	\$473,111

Project Manager Approval:

Michael Ho  
(Type Name)

## VICINITY MAP

**NOT TO SCALE**



## PROJECT 7457

### WATER IMPROVEMENTS - PLEASANT HILL TRACT WATER IMPROVEMENTS

This project will replace existing undersized and deteriorated water mains in the Pleasant Hills Tract neighborhood.

PROJECT 7457	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 2,840,997	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,840,997
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 2,840,997</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,840,997</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ -	\$ 2,590,997	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,590,997
Fund 220 (Gas Tax)	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Fund 260 (Measure M)	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 2,840,997</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,840,997</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$500,000	\$2,840,997

Project Manager Approval:

Michael Ho  
(Type Name)



## WATER IMPROVEMENTS - ENTERPRISE TRACT WATER IMPROVEMENTS



**NOT TO SCALE**

## PROJECT 7462

### WATER IMPROVEMENTS - ENTERPRISE TRACT WATER IMPROVEMENTS

This project will replace existing undersized and deteriorated water mains in the Enterprise Tract including Ranger Avenue, Enterprise Street, Voyager Avenue, Surveyor Avenue and Nasa Street.

PROJECT 7462	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 527	\$ 79,468	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,995
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ -	\$ 2,250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,250,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
<b>TOTAL</b>	<b>\$ 527</b>	<b>\$ 79,468</b>	<b>\$ -</b>	<b>\$ 2,550,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,629,995</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ 527	\$ 79,468	\$ -	\$ 1,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,779,995
Fund 221 (RMRA)	\$ -	\$ -	\$ -	\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 527</b>	<b>\$ 79,468</b>	<b>\$ -</b>	<b>\$ 2,550,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,629,995</b>

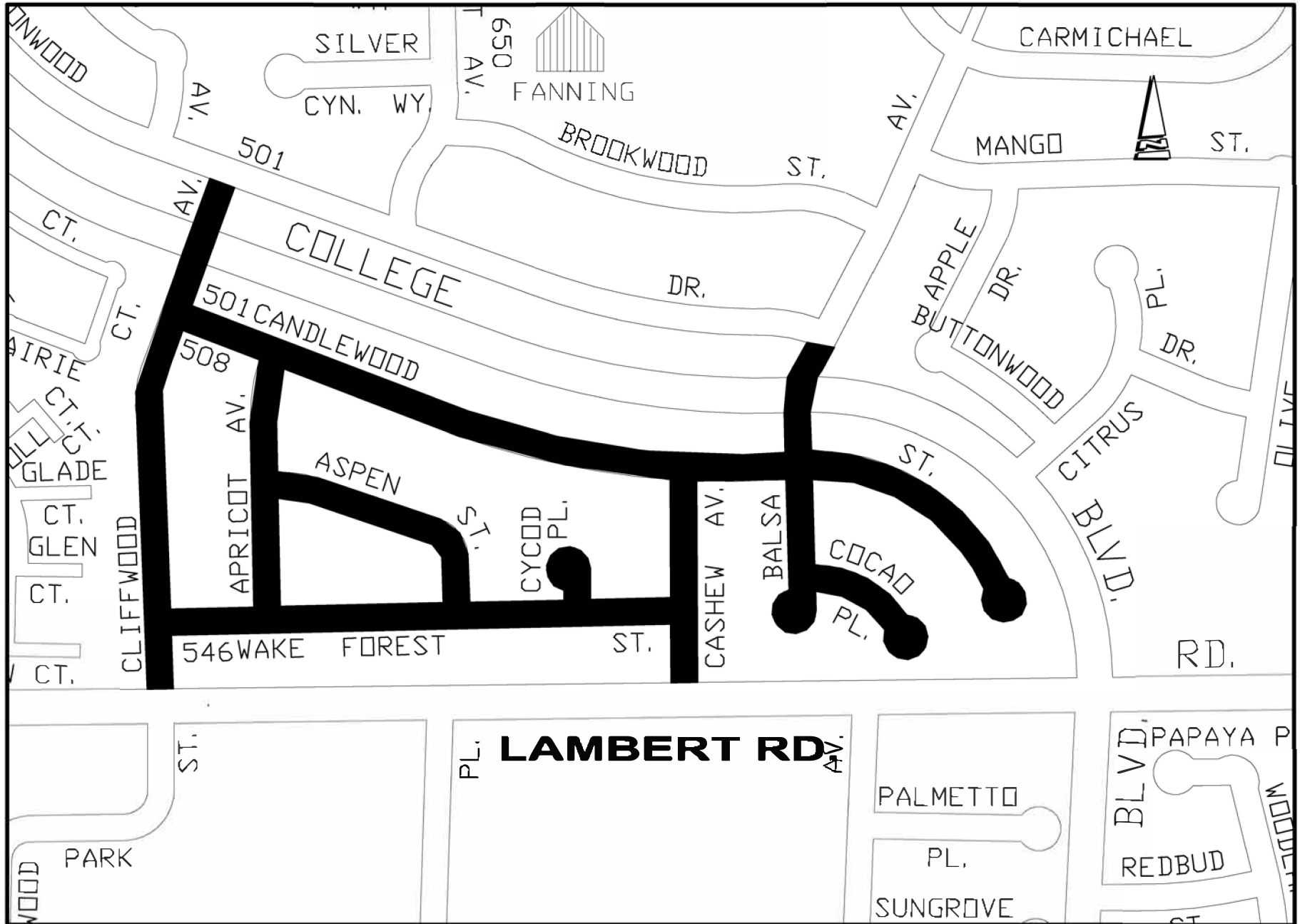
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$968	\$78,500

Project Manager Approval:

Michael Ho  
(Type Name)

# PROJECT 7465

## WATER IMPROVEMENTS - CANDLEWOOD TRACT WATER MAIN REPLACEMENT



## PROJECT 7465

### WATER IMPROVEMENTS - CANDLEWOOD TRACT WATER MAIN REPLACEMENT

This project will replace existing undersized and deteriorated water mains in the Candlewood Tract neighborhood on the south side of State College Boulevard between Cliffwood Street and Balsa Avenue.

PROJECT 7465	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 80,000	\$ -	\$ 1,140,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,220,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,000
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ -</b>	<b>\$ 1,320,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,400,000</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ -	\$ 80,000	\$ -	\$ 1,220,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300,000
Fund 220 (Gas Tax)	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ -</b>	<b>\$ 1,320,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,400,000</b>

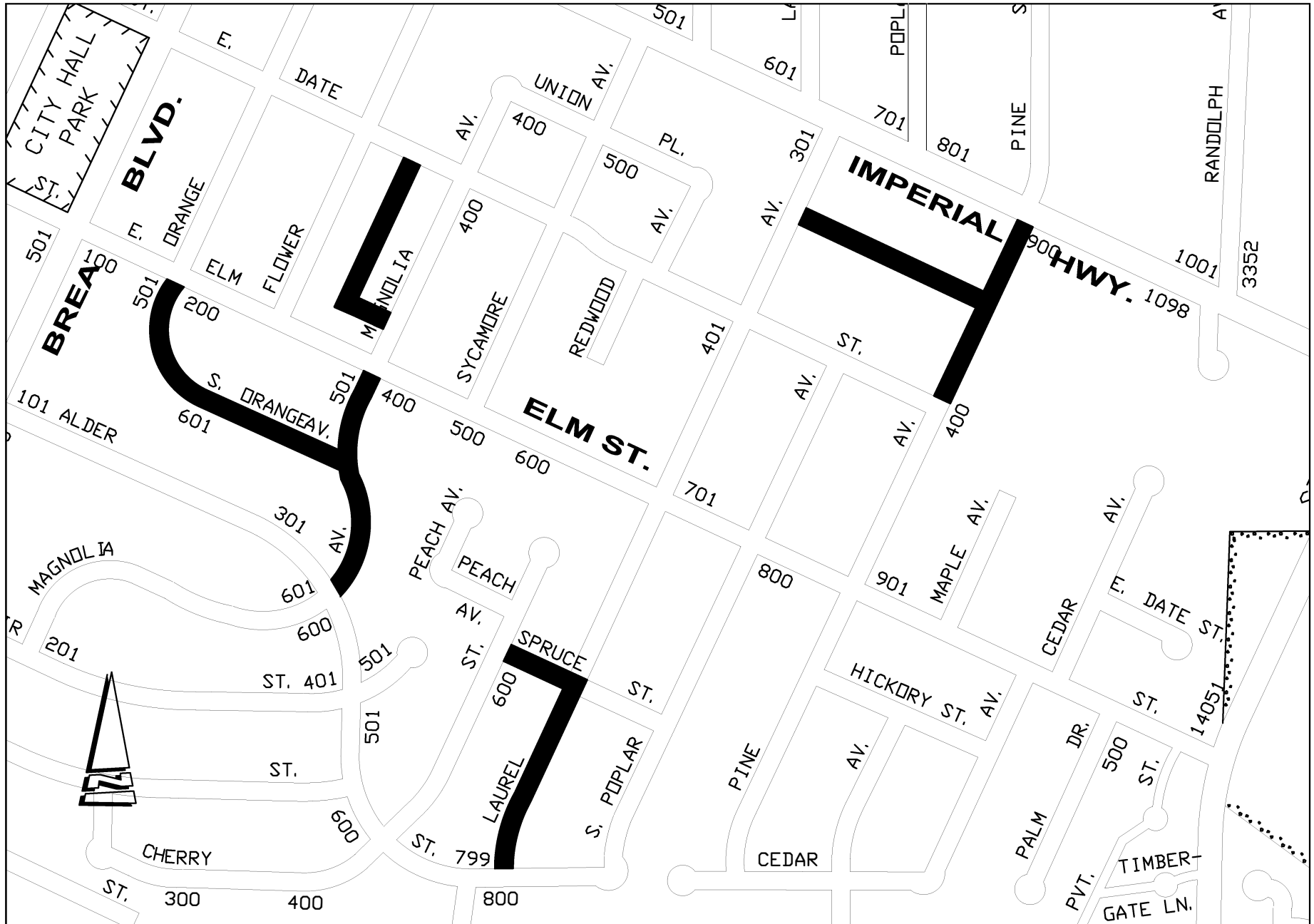
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$80,000	\$0

Project Manager Approval:

Michael Ho  
(Type Name)

# PROJECT 7466

## WATER IMPROVEMENTS - SOUTH BREA NEIGHBORHOOD WATER MAIN REPLACEMENT



**VICINITY MAP**

NOT TO SCALE

## PROJECT 7466

### WATER IMPROVEMENTS - SOUTH BREA NEIGHBORHOOD WATER MAIN REPLACEMENT

This project will replace existing 6" and 10" deteriorated water mains in the residential neighborhood south of Imperial Highway, east of Brea Boulevard, west of State College, and south to the City limit.

PROJECT 7466	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 19,251	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,251
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 1,451,019	\$ 894,281	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,345,300
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 19,251</b>	<b>\$ 1,451,019</b>	<b>\$ 894,281</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,364,551</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ 19,251	\$ 1,091,019	\$ 784,011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,894,281
Fund 260 (Measure M)	\$ -	\$ 360,000	\$ 110,270	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 470,270
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 19,251</b>	<b>\$ 1,451,019</b>	<b>\$ 894,281</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,364,551</b>

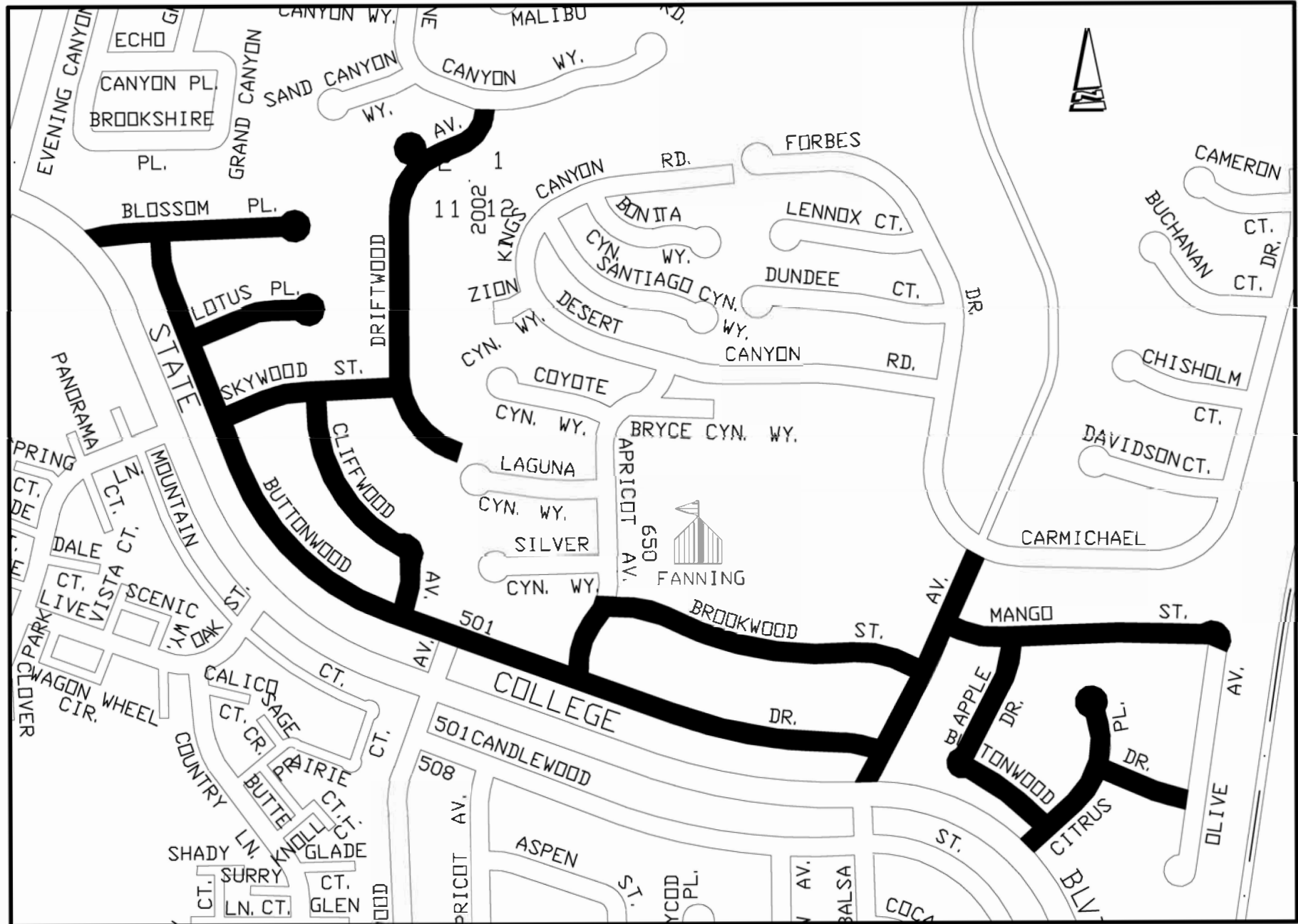
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$50,000	\$1,401,019

Project Manager Approval:

Michael Ho  
(Type Name)

# PROJECT 7468

## WATER IMPROVEMENTS - BUTTONWOOD DRIVE TRACT WATER MAIN REPLACEMENT



**VICINITY MAP**

**NOT TO SCALE**

## PROJECT 7468

### WATER IMPROVEMENTS - BUTTONWOOD DRIVE TRACT WATER MAIN REPLACEMENTS

This project will replace existing undersized and deteriorated water mains in the Buttonwood Tract neighborhood.

PROJECT 7468	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ 1,910,000	\$ -	\$ -	\$ -	\$ -	\$ 1,910,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ 160,000
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ 2,070,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,150,000</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ -	\$ -	\$ -	\$ 80,000	\$ 2,020,000	\$ -	\$ -	\$ -	\$ -	\$ 2,100,000
Fund 220 (Gas Tax)	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ 2,070,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,150,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$0	\$0

Project Manager Approval:

Michael Ho



## WATER IMPROVEMENTS - PEPPER TREE TRACT WATER MAIN REPLACEMENT



**NOT TO SCALE**

## PROJECT 7469

### WATER IMPROVEMENTS - PEPPER TREE TRACT WATER MAIN REPLACEMENTS

This project will replace existing undersized and deteriorated water mains in the Pepper Tree Tract neighborhood.

PROJECT 7469	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ 1,220,000	\$ -	\$ -	\$ -	\$ -	\$ 1,220,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60,000</b>	<b>\$ 1,300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,360,000</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ -	\$ -	\$ -	\$ 60,000	\$ 1,150,000	\$ -	\$ -	\$ -	\$ -	\$ 1,210,000
Fund 220 (Gas Tax)	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60,000</b>	<b>\$ 1,300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,360,000</b>

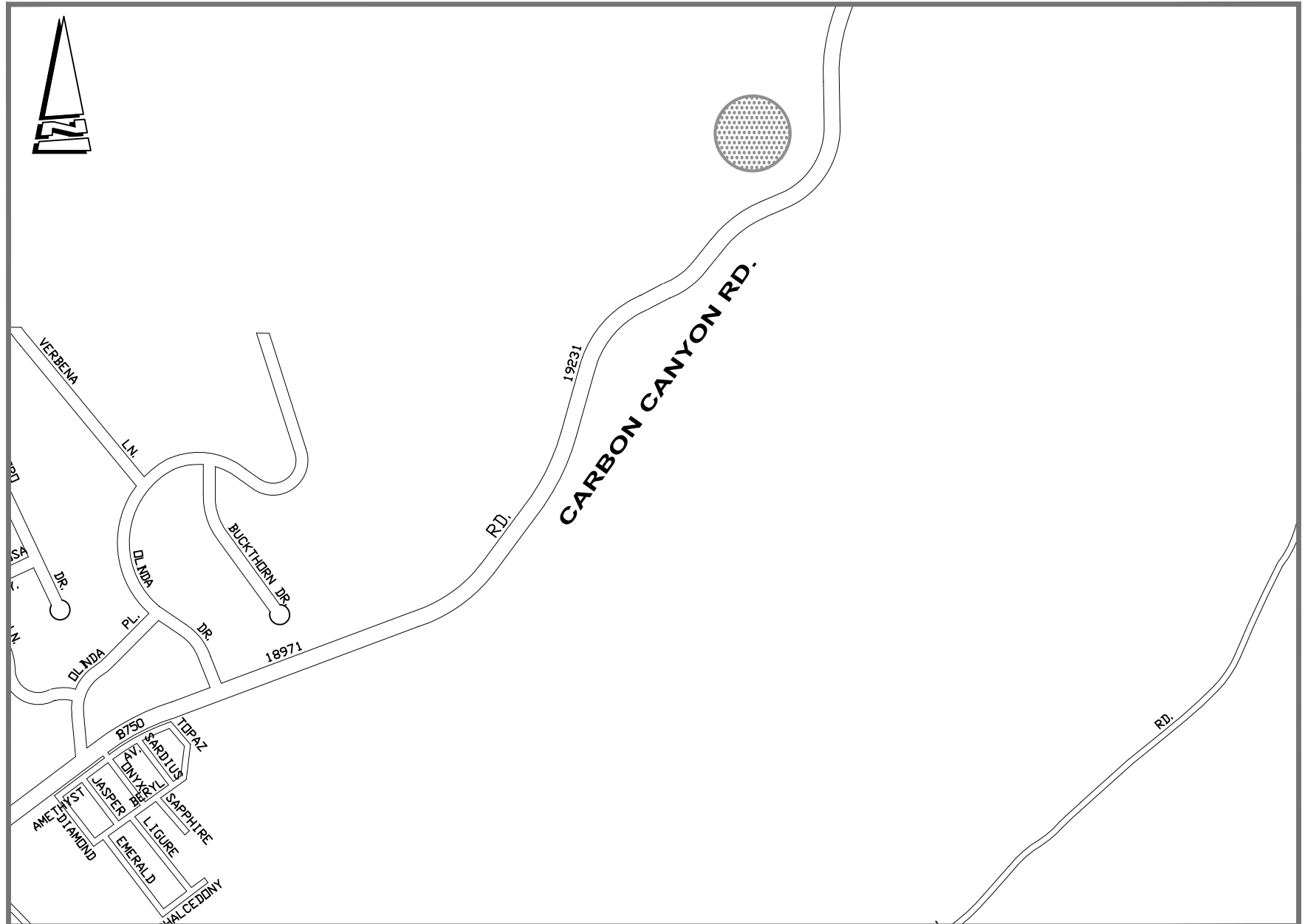
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$0	\$0

Project Manager Approval:

Michael Ho  
(Type Name)

# PROJECT 7470

WATER IMPROVEMENTS - REPLACE PUMP AT CARBON CANYON BOOSTER NO. 3



**VICINITY MAP**

NOT TO SCALE

## PROJECT 7470

### WATER IMPROVEMENTS - REPLACE PUMP AT CARBON CANYON BOOSTER NO. 3

This project will replace the two pump assemblies at the Carbon Canyon site. The pump efficiency tests from Southern California Edison show very bad wear on the pump assemblies. This needs to be corrected so that the City can pump water more efficiently, thus reducing electrical usage.

PROJECT 7470	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 71,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,554
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 324,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,704
CONST. ENGINEERING	\$ 660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 660
<b>TOTAL</b>	<b>\$ 72,214</b>	<b>\$ 324,704</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 396,918</b>

<b>FUNDING SOURCES</b>										
Fund 420 (Water)	\$ 72,214	\$ 324,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 396,918
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 72,214</b>	<b>\$ 324,704</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 396,918</b>

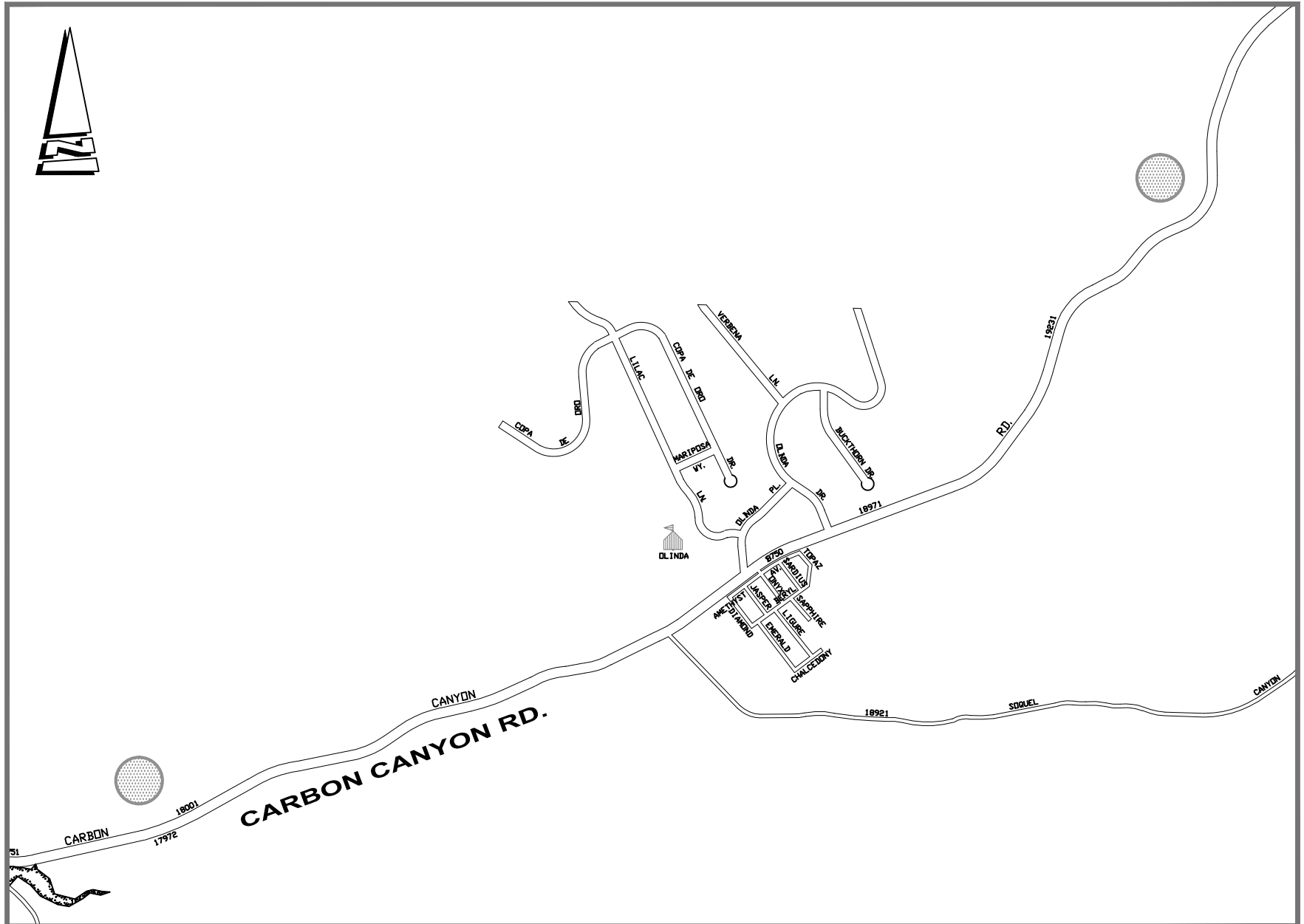
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$9,000	\$315,704

Project Manager Approval:

Brian Ingallinera  
(Type Name)

# PROJECT 7471

## WATER IMPROVEMENTS - CONSTRUCT ENCLOSURES FOR BOOSTER STATIONS 2 & 3



### VICINITY MAP

NOT TO SCALE

## PROJECT 7471

### WATER IMPROVEMENTS - CONSTRUCT ENCLOSURES FOR BOOSTER STATIONS 2 & 3

This project will construct new enclosures for Booster Pump Stations 2 and 3 in Carbon Canyon to protect the water pump installations from intruders and weather elements. This project will also install an emergency generator at Booster 2 & 3.

PROJECT 7471	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 1,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,127
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ 100	\$ 838,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 838,246
CONST. ENGINEERING	\$ 696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 696
<b>TOTAL</b>	<b>\$ 1,923</b>	<b>\$ 838,146</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 840,069</b>

<b>FUNDING SOURCES</b>										
Fund 420 (Water)	\$ 1,923	\$ 838,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 840,069
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 1,923</b>	<b>\$ 838,146</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 840,069</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$10,000	\$828,146

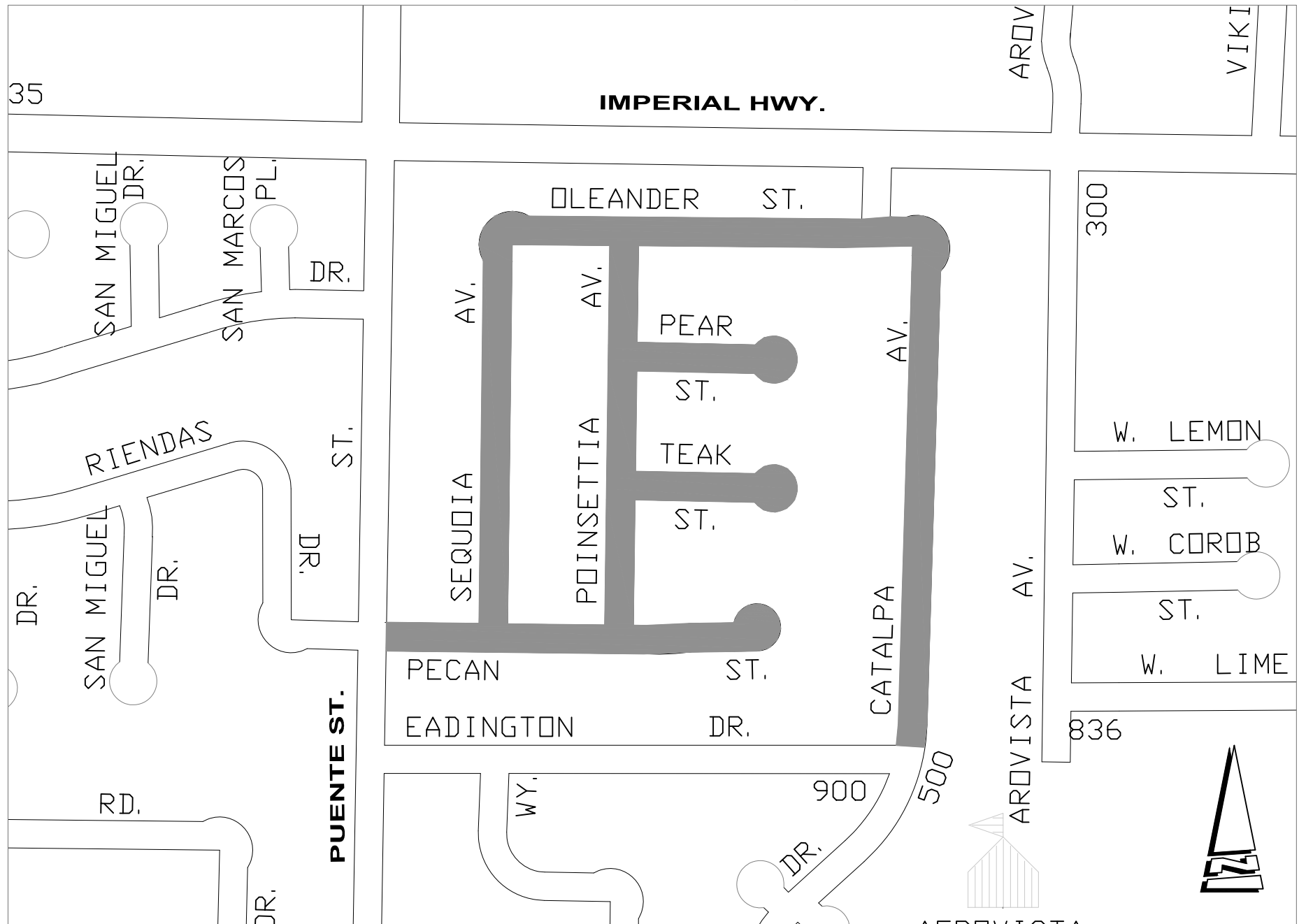
Project Manager Approval:

Rudy Correa  
(Type Name)

# PROJECT 7472

## IMPROVEMENTS - OLEANDER ST-C

### WATER LINE REPLACEMENT



## VICINITY MAP

**NOT TO SCALE**

## PROJECT 7472

### WATER IMPROVEMENTS - OLEANDER ST-CATALPA AVE WATER LINE REPLACEMENT

This project will replace existing undersized and deteriorated cast iron water mains on Oleander Street, Sequoia Avenue, Poinsettia Avenue, Pecan Street, Teak Street, Pear Street and Catalpa Avenue.

PROJECT 7472	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ 1,080,000	\$ -	\$ -	\$ -	\$ -	\$ 1,080,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ 120,000
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ 1,200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,280,000</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ -	\$ -	\$ -	\$ 80,000	\$ 1,120,000	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000
Fund 220 (Gas Tax)	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ 1,200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,280,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$0	\$0

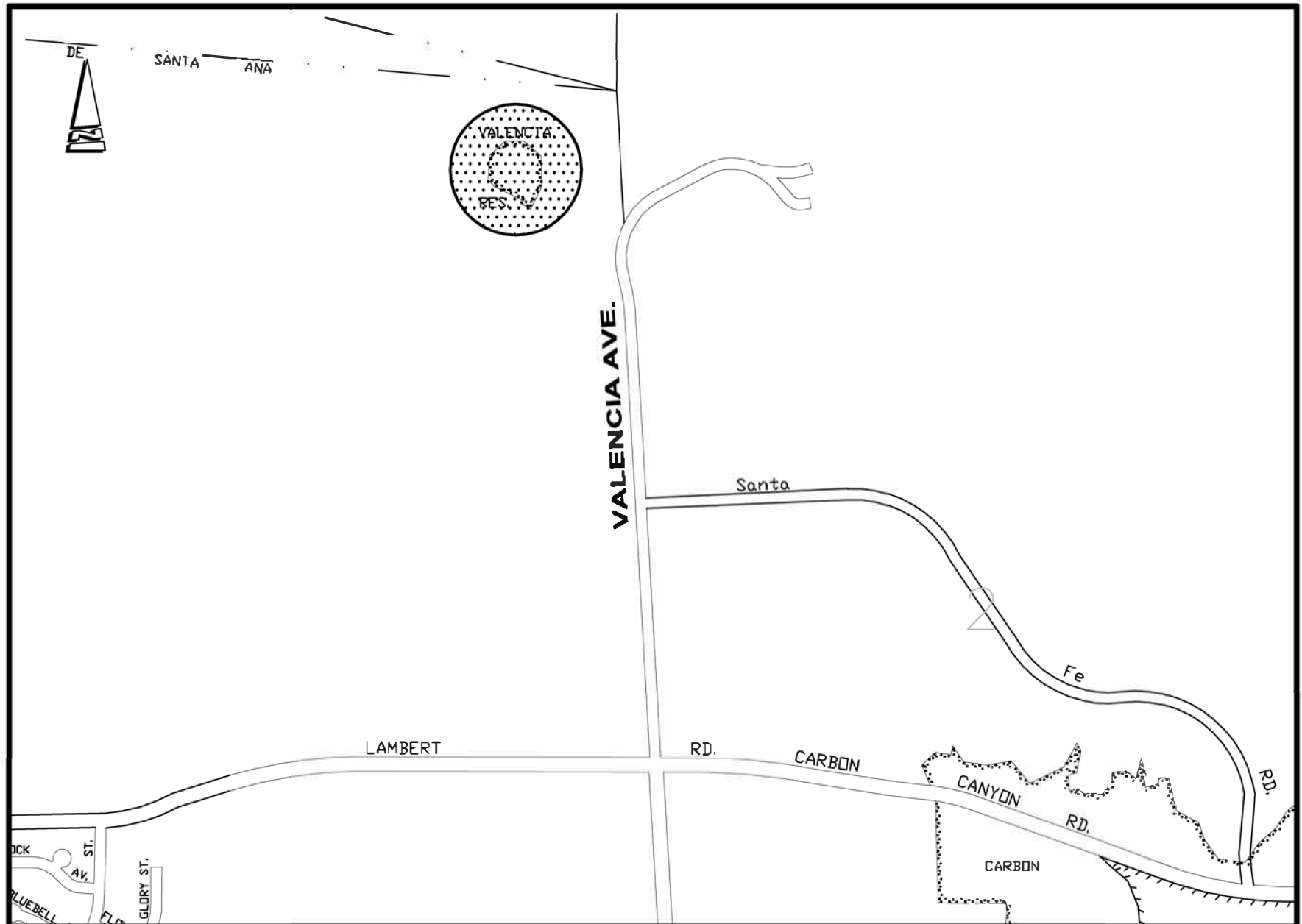
Project Manager Approval:

Michael Ho  
(Type Name)



# PROJECT 7473

## WATER IMPROVEMENTS - VALENCIA RESERVOIR REPAINTING



### VICINITY MAP

NOT TO SCALE

## PROJECT 7473

### WATER IMPROVEMENTS - VALENCIA RESERVOIR REPAINTING

This project will remove and replace the existing coating on the interior of the Valencia Reservoir. The reservoir will have to pass bacteriological testing before going back into service. Recoating of Valencia Reservoir needs to be coordinated with the construction of new 830 zone reservoir.

PROJECT 7473	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 1,100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,100,000</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ -	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 1,100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,100,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$25,000	\$1,075,000

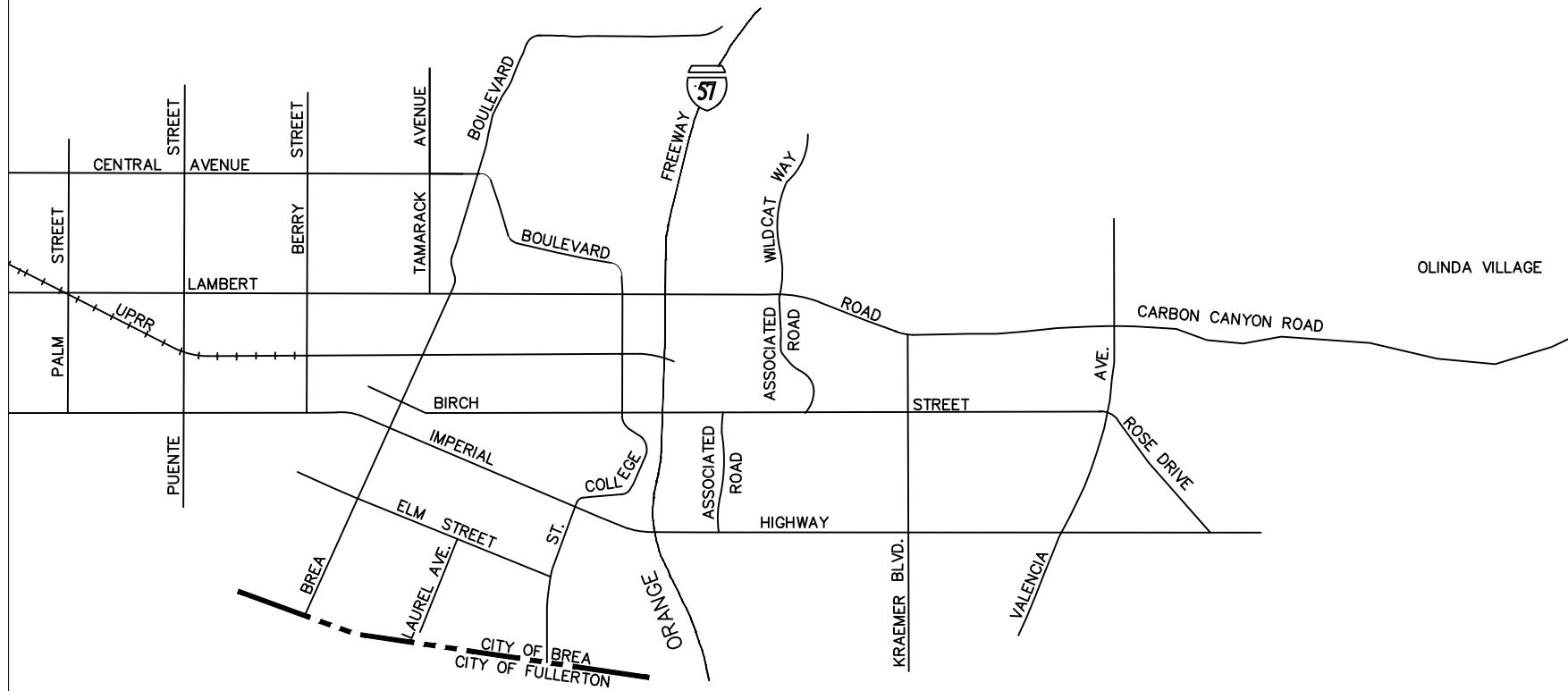
Project Manager Approval:

Rudy Correa  
(Type Name)

# PROJECT 7474

## WATER IMPROVEMENTS - AMR (METER READING) UPGRADE TO AMI

### CITYWIDE PROJECT



### VICINITY MAP

NOT TO SCALE

## PROJECT 7474

### WATER IMPROVEMENTS - AMR (METER READING) UPGRADE TO AMI

This project will upgrade the existing Automated Meter Reading (AMR) system to AMI technology which will allow for real time data to be collected from the meters in the water system.

PROJECT 7474	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000

FUNDING SOURCES										
Fund 420 (Water)	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000

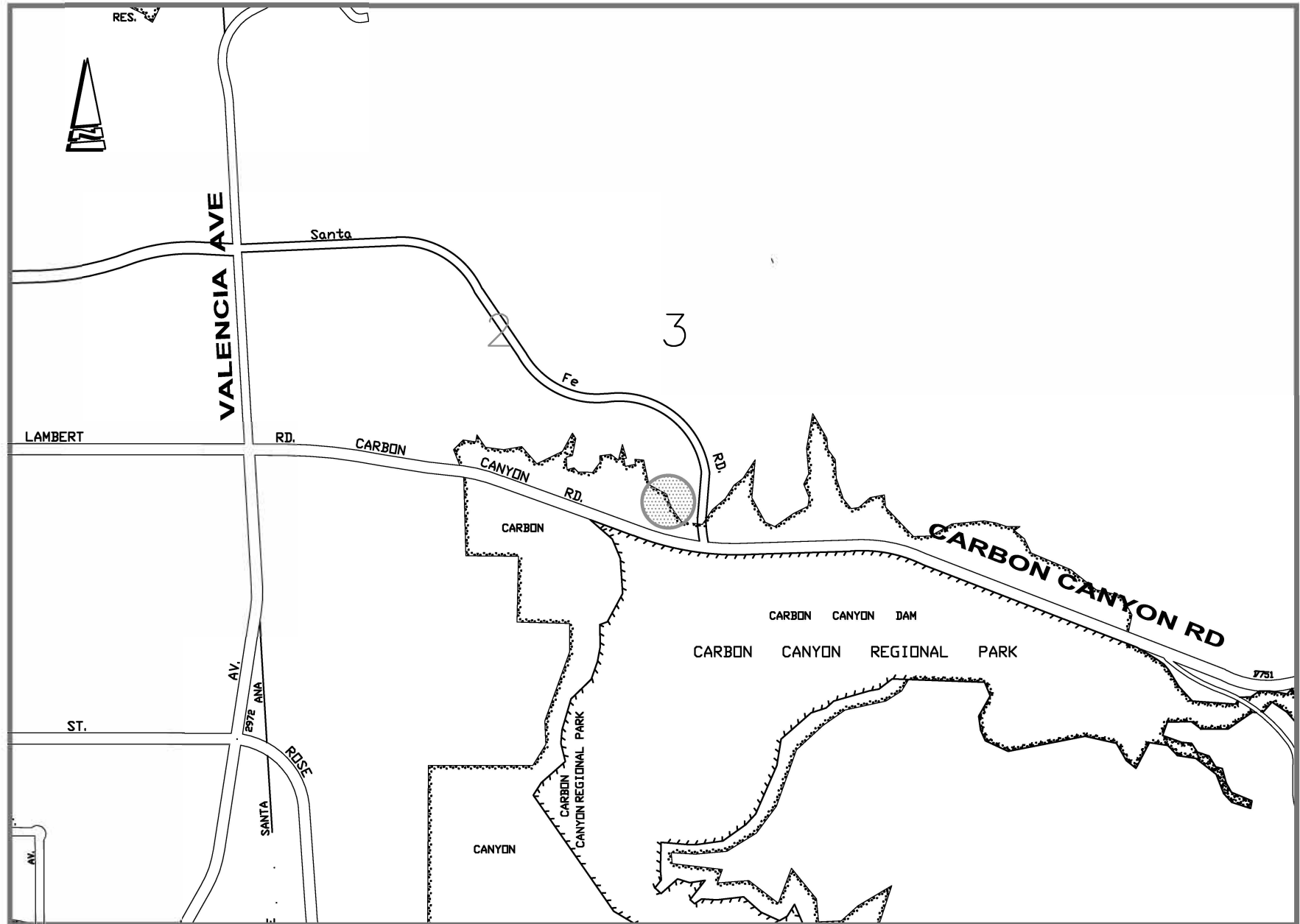
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$0	\$0

Project Manager Approval:

Rudy Correa  
(Type Name)

# PROJECT 7475

WATER IMPROVEMENTS - BOOSTER PUMP ENCLOSURE & RESTROOM AT  
OLINDA RANCH PARK



**VICINITY MAP**

NOT TO SCALE

## PROJECT 7475

### WATER IMPROVEMENTS - BOOSTER PUMP ENCLOSURE & RESTROOM AT OLINDA RANCH PARK

This project will construct a new booster station along with installing an emergency generator at Olinda Ranch Park. Project will also add an enclosure to protect the water pumps and emergency geerator from intruders and weather. A restroom facility will be added to give park users a restroom on the east end of the park.

PROJECT 7475	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ 325,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 2,450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,450,000
CONST. ENGINEERING	\$ -	\$ 135,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,783
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 2,910,783</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,910,783</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ -	\$ 2,910,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,910,783
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 2,910,783</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,910,783</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$200,000	\$2,710,783

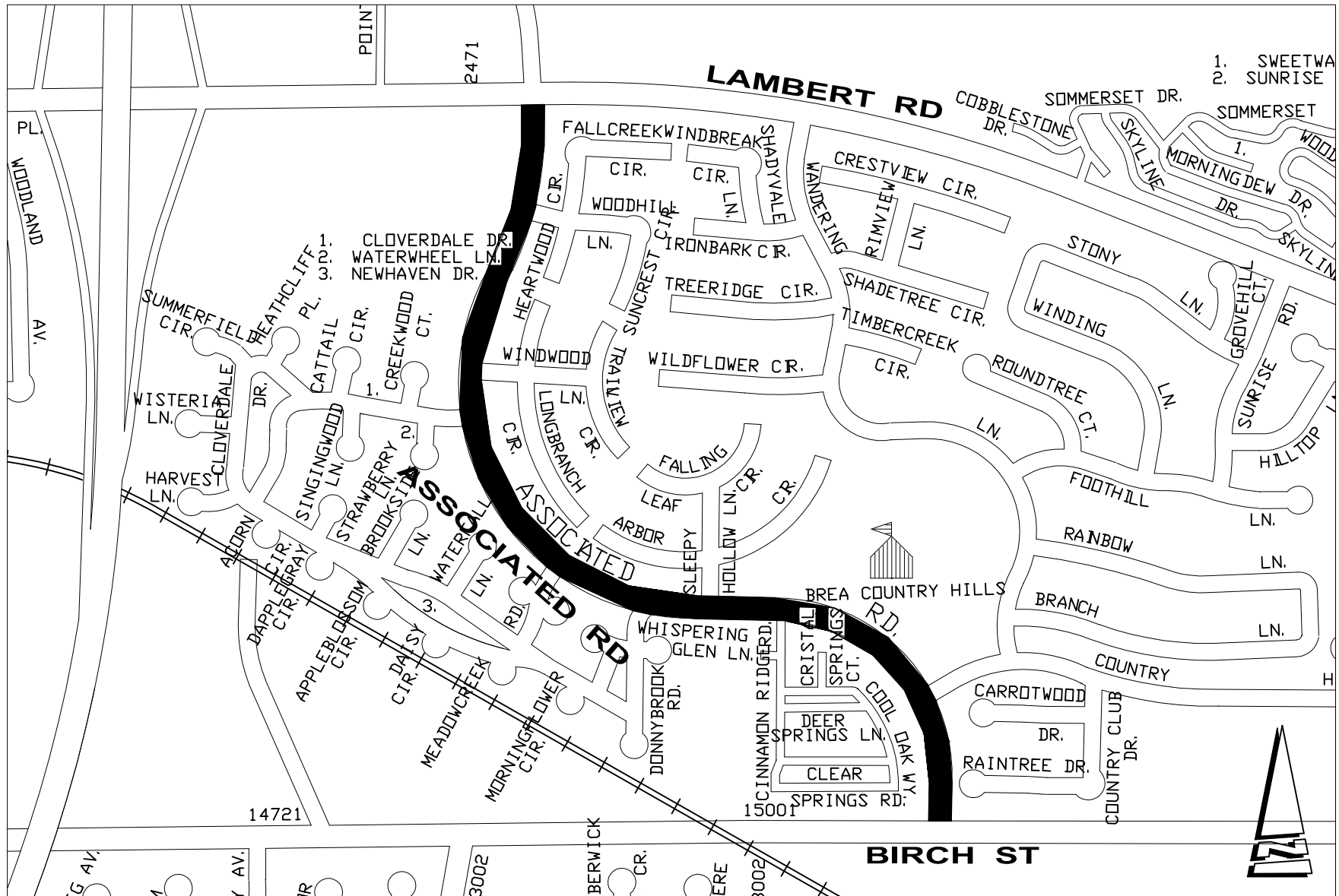
Project Manager Approval:

Rudy Correa  
(Type Name)

# PROJECT 7476

## WATER IMPROVEMENTS - N. ASSOCIATED RD

### NEW HIGH PRESSURE WATER LINE



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7476

### WATER IMPROVEMENTS - N. ASSOCIATED RD NEW HIGH PRESSURE WATER LINE

This project will install a high pressure loop line on Associated Road from Birch Street to Lambert Road.

PROJECT 7476	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ 1,280,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,360,000</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ -	\$ -	\$ 80,000	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,280,000
Fund 220 (Gas Tax)	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ 1,280,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,360,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21

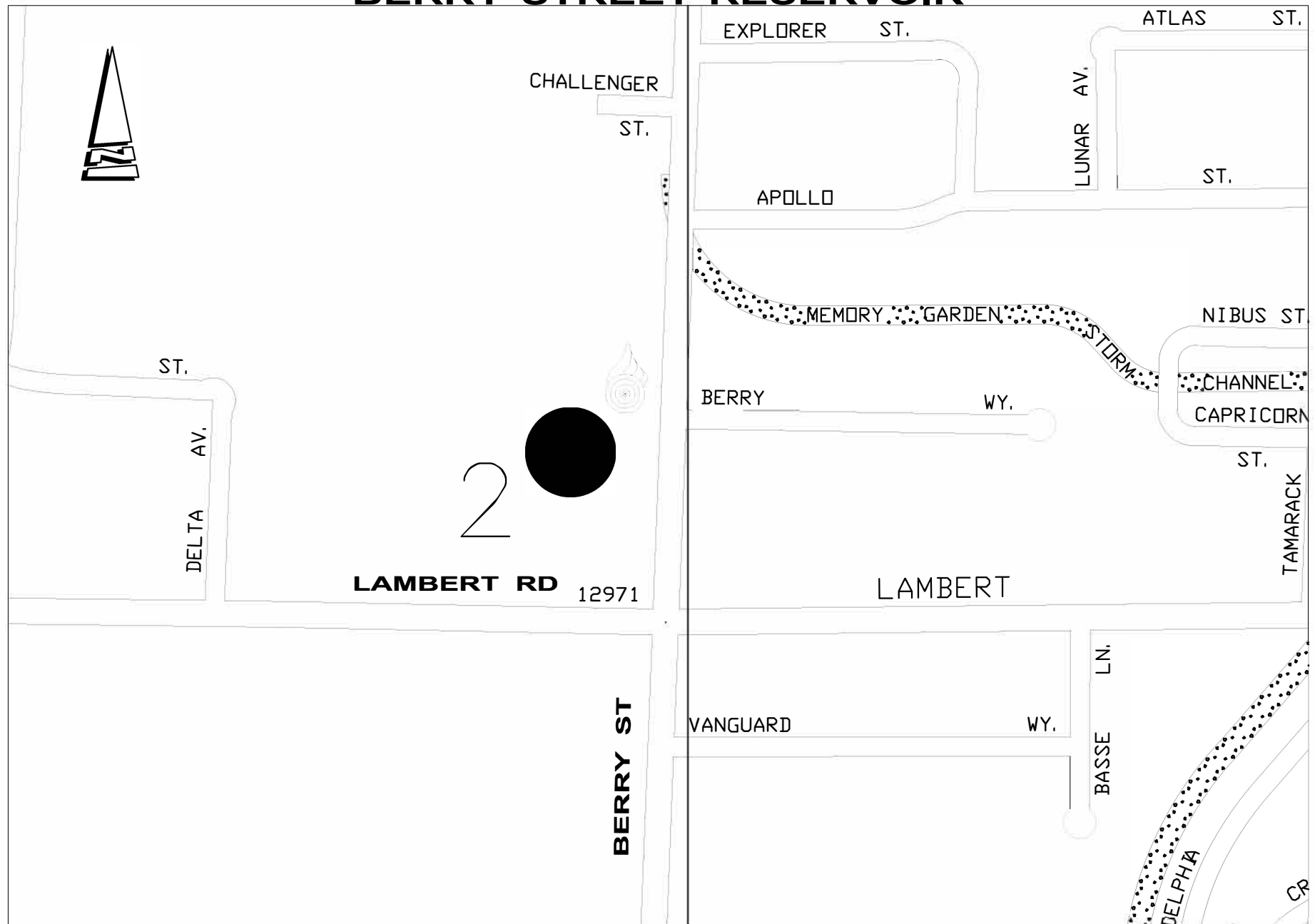
Project Manager Approval:

Michael Ho  
(Type Name)



# PROJECT 7965

## WATER IMPROVEMENTS - REHABILITATE RING ROAD AT BERRY STREET RESERVOIR



**VICINITY MAP**

NOT TO SCALE

## PROJECT 7965

### FACILITY IMPROVEMENTS - REHABILITATE RING ROAD AT BERRY STREET RESERVOIR

This project will rehabilitate the condition of the asphalt around the Berry Street Reservoir at the City Service Center. This facility is inspected for compliance annually by the California Division of Damns.

PROJECT 7965	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 40,000</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 240,000</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ -	\$ 40,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 40,000</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 240,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$17,711	\$22,289

Project Manager Approval:

Will Wenz  
 \_\_\_\_\_  
 (Type Name)

**CITY OF BREA**

**SEVEN-YEAR CAPITAL IMPROVEMENT  
PROGRAM BUDGET**

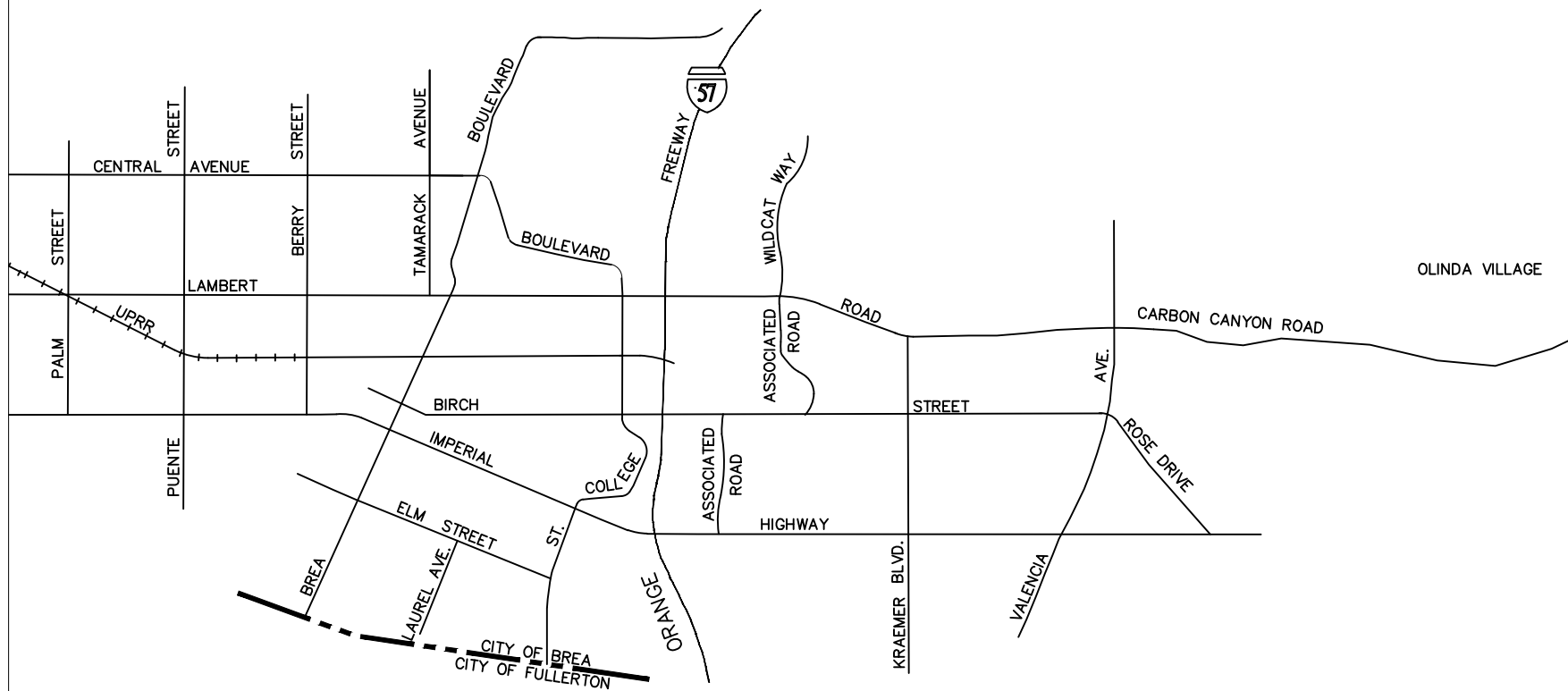
**FY 2021-2022 through FY 2027-2028**

**SEWER IMPROVEMENTS**

# PROJECT 7609

## SEWER IMPROVEMENTS - CITYWIDE SEWER UPGRADE PROGRAM

### CITYWIDE PROJECT



### VICINITY MAP

NOT TO SCALE

## PROJECT 7609

### SEWER IMPROVEMENTS - CITYWIDE SEWER UPGRADE PROGRAM

This is an annual program to rehabilitate and upgrade sewer lines throughout the City. This is a budget holding account. Specific sewer improvements are designated for replacement in each year's program per the Master Sewer Plan and assigned a separate project number.

PROJECT 7609	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 1,000,131	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 7,000,131
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 1,000,131</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 7,000,131</b>

FUNDING SOURCES										
Fund 430 (Sewer)	\$ -	\$ 1,000,131	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 7,000,131
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 1,000,131</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 7,000,131</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$500,000	\$0

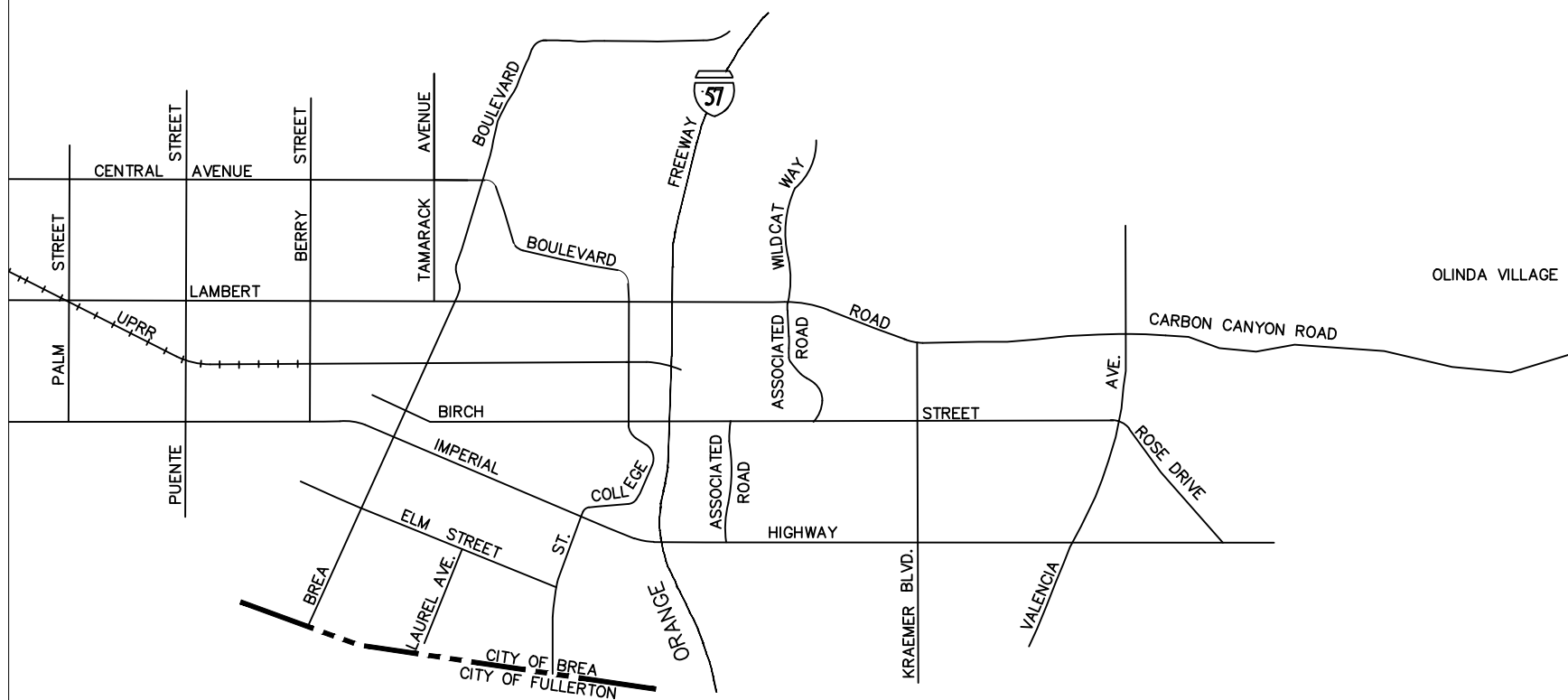
Project Manager Approval:

\_\_\_\_\_  
Will Wenz  
(Type Name)

# PROJECT 7617

## SEWER IMPROVEMENTS - SEWER MAINLINE RELINING

### CITYWIDE PROJECT



### VICINITY MAP

NOT TO SCALE

## PROGRAM 7617

### SEWER IMPROVEMENTS - SEWER MAINLINE RELINING

This is an annual program to reline damaged, cracked and broken portions of sewer mainlines citywide. The project will also establish an on-going repair program to address identified deficient locations of sewer mainline ranging from 6" to 18" in diameter.

PROGRAM 7617	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 863,117	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 2,963,117
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 863,117</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 2,963,117</b>

<b>FUNDING SOURCES</b>										
Fund 430 (Sewer)	\$ -	\$ 863,117	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 2,963,117
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 863,117</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>	<b>\$ 2,963,117</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$250,000	\$613,117

Project Manager Approval:

Will Wenz  
\_\_\_\_\_  
(Type Name)

# PROJECT 7626

SEWER IMPROVEMENTS - SOUTH BREA SEWER REPAIRS



**VICINITY MAP**

NOT TO SCALE



## PROJECT 7626

### SEWER IMPROVEMENTS - SOUTH BREA SEWER REPAIRS

6" & 8" Sewer line repair of major offsets and cracks and manhole installation. To avoid flow or stoppage issues

PROJECT 7626	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 17,651	\$ 30,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,651
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION		\$ 610,436	\$ 797,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,408,000
CONST. ENGINEERING		\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
<b>TOTAL</b>	<b>\$ 17,651</b>	<b>\$ 710,436</b>	<b>\$ 817,564</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,545,651</b>

FUNDING SOURCES										
Fund 430 (Sewer)	\$ 17,651	\$ 710,436	\$ 617,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,345,651
Fund 220 (Gas Tax)	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 17,651</b>	<b>\$ 710,436</b>	<b>\$ 817,564</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,545,651</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$70,000	\$640,436

Connected to CIP 7454

Project Manager Approval:

Michael Ho  
(Type Name)

**CITY OF BREA**

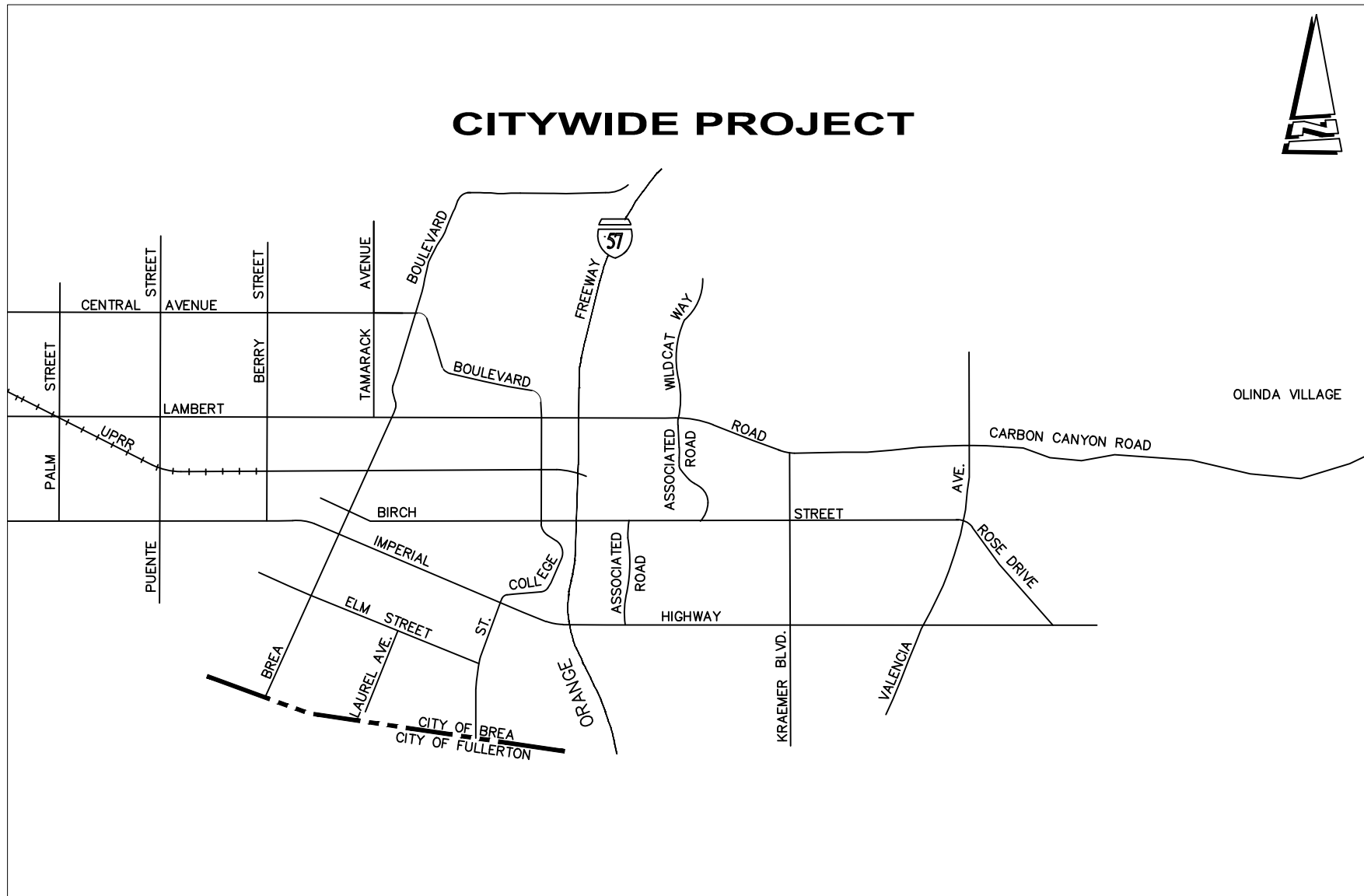
**SEVEN-YEAR CAPITAL IMPROVEMENT  
PROGRAM BUDGET**

**FY 2021-2022 through FY 2027-2028**

**FACILITY IMPROVEMENTS**

# PROJECT 7913

## FACILITY IMPROVEMENTS - LIGHT UPGRADES AT VARIOUS CITY PARKS



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7913

### FACILITY IMPROVEMENTS - LIGHT UPGRADES AT VARIOUS CITY PARKS

This project will upgrade the parking lot and walkway lights (85 total) at Olinda Ranch Park and the Brea Sports Park with LED fixtures for energy savings. LED fixtures will be mounted to the existing light poles.

PROJECT 7913	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,000	\$ -	\$ -	\$ -	\$ 210,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 210,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 210,000</b>

FUNDING SOURCES										
Fund 182 (FARP)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,000	\$ -	\$ -	\$ -	\$ 210,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 210,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 210,000</b>

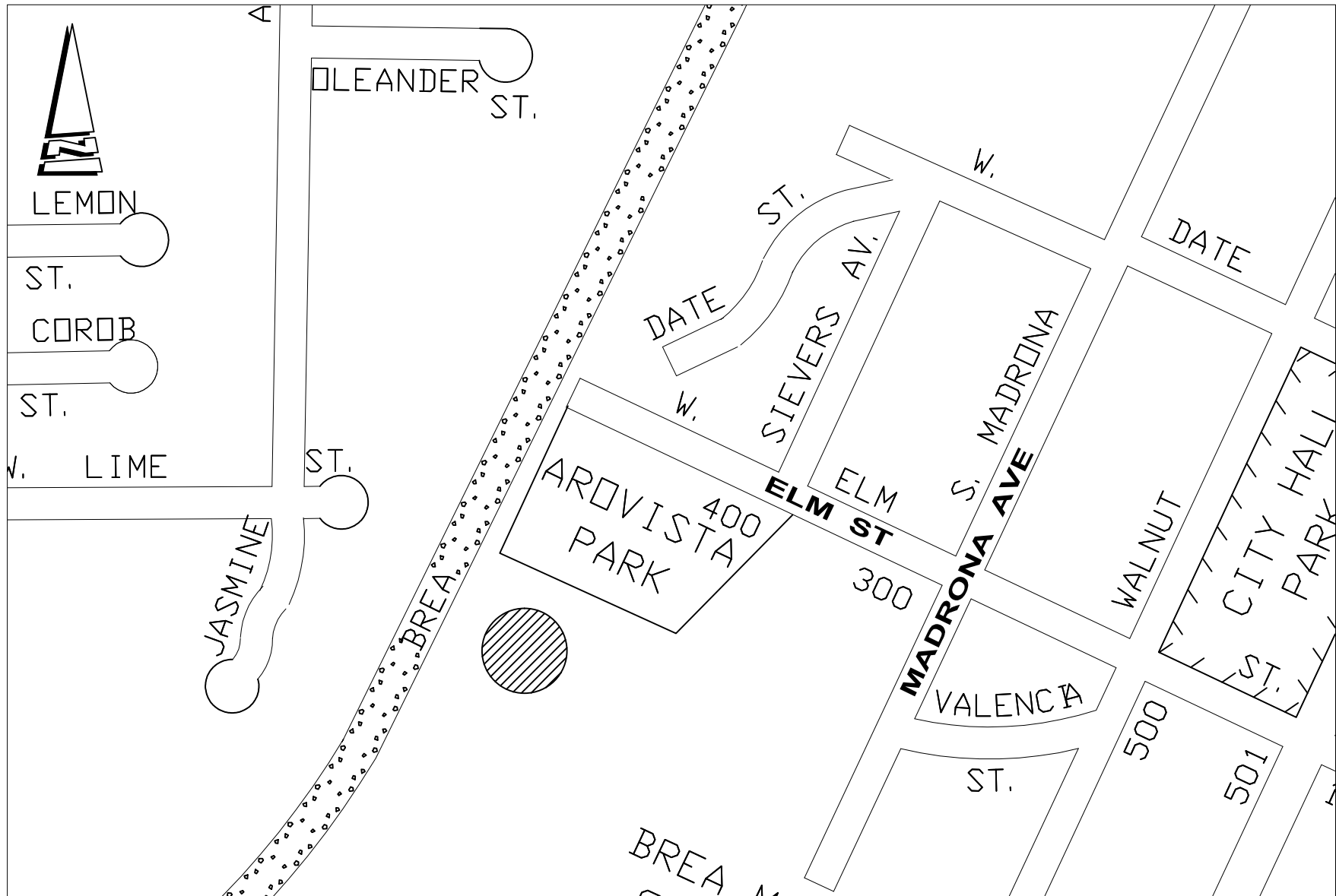
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$0	\$0

Project Manager Approval:

Bill Bowlus  
(Type Name)

# PROJECT 7914

## FACILITY IMPROVEMENTS - SKATE PARK UPGRADES



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7914

### FACILITY IMPROVEMENTS - SKATE PARK UPGRADES

This project will make repairs to the existing skate park elements, sand blast the concrete, add an additional run-off area to the north end, and re-landscape the slope to the east of the skate park.

PROJECT 7914	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 6,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,489
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 646,102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 646,102
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 6,489</b>	<b>\$ 646,102</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 652,591</b>

FUNDING SOURCES										
Fund 182 (FARP)	\$ 6,489	\$ 646,102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 652,591
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 6,489</b>	<b>\$ 646,102</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 652,591</b>

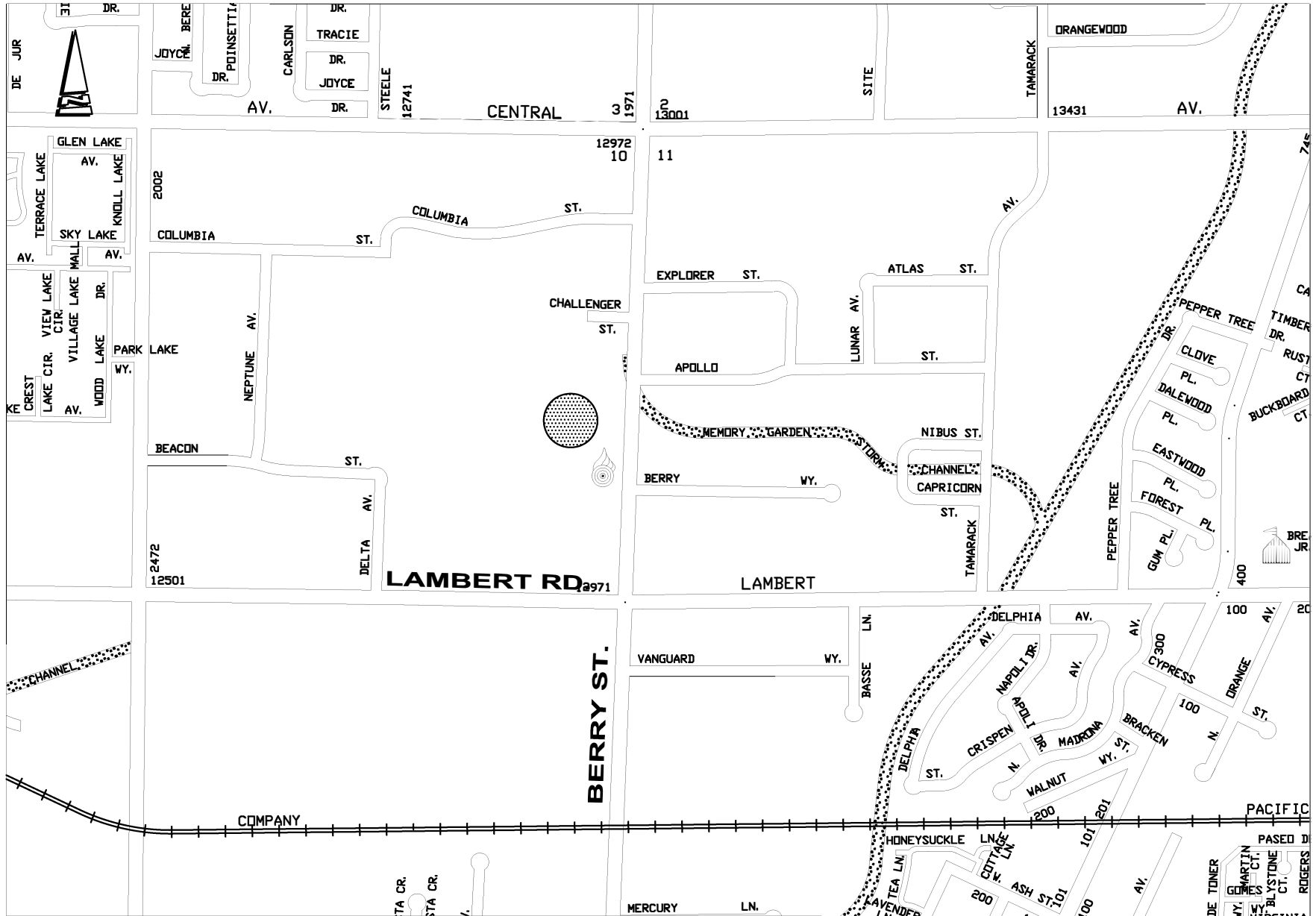
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$30,000	\$616,102

Project Manager Approval:

Bill Bowlus  
 \_\_\_\_\_  
 (Type Name)

# PROJECT 7923

## FACILITY IMPROVEMENTS - FIRE STATION NO. 1 SEISMIC UPGRADES



### VICINITY MAP

NOT TO SCALE

## PROJECT 7923

### FACILITY IMPROVEMENTS - FIRE STATION NO.1 SEISMIC UPGRADES

This project will upgrade Fire Station No. 1 to meet current seismic code and construct women's restroom facilities and ADA upgrades.

PROJECT 7923	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 9,278	\$ 236,689	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,967
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 864,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 864,000
CONST. ENGINEERING	\$ 1,100	\$ 88,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,033
<b>TOTAL</b>	<b>\$ 10,378</b>	<b>\$ 1,189,622</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,200,000</b>

FUNDING SOURCES										
Fund 182 (FARP)	\$ 10,378	\$ 1,189,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 10,378</b>	<b>\$ 1,189,622</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,200,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$0	\$1,189,622

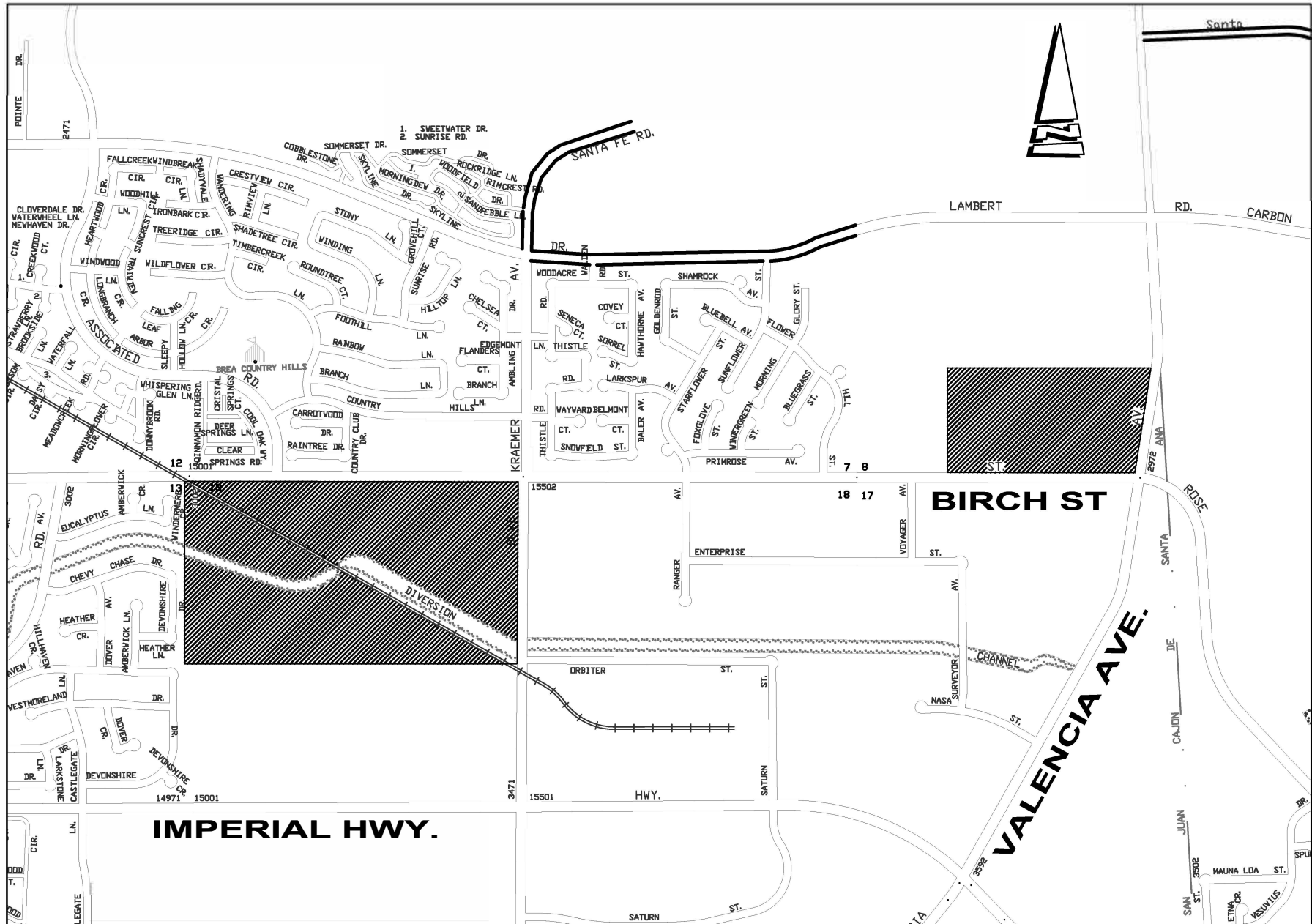
Project Manager Approval:

Eric Aulls  
(Type Name)



# PROJECT 7932

## FACILITY IMPROVEMENTS - CITY RECLAIMED WATER CONVERSION PROJECT



**VICINITY MAP**

NOT TO SCALE

## PROJECT 7932

### FACILITY IMPROVEMENTS - CITY RECLAIMED WATER CONVERSION PROJECT

This project includes the design and construction of water treatment facilities at the Brea Sports Park and Birch Hills Golf Course. The treatment system will convert existing ground water effluent at the Chevron extraction well near the Birch Hills Golf Course and ground water effluent from the Thompson Oil extraction operation near the Brea Sports Park to non-potable water for irrigation use.

PROJECT 7932	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 28,692	\$ 110,924	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,616
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000
CONST. ENGINEERING	\$ -	\$ 40,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,509
<b>TOTAL</b>	<b>\$ 28,692</b>	<b>\$ 751,433</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 780,125</b>

FUNDING SOURCES										
Fund 420 (Water)	\$ 28,692	\$ 630,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 658,692
Fund 430 (Sewer)	\$ -	\$ 46,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,443
Fund 541 (Water Impact)	\$ -	\$ 9,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,990
Fund 540 (Traffic Impact)	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 28,692</b>	<b>\$ 751,433</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 780,125</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$1,000	\$750,433

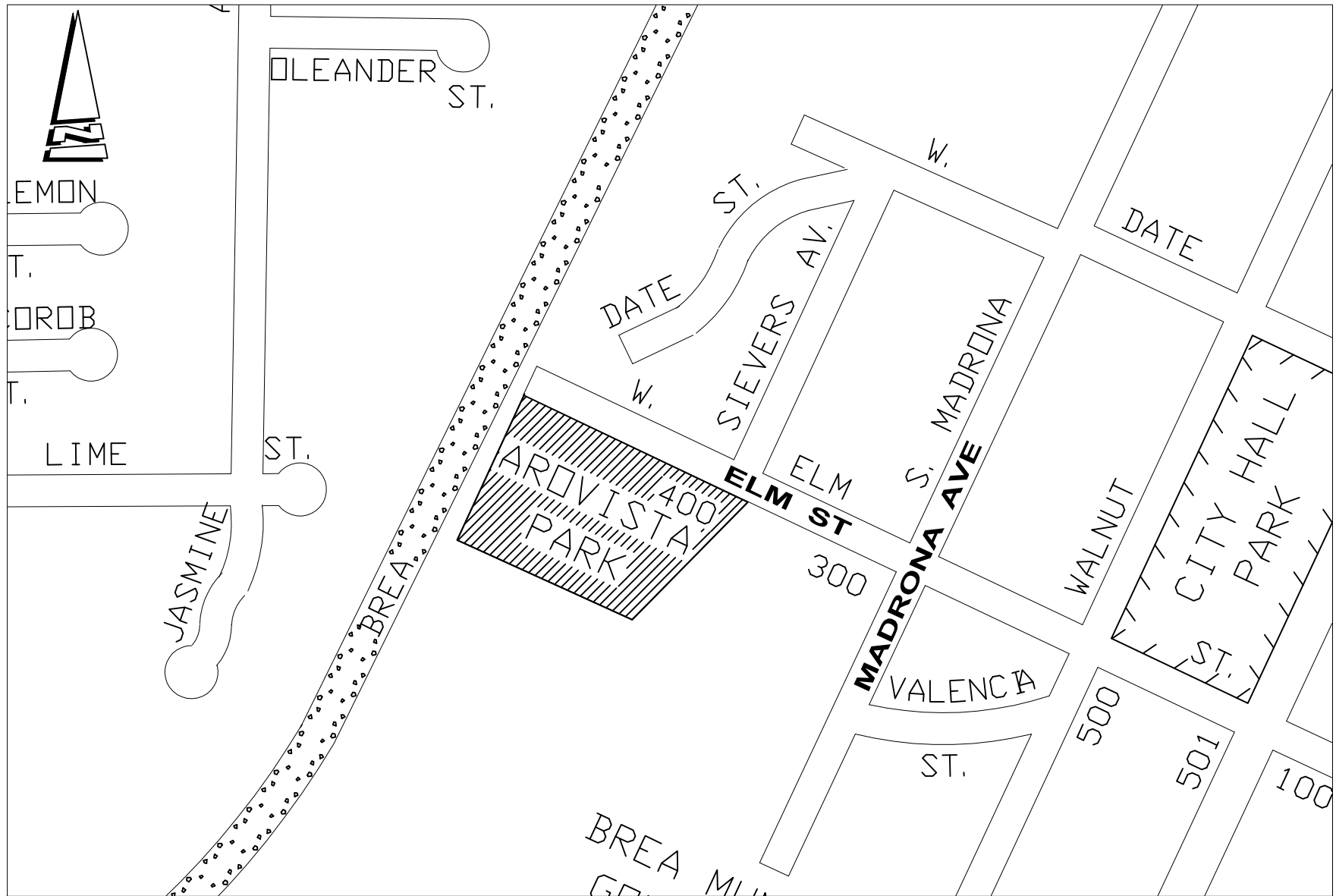
Project Manager Approval:

Michael Ho  
(Type Name)

# PROJECT 7940

## FACILITY IMPROVEMENTS - AROVISTA PARK

### RESTROOM REPAIRS



**VICINITY MAP**

NOT TO SCALE

## PROJECT 7940

### FACILITY IMPROVEMENTS - AROVISTA PARK RESTROOM REPAIRS

This project will repair the restroom building off of Imperial Highway at Arovista Park.

PROJECT 7940	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 45,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ 55,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000</b>

<b>FUNDING SOURCES</b>										
Fund 182 (FARP)	\$ -	\$ 45,000	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ 55,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$1,500	\$43,500

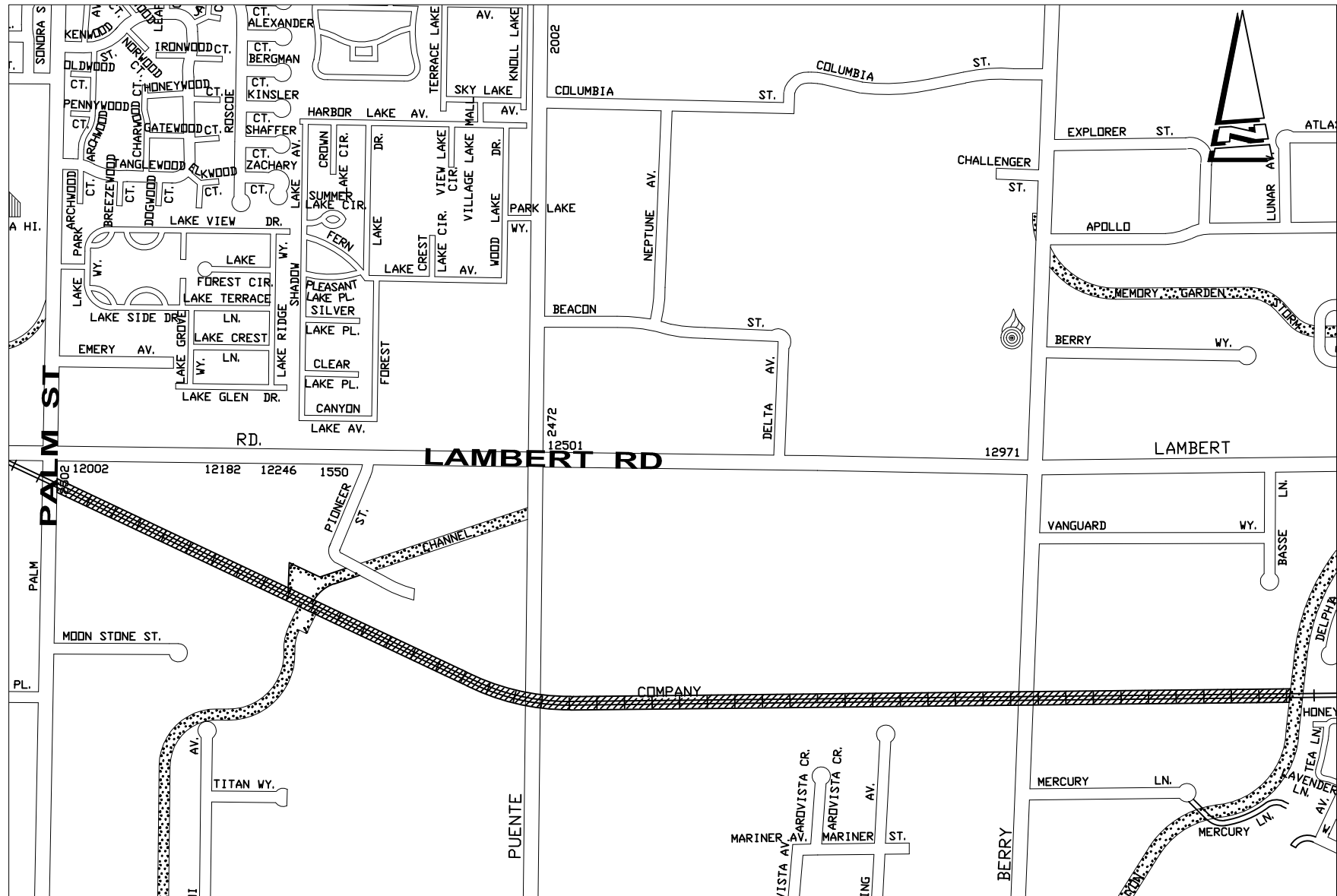
Project Manager Approval:

Bill Bowlus  
(Type Name)

# PROJECT 7946

## FACILITY IMPROVEMENTS - TRACKS AT BREA

### EXPANSION STUDY



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7946

### FACILITY IMPROVEMENTS - TRACKS AT BREA EXPANSION STUDY

This project will continue the Tracks At Brea Trail System to the West and connect to the City of La Habra's Trail System.

PROJECT 7946	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 16,123	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 266,123
RIGHT OF WAY		\$ -	\$ -	\$ -	\$ 3,292,500	\$ -	\$ -	\$ -	\$ -	\$ 3,292,500
CONSTRUCTION	\$ -	\$ 67,840	\$ -	\$ -	\$ -	\$ 2,636,394	\$ 2,636,394	\$ -	\$ -	\$ 5,340,628
CONST. ENGINEERING	\$ 18,176	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 218,176
<b>TOTAL</b>	<b>\$ 34,299</b>	<b>\$ 67,840</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,542,500</b>	<b>\$ 2,736,394</b>	<b>\$ 2,736,394</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,117,427</b>

<b>FUNDING SOURCES</b>										
Federal Grants	\$ 34,299	\$ 67,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,139
State Grants	\$ -	\$ -	\$ -	\$ -	\$ 2,586,025	\$ 1,730,757	\$ 1,730,757	\$ -	\$ -	\$ 6,047,539
Fund 250 (Park)	\$ -	\$ -	\$ -	\$ -	\$ 956,475	\$ 1,005,637	\$ 1,005,637	\$ -	\$ -	\$ 2,967,749
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 34,299</b>	<b>\$ 67,840</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,542,500</b>	<b>\$ 2,736,394</b>	<b>\$ 2,736,394</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,117,427</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$40,000	\$27,840

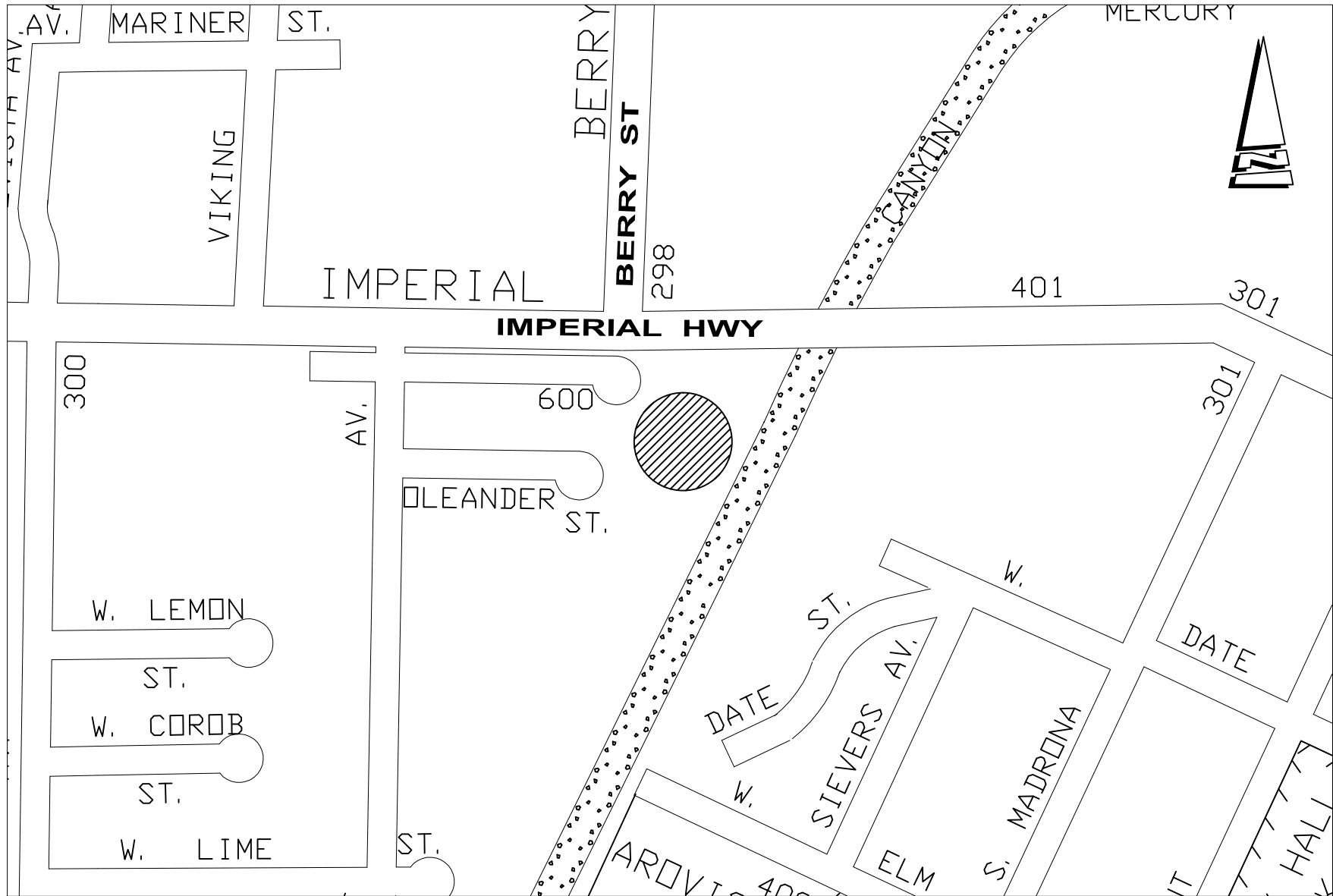
Project Manager Approval:

Michael Ho  
(Type Name)

# PROJECT 7947

## FACILITY IMPROVEMENTS - AROVISTA PARK (LOWER)

### PARKING LOT REHABILITATION



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7947

### FACILITY IMPROVEMENTS - AROVISTA PARK (LOWER) PARKING LOT REHABILITATION

This project will rehabilitate 24,937 square feet of asphalt, add two ADA ramps and seal coat the 34,737 square foot lower parking lot at Arovista Park.

PROJECT 7947	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 22,629	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,629
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 153,952	\$ 21,048	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,000
CONST. ENGINEERING		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 22,629</b>	<b>\$ 153,952</b>	<b>\$ 21,048</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 197,629</b>

FUNDING SOURCES										
Fund 182 (FARP)	\$ 22,629	\$ 153,952	\$ 21,048	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197,629
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 22,629</b>	<b>\$ 153,952</b>	<b>\$ 21,048</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 197,629</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$3,952	\$150,000

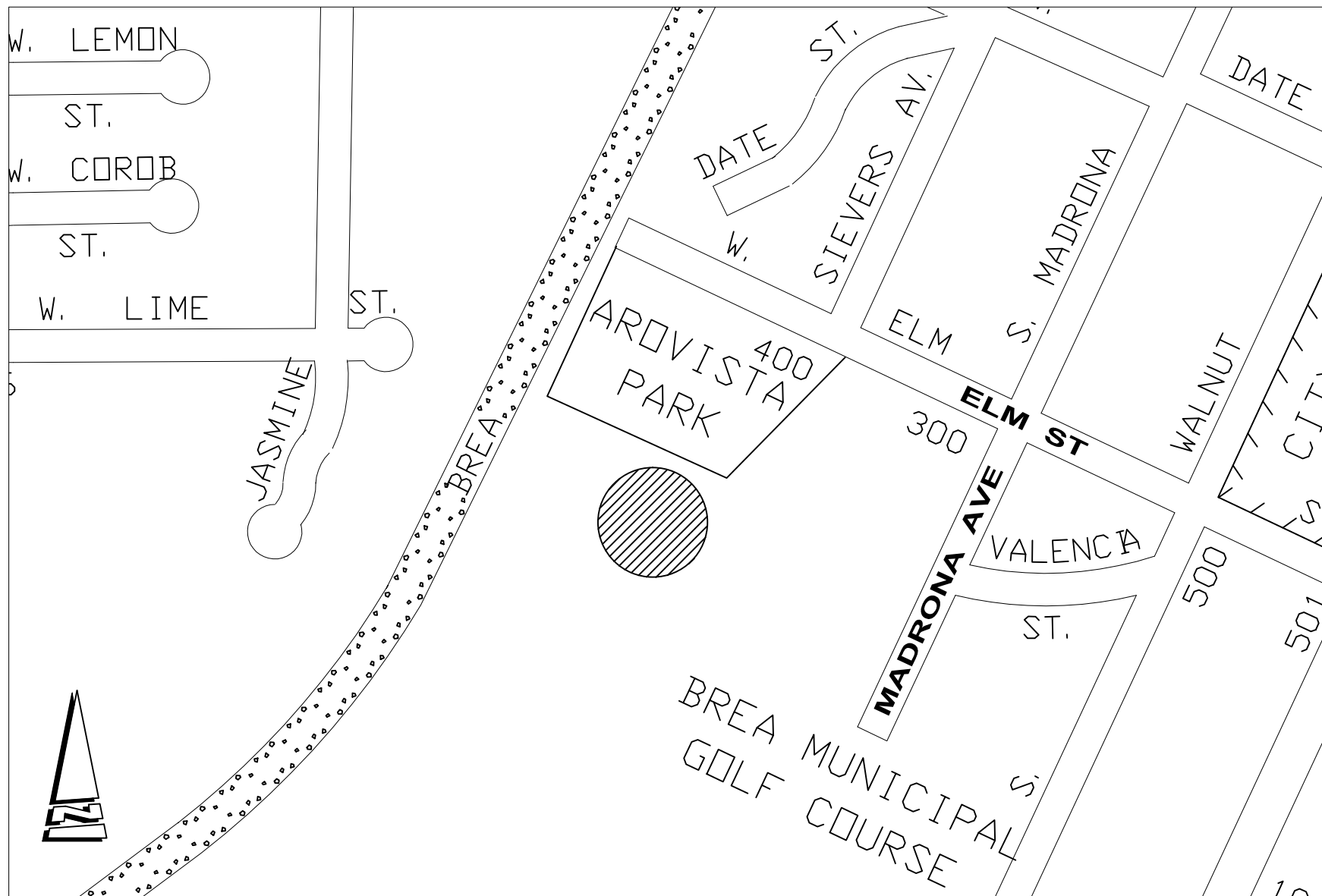
Note: This project is requesting an additional \$21,000 in FARP Funds beyond the estimated carryover amount.

Project Manager Approval:

Will Wenz  
(Type Name)



## FACILITY IMPROVEMENTS - AROVISTA PARK (UPPER) PARKING LOT REHABILITATION



# VICINITY MAP

---

NOT TO SCALE

## PROJECT 7948

### FACILITY IMPROVEMENTS - AROVISTA PARK (UPPER) PARKING LOT REHABILITATION

This project will rehabilitate the 5,127 square feet of asphalt and seal coat the 39,527 square foot upper parking lot at Arovista Park.

PROJECT 7948	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ 19,366	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,366
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 50,627	\$ 39,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,000
CONST. ENGINEERING		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 19,366</b>	<b>\$ 50,627</b>	<b>\$ 39,373</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 109,366</b>

FUNDING SOURCES										
Fund 182 (FARP)	\$ 19,366	\$ 50,627	\$ 39,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,366
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 19,366</b>	<b>\$ 50,627</b>	<b>\$ 39,373</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 109,366</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$5,000	\$45,627

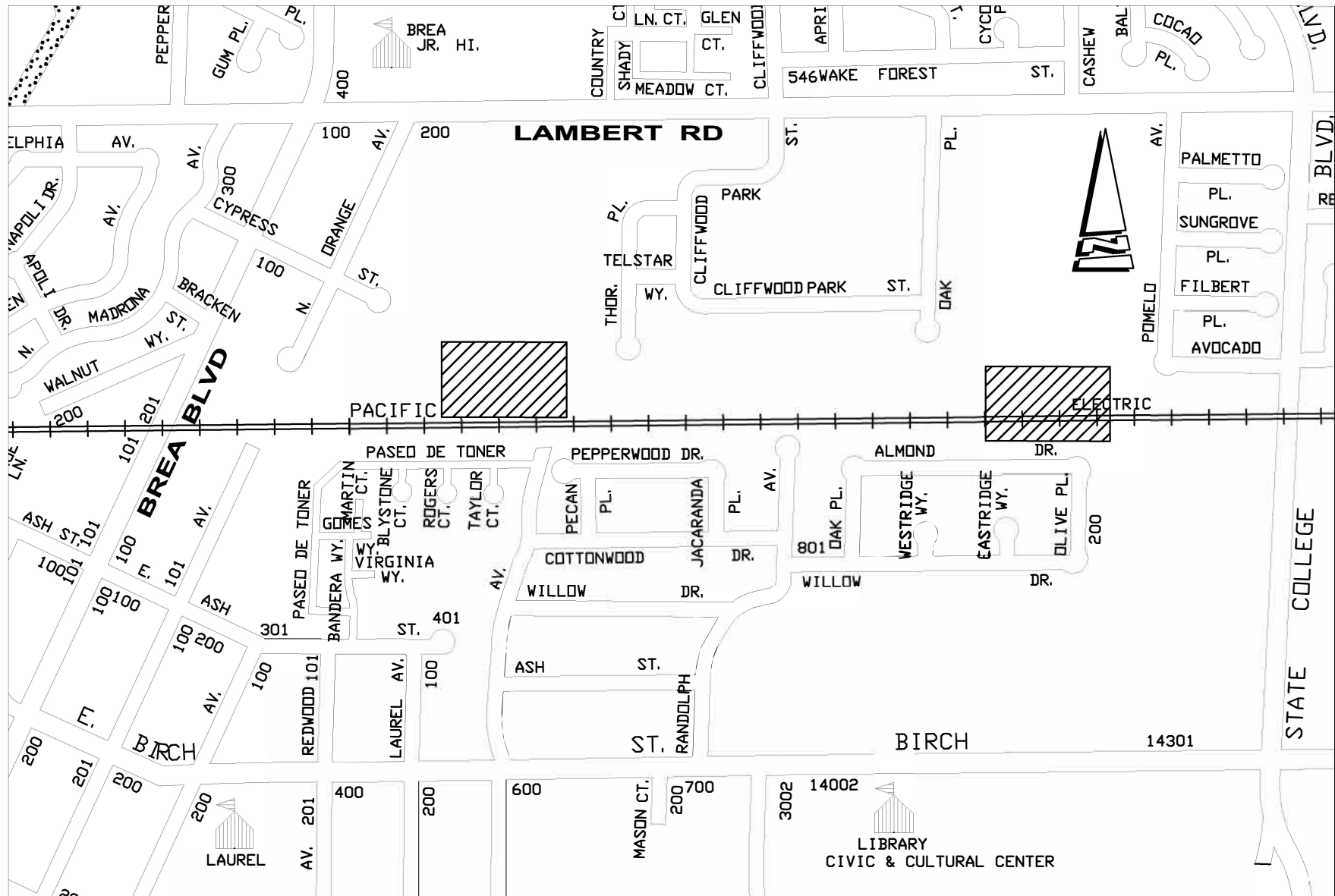
Project Manager Approval:

Will Wenz  
\_\_\_\_\_  
(Type Name)

# PROJECT 7952

## FACILITY IMPROVEMENTS - TRACKS SEGMENT 3

### DRAINAGE REPAIRS



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7952

### FACILITY IMPROVEMENTS - TRACKS SEGMENT 3 DRAINAGE REPAIRS

This project will provide drainage improvements with installation of additional storm drain pipes, inlets, rip-rap, minor grading and backfilling of the existing drainage pit area.

PROJECT 7952	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 168,399	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,399
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 188,399</b>	<b>\$ 60,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 248,399</b>

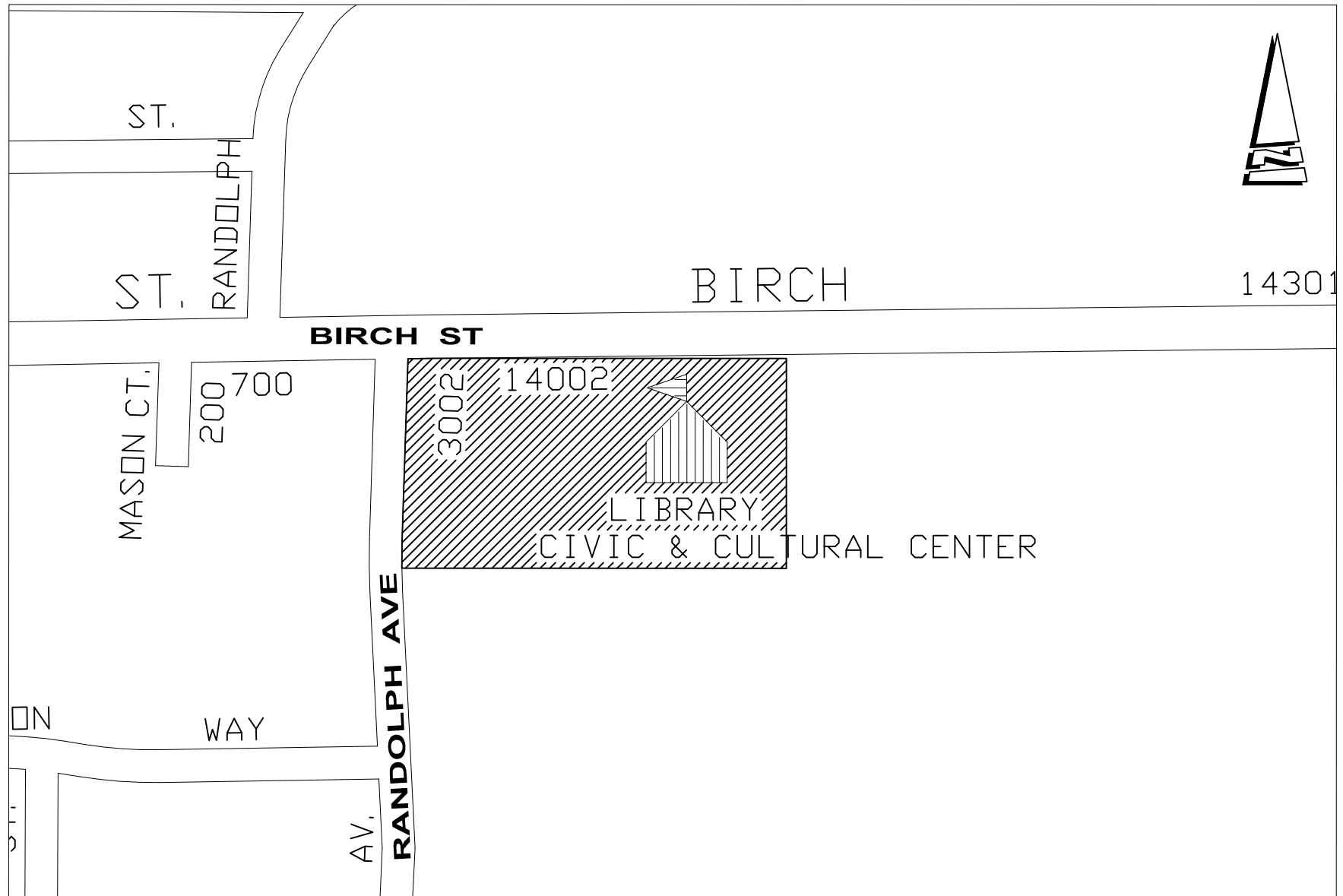
FUNDING SOURCES										
Fund 410 (Urban Runoff)	\$ -	\$ 188,399		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,399
Other (Funded)	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 188,399</b>	<b>\$ 60,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 248,399</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$20,000	\$168,399

Project Manager Approval:

Bill Bowlus  
(Type Name)

**PROJECT 7955**  
**FACILITY IMPROVEMENTS - RECONFIGURE HR & FINANCE DIVISION OFFICES (FURNITURE)**



**VICINITY MAP**  
**NOT TO SCALE**

## PROJECT 7955

### FACILITY IMPROVEMENTS - RECONFIGURE HR & FINANCE DIVISIONS OFFICE (FURNITURE)

This project will replace the existing office furniture at the Civic & Cultural Center on the 3rd floor in the permitter offices.

PROJECT 7955	Actual Prior	Approved 2020-21	Budgeted 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 678,003	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 928,003
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 678,003</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 928,003</b>

FUNDING SOURCES										
Fund 182 (FARP)	\$ -	\$ 577,797	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 827,797
Other (Funded)	\$ -	\$ 100,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,206
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 678,003</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 928,003</b>

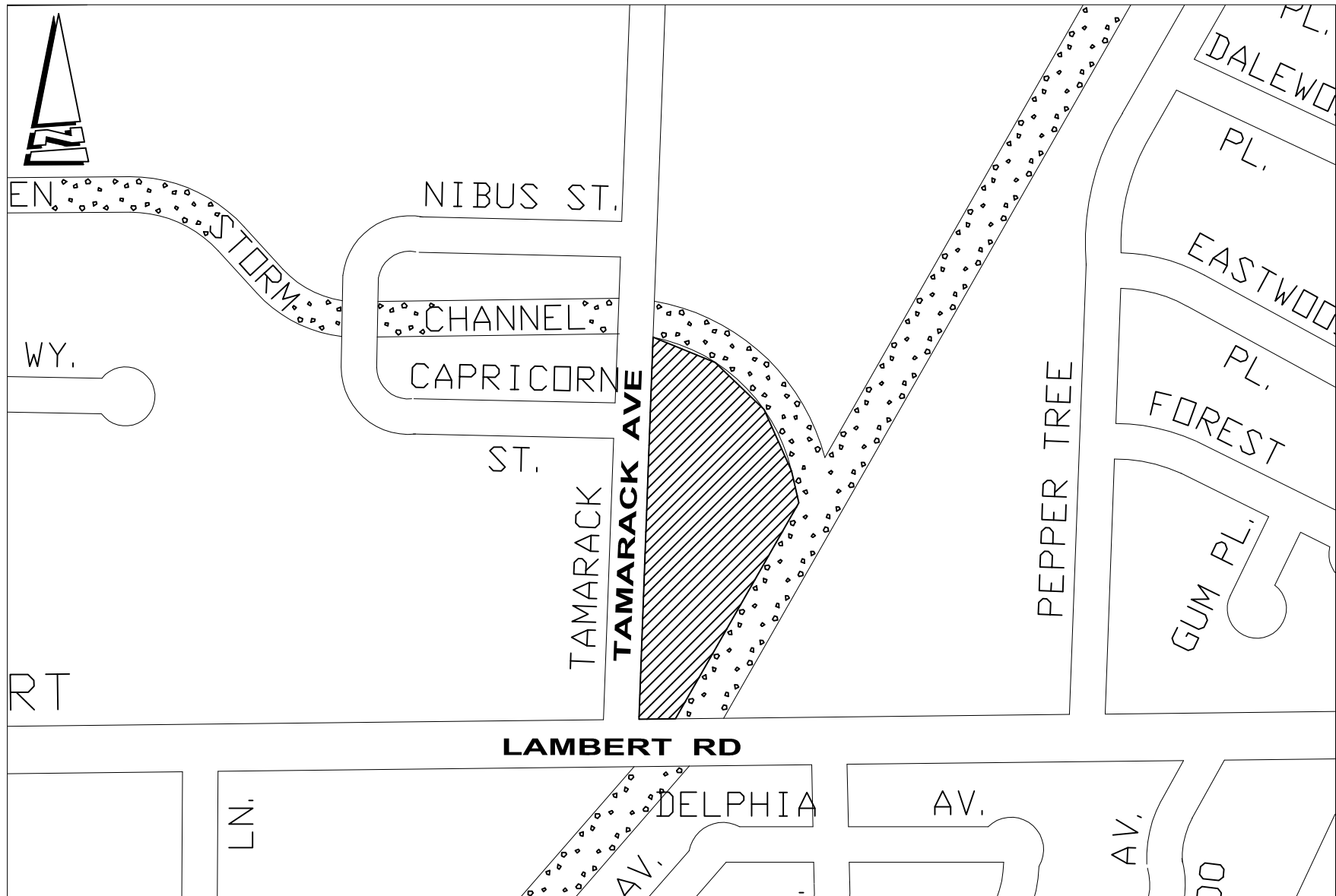
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$678,003	\$0

Project Manager Approval:

Eric Aulls  
(Type Name)

# PROJECT 7956

## FACILITY IMPROVEMENTS - TAMARACK PARK PARKING LOT ASPHALT REHABILITATION



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7956

### FACILITY IMPROVEMENTS - TAMARACK PARKING LOT ASPHALT REHABILITATION

This project will rehabilitate 6,005 square feet of asphalt, add 3 ADA ramps, seal coat and restripe the 25,624 square foot parking lot at Tamarack Park.

PROJECT 7956	Actual Prior	Estimated 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ 95,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,000
CONST. ENGINEERING	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 95,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 105,000</b>

FUNDING SOURCES										
Fund 182 (FARP)	\$ -	\$ 95,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 95,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 105,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$20,000	\$75,000

Note: This project is requesting an additional \$30,000 in FARP Funds beyond the estimated carryover amount.

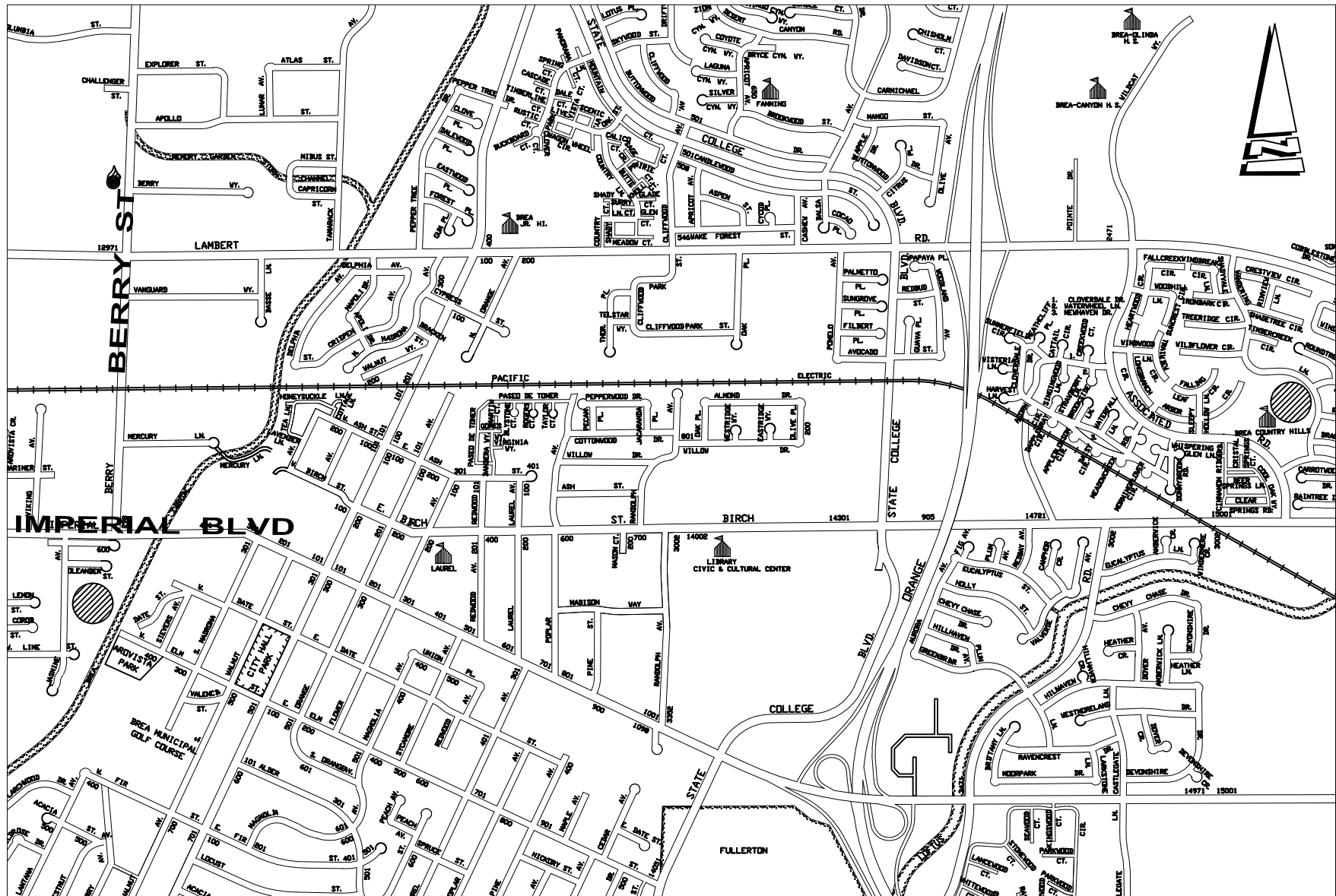
Project Manager Approval:

Will Wenz  
\_\_\_\_\_  
(Type Name)



# PROJECT 7960

## FACILITY IMPROVEMENTS - NEW SWITCH GEAR BOXES AT AROVISTA & COUNTRY HILLS PARKS



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7960

### FACILITY IMPROVEMENTS - NEW SWITCH GEAR BOXES AT AROVISTA & COUNTRY HILLS PARKS

This project will replace the primary electrical switch gear boxes at Arovista & Country Hills parks. Both existing switch gear boxes are badly rusted and were identified in the Facility Condition Assessment. This project is a priority due to the Life-Safety aspect of the work.

PROJECT 7960	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN		\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 350,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 375,000</b>

FUNDING SOURCES										
Fund 182 (FARP)		\$ 25,000	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 350,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 375,000</b>

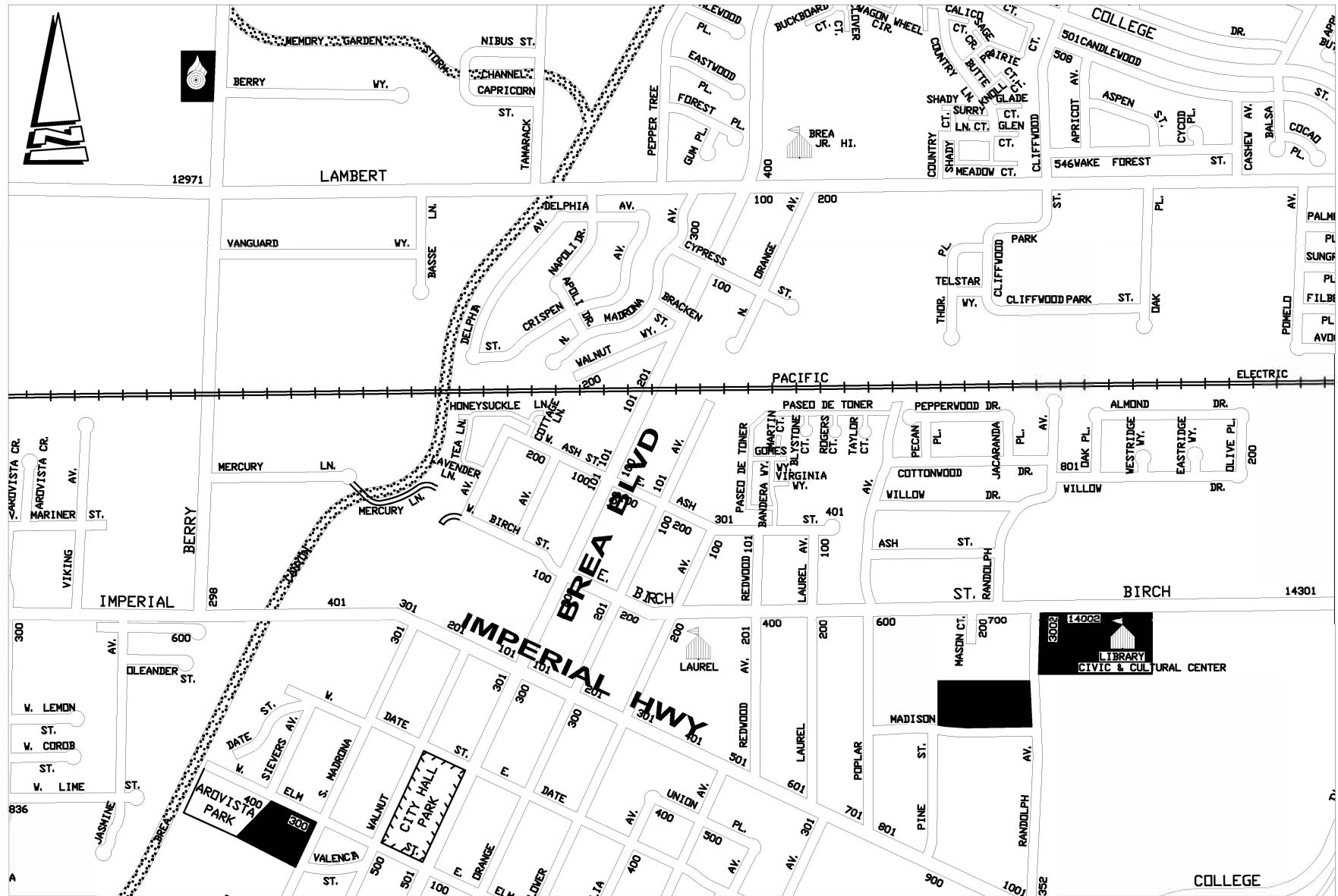
Estimated Expenses 2020-21	Estimated Carryover 2020-21
\$14,000	\$11,000

Project Manager Approval:

Bill Bowlus  
(Type Name)

# PROJECT 7970

## FACILITY IMPROVEMENTS - ENERGY MANAGEMENT PROGRAM UPGRADE



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7970

### FACILITY IMPROVEMENTS - ENERGY MANAGEMENT PROGRAM UPGRADE

This program will upgrade the Allerton Controls System that allow Building maintenance staff to program HVAC, lighting and other energy consuming equipment to improve Energy Use Efficiency. Work will be performed at the Civic & Cultural Center, Brea Community Center, the Senior Center, Pioneer Hall and the City Service Center.

PROJECT 7970	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125,000</b>

FUNDING SOURCES										
Fund 182 (FARP)	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125,000</b>

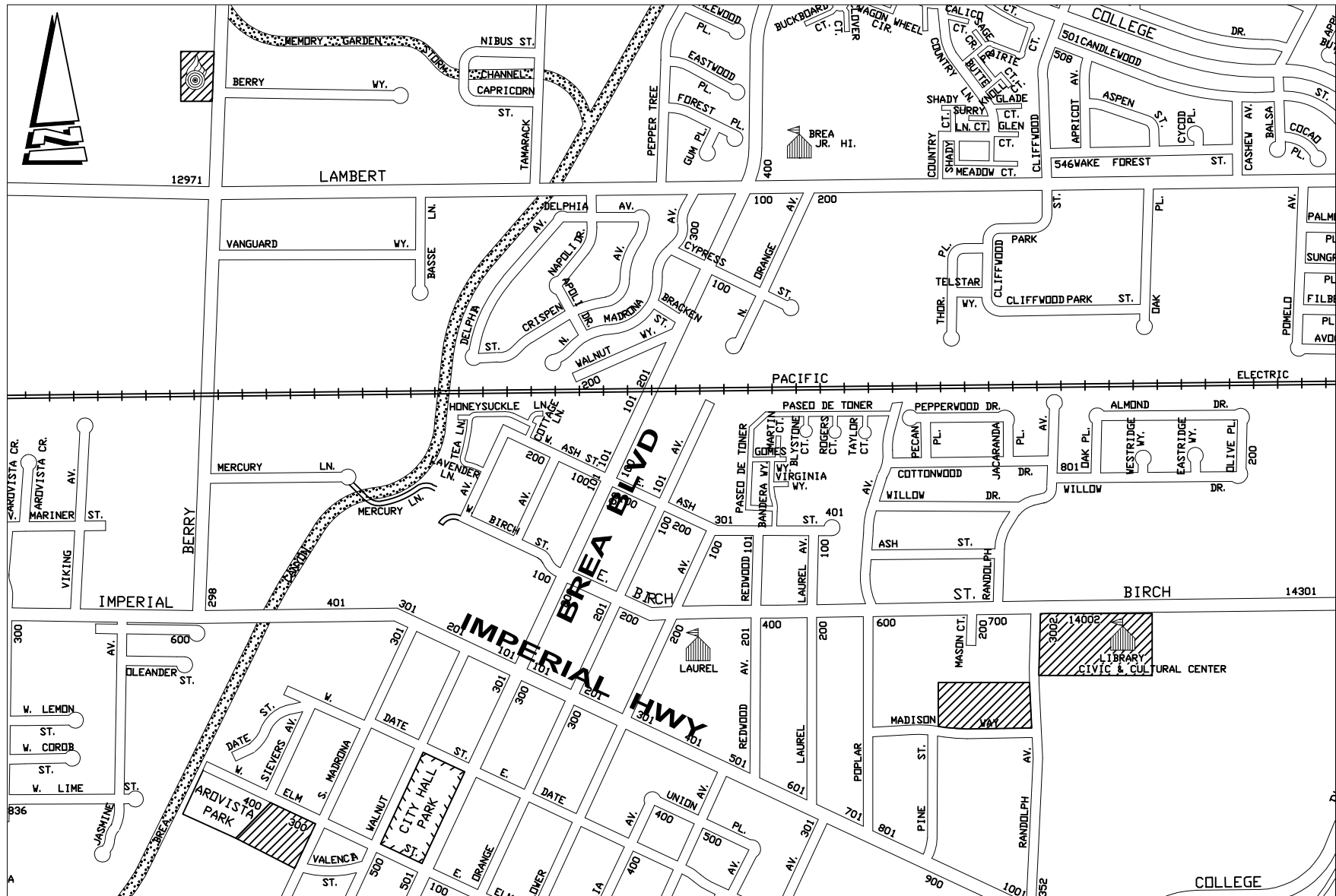
Estimated Expenses 2020-21	Estimated Carryover 2020-21

Project Manager Approval:

Eric Aull  
 \_\_\_\_\_  
 (Type Name)

# PROJECT 7971

## FACILITY IMPROVEMENTS - SECURITY UPGRADES AT CIVIC CENTER, SENIOR CENTER & YARD



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7971

### FACILITY IMPROVEMENTS - SECURITY UPGRADES AT CIVIC CENTER, SENIOR CENTER & YARD

This project will add card access security systems to additional areas at the Civic & Cultural Center, Brea Community Center, Senior Center and City Service Center.

PROJECT 7971	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 110,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 110,000</b>

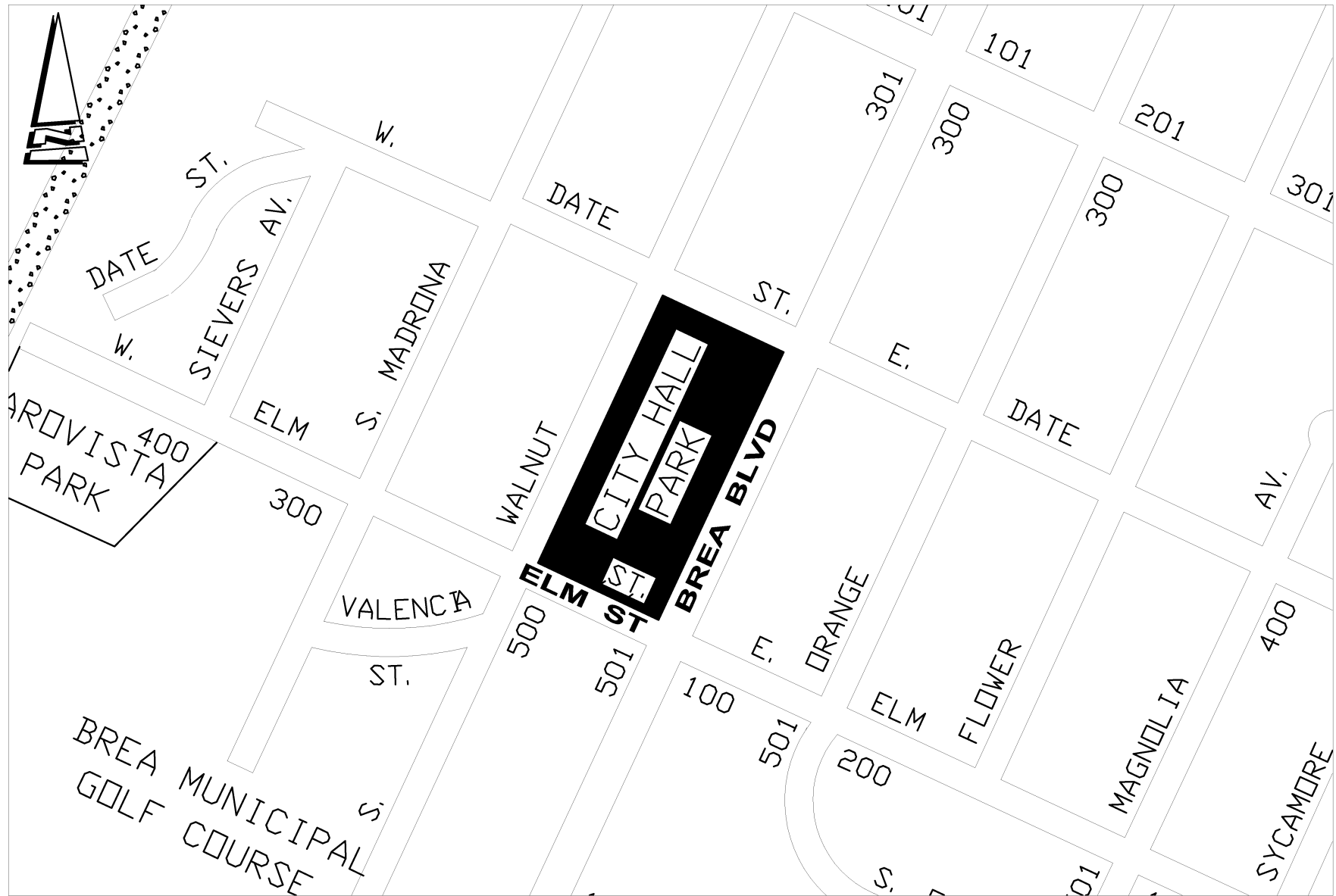
FUNDING SOURCES										
Fund 182 (FARP)	\$ -	\$ -	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 110,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 110,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21

Project Manager Approval:

Eric Aulls  
(Type Name)

**PROJECT 7972**  
**FACILITY IMPROVEMENTS - REPLACE SMALL POOL**  
**PLASTER AT THE PLUNGE**



**VICINITY MAP**  
**NOT TO SCALE**

## PROJECT 7972

### FACILITY IMPROVEMENTS - REPLACE SMALL POOL PLASTER AT THE PLUNGE

This project will replace the plaster in the small pool at The Plunge.

PROJECT 7972	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,000</b>

FUNDING SOURCES										
Fund 182 (FARP)	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21

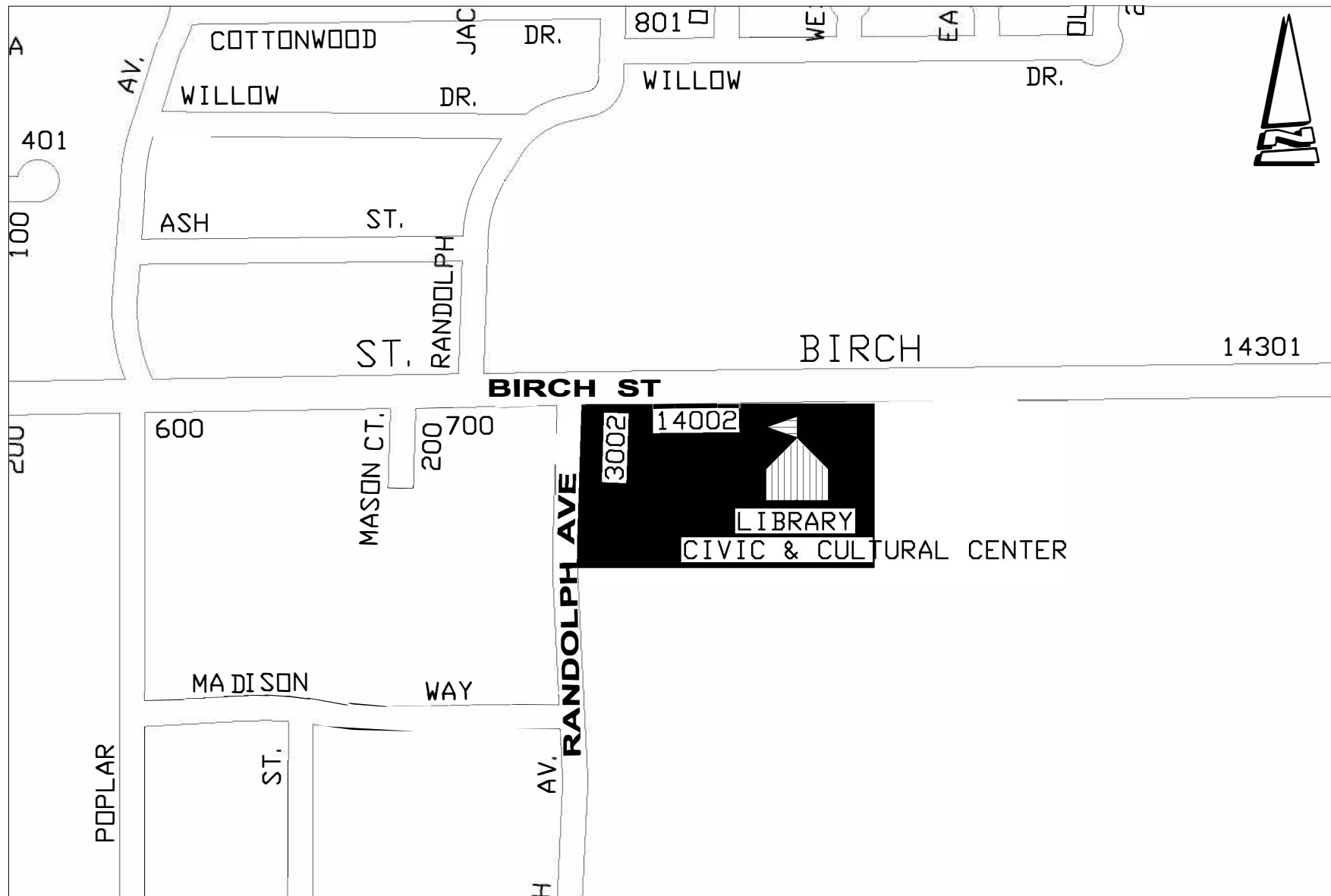
Project Manager Approval:

Eric Aulls  
(Type Name)



# PROJECT 7974

## FACILITY IMPROVEMENTS - FREIGHT ELEVATOR UPGRADES AT CIVIC CENTER



**VICINITY MAP**

NOT TO SCALE

## PROJECT 7974

### FACILITY IMPROVEMENTS - FREIGHT ELEVATOR UPGRADES AT CIVIC CENTER

This project will update the original 1979 control equipment and safety features of the existing freight elevator at the Civic & Cultural Center.

PROJECT 7974	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>

FUNDING SOURCES										
Fund 182 (FARP)	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>

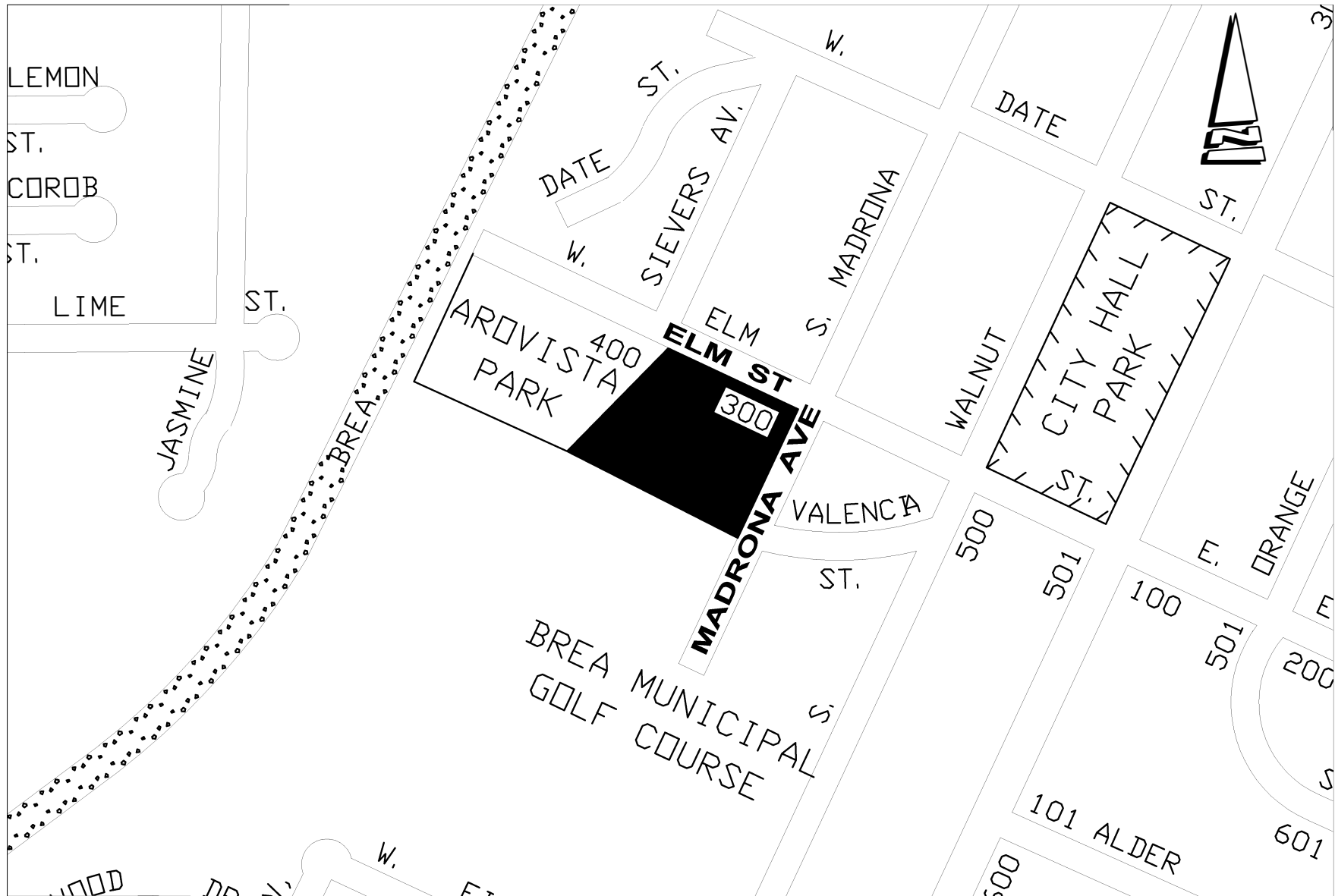
Estimated Expenses 2020-21	Estimated Carryover 2020-21

Project Manager Approval:

Eric Aulls  
(Type Name)

# PROJECT 7975

## FACILITY IMPROVEMENTS - SENIOR CENTER & PIONEER HALL ROOFS



**VICINITY MAP**  
NOT TO SCALE

## PROJECT 7975

### FACILITY IMPROVEMENTS - SENIOR CENTER & PIONEER HALL ROOFS

This project will replace the roofing material and roof drain systems on the Senior Center building as well as the Pioneer Hall building.

PROJECT 7975	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -		\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400,000</b>

FUNDING SOURCES										
Fund 182 (FARP)	\$ -	\$ -		\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 400,000</b>

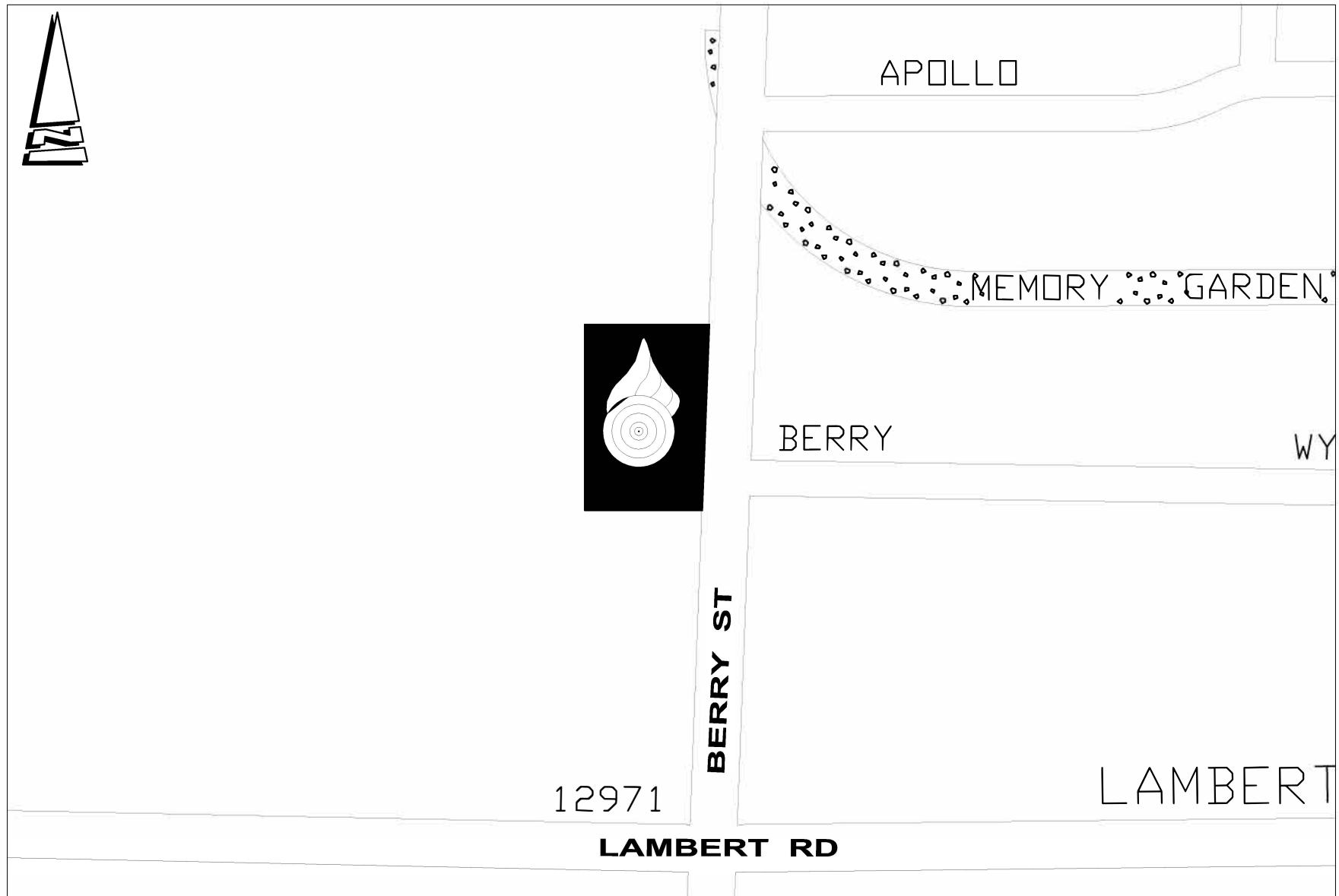
Estimated Expenses 2020-21	Estimated Carryover 2020-21

Project Manager Approval:

Eric Aulls  
(Type Name)

# PROJECT 7976

## FACILITY IMPROVEMENTS - PLYMOVENT EXHAUST SYSTEM FOR MECHANICS BAY



**VICINITY MAP**

NOT TO SCALE

## PROJECT 7976

### FACILITY IMPROVEMENTS - PLYMOVENT EXHAUST SYSTEM FOR MECHANICS BAY

This project will install a Plymovent exhaust ventilation system in the Mechanics Bay at the City Service Center. This will help keep the mechanics safe from toxic exhaust. This system is the same as the systems recently installed at all Fire Stations.

PROJECT 7976	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,000</b>

FUNDING SOURCES										
Fund 182 (FARP)	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21

Project Manager Approval:

Eric Aulls  
(Type Name)

**CITY OF BREA**

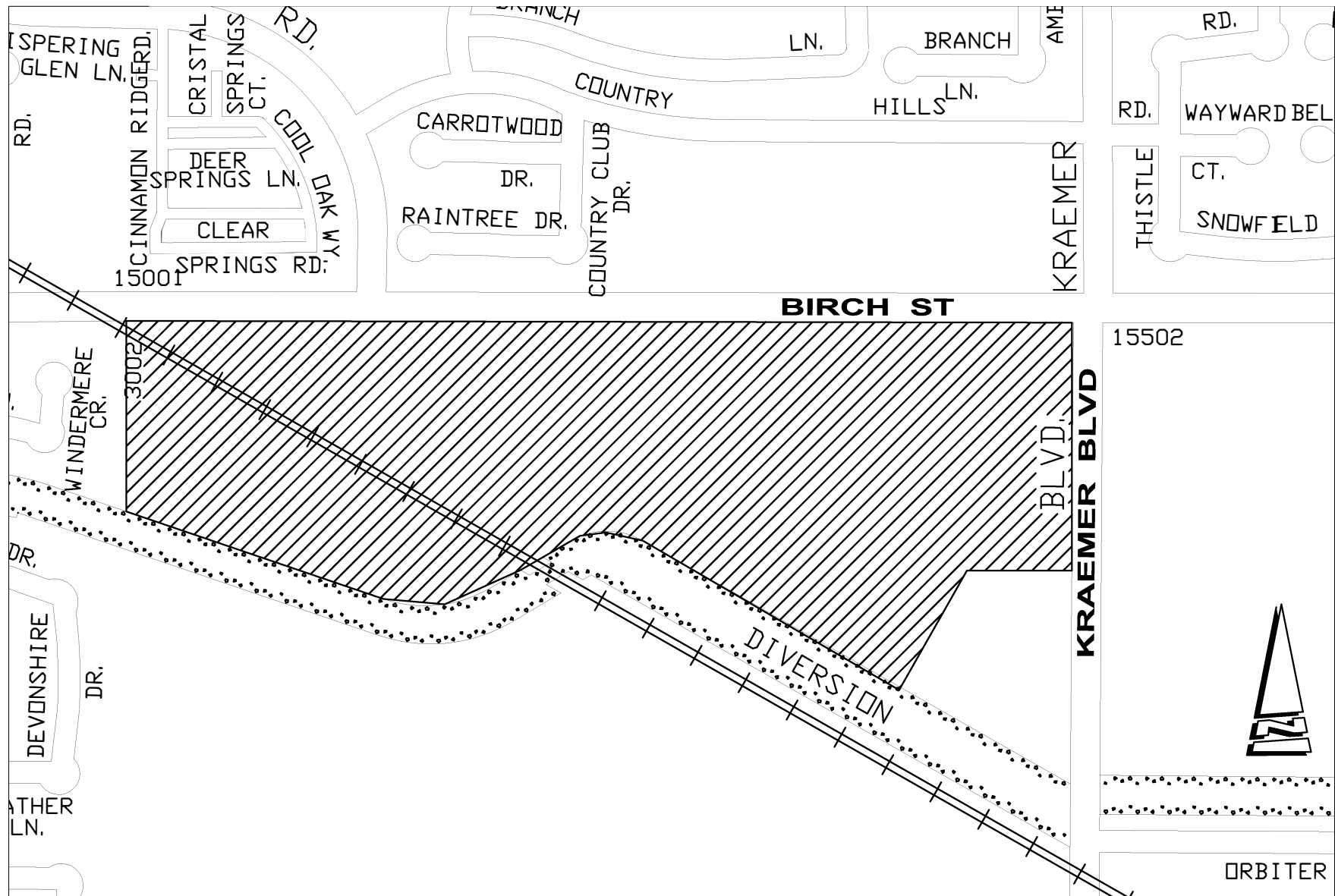
**SEVEN-YEAR CAPITAL IMPROVEMENT  
PROGRAM BUDGET**

**FY 2021-2022 through FY 2027-2028**

**GOLF COURSE IMPROVEMENTS**

# PROJECT 7968

## GOLF COURSE IMPROVEMENTS - SLURRY SEAL & STRIPE PARKING LOT & CART PATHS AT BIRCH HILLS GC



**VICINITY MAP**  
NOT TO SCALE



## PROJECT 7968

### GOLF COURSE IMPROVEMENTS - SLURRY SEAL & STRIPE PARKING LOT & CART PATHS AT BIRCH HILLS GC

This project will slurry seal and stripe th parking lot and cart paths at Birch Hills Golf Course.

PROJECT 7968	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>

FUNDING SOURCES										
Other (Funded)	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21

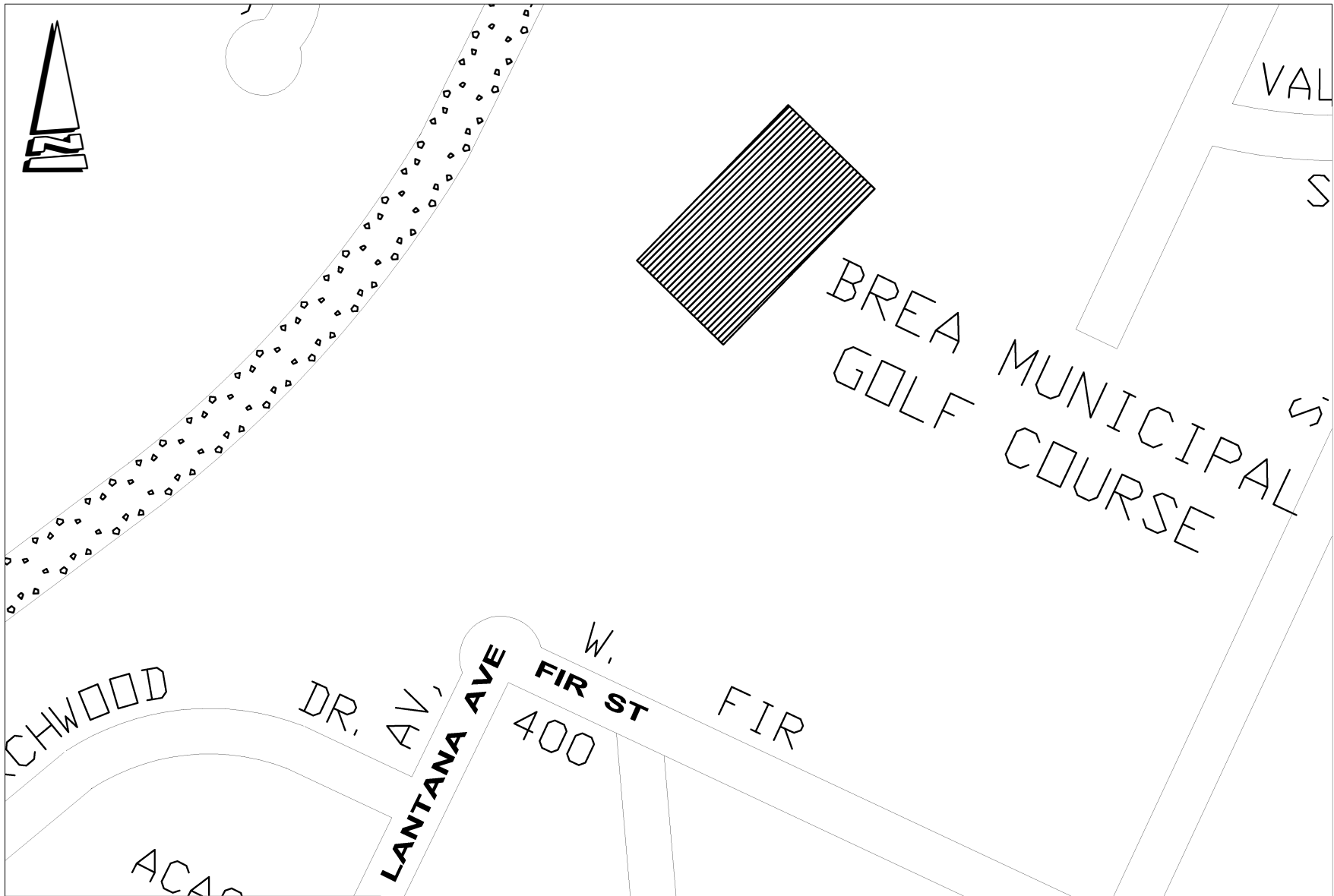
Note 1: Using Other Funded for 465 Golf Birch. Fund 465 Doesn't exist in this CIP System.

Note 2 : The Category Golf Course improvements doesn't exist in this CIP system.

Project Manager Approval:

Bill Bowlus  
(Type Name)

**PROJECT 7969**  
**GOLF COURSE IMPROVEMENTS - CLUBHOUSE DOORS &  
CONCRETE AT BREA CREEK GC**



**VICINITY MAP**  
**NOT TO SCALE**

## PROJECT 7969

### GOLF COURSE IMPROVEMENTS - CLUBHOUSE DOORS & CONCRETE AT BREA CREEK GC

This project will install ADA compliant doors on the clubhouse and perform sidewalk improvements.

PROJECT 7969	Actual Prior	Approved 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Total Budget
DESIGN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RIGHT OF WAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONSTRUCTION	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
CONST. ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>

FUNDING SOURCES										
Other (Funded)	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>

Estimated Expenses 2020-21	Estimated Carryover 2020-21

Project Manager Approval:

Bill Bowlus  
(Type Name)



**City of Brea**

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**COUNCIL COMMUNICATION**

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

**FROM:** Bill Gallardo, City Manager

**DATE:** 05/18/2021

**SUBJECT:** Issuance of the Brea Public Finance Authority 2021 Refunding Lease Revenue Bonds (Solar And Energy Efficiency Projects) to Refund the Brea Public Financing Authority's outstanding 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects)

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**RECOMMENDATION**

Adopt Resolution No. 2021-027 to approve the issuance and sale of the refunding lease revenue bonds by the Brea Public Financing Authority and approve related documents and actions.

**BACKGROUND/DISCUSSION**

In 2010, the Brea Public Financing Authority issued its 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) to finance the costs of certain renewable energy and energy efficiency improvements on the Civic and Cultural Center and Brea Community Center properties (the "2010 Bonds"). The 2010 Bonds were issued in the original principal amount of \$2,835,000, of which \$2,760,000 is currently outstanding. The 2010 Bonds are currently callable on any interest payment date (being October 1 and April 1) without penalty.

In February/March 2021, City Staff has determined in consultation with its Municipal Advisor, Fieldman, Rolapp & Associates, Inc, and its bond underwriter, Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), that current market conditions allowed for the issuance of the Brea Public Finance Authority 2021 Refunding Lease Revenue Bonds ("2021 Bonds") to generate savings in the form of lower annual debt payments by refinancing the 2010 Bonds. Therefore, on March 16, 2021, staff recommended and the Brea City Council adopted Resolution 2021-014 approving the institution of proceedings to refinance the outstanding 2010 Bonds by issuing refunding bonds

The proposed refinancing assumes that the 2010 Bonds will be called on October 1, 2021 and the proposed refunding bonds would retain the same final maturity as the 2010 Bonds. The finance team has requested a rating for the 2021 Bonds from Standard & Poor's and expects to receive a rating at least as high as the "AA" underlying rating currently assigned to the 2010 Bonds. Based on current market conditions as of April 29, 2021, it is projected that the City could realize savings at this time by refunding these bonds with tax-exempt bonds. The projected debt service savings are estimated at \$842,097 or an average annual reduction in bond payments of \$56,194 over the next fifteen (15) years. The projected true interest cost is lower at 2.03% as compared to the effective 4.58% average interest rate on the outstanding bonds. The amount of bonds outstanding is projected to be reduced by \$445,000 from \$2.760

million down to \$2.315 million. The term of the 2021 Bonds would remain the same as the 2010 Bonds with a final maturity on April 1, 2036. 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 which includes the costs of issuing the bonds, results in a projected net present value savings of 16.02% of the outstanding bonds to be refunded.

Below is a table summarizing the 2010 Bonds to be refunded and the anticipated savings:

<b>Refunding Statistics (Estimated)</b>	
Amount of Refunded Bonds	\$2,760,000
Call Date of Refunded Bonds	10/01/2021
Refunding Type	Current, Tax-Exempt
Final Maturity	04/01/2036
Amount of Refunding Bonds	\$2,315,000
True Interest Cost	2.03%
Average Annual Savings	\$56,194
Total Gross Savings	\$842,907
Net Present Value Savings	\$463,889
% NPV Savings of Refunded Bonds	16.81%

The 2021 Bonds will be secured solely by lease payments from the City's General Fund for use and occupancy of the City's Community Center (the "Leased Property"). As mentioned previously, the improvements constructed with the proceeds of the original bonds benefited the Brea Community Center.

Approval of the attached resolutions will approve the following documents required to issue the 2021 Bonds:

- **Amended and Restated Site Lease** – agreement between the City as lessor and the Authority as lessee which provides for the lease of the Leased Property to the Authority.
- **Amended and Restated Lease Agreement** – agreement between the Authority as lessor and the City as lessee which allows the Authority to sublease the Leased Property back to the City in exchange for semi-annual lease payments sufficient to pay debt service due on the 2021 Bonds.
- **Escrow Agreement** - among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent, providing the terms and provisions relating to the refunding and redemption of the 2010 Bonds.
- **Preliminary Official Statement** – offering statement used to inform the marketplace of the terms of the 2021 Bonds and contains all relevant information for the investors to decide whether to purchase the 2021 Bonds.

- **Continuing Disclosure Certificate (Appendix E to the Preliminary Official Statement)** - requires the City to submit annual continuing disclosure reports and notice of certain listed events to the marketplace as long as the 2021 Bonds are outstanding. The Bank of New York Mellon Trust Company, N.A., as dissemination agent, will assist the City with this responsibility.
- **Bond Purchase Agreement** – contract among the Authority, the City and the Underwriter, whereby the Underwriter agrees to buy the 2021 Bonds for resale to the public.

If the refinancing is approved, it is anticipated that the 2021 Bonds will be sold in mid-June with the bond closing scheduled on July 13, 2021.

### **FISCAL IMPACT/SUMMARY**

Based on current market conditions, subject to change, the refunding of the 2010 Bonds is projected to provide gross savings of approximately \$842,097, or an average annual savings of estimated at \$56,194. The 2021 Bonds have a projected 16.81% net present value savings to the City's General Fund.

### **RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Cindy Russell, Administrative Services Director

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### **Attachments**

Resolution

Amended and Restated Site Lease

Amended and Restated Lease Agreement

Escrow Agreement

Preliminary Official Statement

Bond Purchase Agreement

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## **RESOLUTION NO. 2021-027**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA APPROVING THE ISSUANCE AND SALE OF REFUNDING LEASE REVENUE BONDS BY THE BREA PUBLIC FINANCING AUTHORITY TO REFUND OUTSTANDING 2010 LEASE REVENUE BONDS (SOLAR AND ENERGY EFFICIENCY PROJECTS) (FEDERALLY TAXABLE – BUILD AMERICA BONDS – DIRECT PAYMENT), AND APPROVING RELATED DOCUMENTS AND ACTIONS**

**WHEREAS**, the Brea Public Financing Authority (the “Authority”) has previously issued its Brea Public Financing Authority 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (Federally Taxable - Build America Bonds - Direct Payment) in the aggregate principal amount of \$2,835,000 (the “2010 Bonds”) for the purpose of providing funds to enable the City of Brea (the “City”) to finance the acquisition, construction and installation of solar and energy efficiency projects throughout the City; and

**WHEREAS**, the 2010 Bonds are secured by a pledge of lease payments which are made by the City as rental for certain property consisting generally of the land and improvements which constitute the existing Community Center of the City (the “Leased Property”), under a Lease Agreement dated as of April 1, 2010, between the City and the Authority; and

**WHEREAS**, the 2010 Bonds are subject to redemption at the option of the Authority on October 1, 2021, at a redemption price equal to 100% of the principal amount thereof together with accrued interest thereon to the redemption date, without premium; and



**WHEREAS**, the City and the Authority have determined that it is in their best interests to refund the 2010 Bonds, and in order to provide funds for that purpose the City has requested the Authority to authorize the issuance and sale of its 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) in the aggregate principal amount of not to exceed \$3,000,000 (the “Refunding Bonds”) under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, commencing with Sections 53570 and 53580 (the “Refunding Bond Law”); and

**WHEREAS**, the City Council has previously approved a Debt Issuance and Management Policy which complies with Government Code Section 8855, and the issuance of the Refunding Bonds will be in compliance with such policy; and

**WHEREAS**, the City Council wishes to authorize the issuance and sale of the Refunding Bonds by the Authority and to approve all related documents and proceedings to which it is a party;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BREA AS FOLLOWS:**

**Section 1. Authorization of Bonds.** The City Council hereby authorizes the issuance of the Refunding Bonds by the Authority under the Refunding Bond Law, for the purpose of providing funds to refund the 2010 Bonds and thereby realize debt service savings to the City.

**Section 2. Approval of Related Financing Agreements.** The City Council hereby approves each of the following agreements relating to the issuance and sale of the Refunding Bonds, in substantially the respective forms on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the

Administrative Services Director or the City Manager, and the execution thereof by the Mayor or the City Manager (each, an “Authorized Officer”) shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the City to execute, and the City Clerk is hereby authorized and directed to attest to, the final form of each such agreement:

- Amended and Restated Site Lease, between the City as lessor and the Authority as lessee of the Leased Property, under which the City and the Authority amend and restate the site lease relating to the 2010 Bonds for the purpose of incorporating the terms and provisions relating to the Refunding Bonds;
- Amended and Restated Lease Agreement, between the Authority as lessor and the City as lessee of the Leased Property, under which the City and the Authority amend and restate the lease agreement relating to the 2010 Bonds for the purpose of incorporating the terms and provisions relating to the Refunding Bonds, including for the purpose of reducing the schedule of lease payments for the Leased Property to reflect the debt service savings which are realized as a result of the issuance of the Refunding Bonds and the refunding of the 2010 Bonds; and
- Escrow Agreement, among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent, providing the terms

and provisions relating to the refunding and redemption of the 2010 Bonds.

**Section 3. Sale of Refunding Bonds; Approval of Bond Purchase**

**Agreement.** The City Council hereby approves the sale of the Refunding Bonds by the Authority on a negotiated basis to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”). The Refunding Bonds shall be sold to the Underwriter pursuant to a Bond Purchase Agreement among the Authority, the City and the Underwriter in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the Administrative Services Director or the City Manager, and execution of the final form of the Bond Purchase Agreement by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized to approve an offer from the Underwriter to purchase the Refunding Bonds, provided that the amount of Underwriter’s discount for the Bonds shall be not more than 1.50% of the par amount thereof and the true interest cost of the Refunding Bonds shall not exceed 4.00% per annum. An Authorized Officer is hereby authorized and directed to execute the final form of the Bond Purchase Agreement in the name and on behalf of the City.

**Section 4. Official Statement.** The City Council hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Refunding Bonds in the form on file with the City Clerk. An Authorized Officer is individually authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the City Council’s determination that the Preliminary Official Statement has been deemed final within the

meaning of such Rule. Distribution of the Preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of such Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The City Council hereby authorizes the distribution of the Final Official Statement by the purchaser of the Refunding Bonds. The Final Official Statement shall be executed in the name and on behalf of the City by an Authorized Officer.

**Section 5. Continuing Disclosure Certificate.** The City Council hereby approves the Continuing Disclosure Certificate in substantially the form attached as an appendix to the Preliminary Official Statement, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, provided that the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to execute the final form of the Continuing Disclosure Certificate, for and in the name and on behalf of the City. The City Council hereby authorizes the delivery and performance of the Continuing Disclosure Certificate.

**Section 6. Official Actions.** The Mayor, the City Manager, the Administrative Services Director, the City Clerk and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of

conveyance and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the transactions described herein. Any such actions previously taken by such officers are hereby ratified and confirmed. Whenever in this Resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable; except that only the Mayor Pro Tem may be designated to act on behalf of the Mayor if the Mayor is absent or unavailable.

**Section 7. Effective Date.** This Resolution shall take effect immediately upon its passage and adoption.

**PASSED AND ADOPTED** by the City Council of the City of Brea at a regular meeting held on May 18, 2021.

\_\_\_\_\_  
Steven Vargas, 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 18<sup>th</sup> day of May, 2021, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

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

\_\_\_\_\_  
Lillian Harris-Neal, City Clerk

RECORDING REQUESTED BY:  
Stewart Title Guaranty Company  
Commercial Services San Francisco

AND WHEN RECORDED

RETURN TO:

Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Charles F. Adams, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX UNDER SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES UNDER SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

## **AMENDED AND RESTATED SITE LEASE**

This AMENDED AND RESTATED SITE LEASE (this "Site Lease"), dated for convenience as of July 1, 2021, is between the CITY OF BREA, a municipal corporation duly organized and existing under the laws of the State of California, as lessor (the "City"), and the BREA PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California, as lessee (the "Authority").

### ***B A C K G R O U N D :***

1. The Authority has previously issued its Brea Public Financing Authority 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (Federally Taxable - Build America Bonds - Direct Payment) in the aggregate principal amount of \$2,835,000 (the "2010 Bonds") for the purpose of providing funds to enable the City to finance the acquisition, construction and installation of solar and energy efficiency projects throughout the City.

2. In order to secure the payment of the 2010 Bonds, the City has previously leased certain property, consisting generally of the land and improvements which constitute the existing Community Center of the City, as described more fully in Appendix A which is attached hereto and by this reference incorporated herein (the "Leased Property"), to the Authority under a Site Lease dated as of April 1, 2010, which was recorded on May 6, 2010, as Document No. 2010000213511 in the Office of the Orange County Recorder (the "2010 Site Lease"); and the Authority has leased the Leased Property back to the City under a Lease Agreement dated as of April 1, 2010, which was recorded on May 6, 2010, as Document No. 2010000213512 in the Office of the Orange County Recorder (the "2010 Lease Agreement").

3. The 2010 Bonds are subject to redemption at the option of the Authority on October 1, 2021 at a redemption price equal to 100% of the principal amount thereof together with accrued interest thereon to the redemption date, without premium.

4. The City and the Authority have determined that it is in their best interests to refund the 2010 Bonds and in order to provide funds for that purpose the Authority has authorized the issuance of its 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds"), under an unrecorded Indenture of Trust dated as of July 1, 2021 (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

5. The City and the Authority have amended and restated the 2010 Lease Agreement pursuant to an Amended and Restated Lease Agreement dated as of July 1, 2021, which has been recorded concurrently herewith (the "Lease Agreement"), for the purpose of providing for the payment of lease payments by the City (the "Lease Payments") which have been pledged for the security of the Bonds and which have been assigned by the Authority to the Trustee for the security of the Bonds under an Assignment Agreement dated as of July 1, 2021, which has been recorded concurrently herewith, between the Authority as assignor and the Trustee as assignee.

6. The Authority and the City have agreed to amend and restate the 2010 Site Lease as provided herein, for the purpose of incorporating provisions relating to the Bonds.

7. The Authority has been organized for the purpose of providing financial assistance to the City and is authorized to enter into financing documents for that purpose.

#### A G R E E M E N T :

*In consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:*

SECTION 1. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Site Lease have the respective meanings given them in the Indenture.

SECTION 2. *Restatement of 2010 Site Lease.* This Site Lease constitutes an amendment and restatement in full of the 2010 Site Lease. From and after the Closing Date the 2010 Site Lease, in the form heretofore executed and delivered by the City and the Authority, will be of no further force and effect and will be deemed to be restated in full hereby. The City continues to and does hereby lease the Leased Property to the Authority, and the Authority continues to and does hereby lease the Leased Property from the City, upon the terms and conditions set forth in this Site Lease, without interruption by virtue of the amendment and restatement of the 2010 Site Lease hereby.

SECTION 3. *Term; Possession.* The term of this Site Lease shall commence on the Closing Date. This Site Lease shall end, and the right of the Authority hereunder to



possession of the Leased Property shall thereupon cease, on April 1, 2036 (unless the term of the Lease Agreement has been extended under the provisions thereof), or such earlier or later date on which the Lease Payments are paid in full or provisions made for such payment, but in any event not later than April 1, 2046.

SECTION 4. *Consideration.* In consideration for the agreement by the City to amend and restate the 2010 Site Lease as provided herein, the Authority hereby agrees to issue the Bonds and to apply the proceeds as set forth in Section 3.02 of the Indenture for the purpose of providing funds to refund the 2010 Bonds in full. No other amounts of rental shall be due and payable by the Authority for the use and occupancy of the Leased Property under this Site Lease.

SECTION 5. *Assignments and Subleases.* Unless the City shall be in default under the Lease Agreement, the Authority may not assign its rights under this Site Lease or sublet all or any portion of the Leased Property, except as provided in the Lease Agreement, without the prior written consent of the City.

SECTION 6. *Substitution or Release of Property.* If the City exercises its option under Section 3.3 of the Lease Agreement to substitute property for the Leased Property in whole or in part, such substitution shall also operate to substitute property for the Leased Property which is leased hereunder. If the City exercises its option under Section 3.4 of the Lease Agreement to release a portion of the Leased Property from the Lease Agreement, such substitution shall also operate to release such portion of the Leased Property hereunder. The description of the Leased Property which is leased hereunder shall conform at all times to the description of the Leased Property which is leased under the Lease Agreement.

SECTION 7. *Right of Entry.* The City reserves the right for any of its duly authorized representatives to enter upon the Leased Property, or any portion thereof, at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. *Termination.* The Authority agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property in the same good order and condition as the Leased Property was in at the time of commencement of the term hereof, reasonable wear and tear excepted, and agrees that all buildings, improvements and structures then existing upon the Leased Property shall remain thereon and all right, title and interest of the Authority thereto shall vest thereupon in the City for no additional consideration.

SECTION 9. *Default.* In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Authority, the City may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease Agreement shall be deemed to occur as a result thereof; *provided, however*, that so long as the Lease Agreement remains in effect, the Lease Payments payable by the City under the Lease Agreement shall continue to be paid to the Trustee.

SECTION 10. *Quiet Enjoyment.* The Authority at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Leased Property,

subject to the provisions of the Lease Agreement and subject only to Permitted Encumbrances.

SECTION 11. *Waiver of Personal Liability.* All liabilities under this Site Lease on the part of the Authority are solely liabilities of the Authority, and the City hereby releases each and every member and officer of the Authority of and from any personal or individual liability under this Site Lease. No member or officer of the Authority or its governing board shall at any time or under any circumstances be individually or personally liable under this Site Lease for anything done or omitted to be done by the Authority hereunder.

SECTION 12. *Taxes.* The City covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property and any improvements thereon.

SECTION 13. *Eminent Domain.* In the event the whole or any part of the Leased Property or any improvements thereon shall be taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid principal components of the Lease Payments payable under the Lease Agreement and the balance of the award, if any, shall be paid to the City.

SECTION 14. *Partial Invalidity.* If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 15. *Notices.* Any notice, request, complaint, demand or other communication under this Site Lease shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopy, telex or other form of electronic or telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The City and the Authority may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

*If to the City:* City of Brea  
1 Civic Center Circle  
Brea, California 92821  
Attention: City Manager

*If to the Authority:* Brea Public Financing Authority  
1 Civic Center Circle  
Brea, California 92821  
Attention: Executive Director

*If to the Trustee:* The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, Suite 500  
Los Angeles, California 90071  
Attention: Corporate Trust Administration

SECTION 16. *Amendment of this Site Lease.* The Authority and the City may at any time amend or modify any of the provisions of this Site Lease, but only (a) with the prior written consent of the Owners of a majority in aggregate principal amount of the Outstanding Bonds; or (b) without the consent of any of the Bond Owners, but only if such amendment or modification is for any one or more of the following purposes:

- (i) to make cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, or in any other respect whatsoever as the Authority and the City may deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments do not materially adversely affect the interests of the Owners of the Bonds;
- (ii) to amend any provision hereof relating to the Tax Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest on the Bonds under the Tax Code, in the opinion of Bond Counsel;
- (iii) to conform to any amendment of the Indenture which is made thereto in accordance with applicable provisions of the Indenture; or
- (iv) to amend the description of the Leased Property to reflect accurately the property originally intended to be included therein, or in connection with any substitution or release of property under Section 6.

SECTION 17. *Governing Law.* This Site Lease shall be construed in accordance with and governed by the Constitution and laws of the State of California.

SECTION 18. *Third Party Beneficiary.* The Trustee is hereby made a third party beneficiary under this Site Lease with all rights of a third party beneficiary.

SECTION 19. *Binding Effect.* This Site Lease inures to the benefit of and is binding upon the Authority, the City and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 20. *Section Headings.* All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

SECTION 21. *Execution in Counterparts.* This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Site Lease may be separately executed by the Authority and the City, all with the same force and effect as though the same counterpart had been executed by both the Authority and the City.

IN WITNESS WHEREOF, the City and the Authority have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

**CITY OF BREa**, *as lessor*

By \_\_\_\_\_  
City Manager

Attest:

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

**BREA PUBLIC FINANCING AUTHORITY**,  
*as lessee*

By \_\_\_\_\_  
Executive Director

Attest:

\_\_\_\_\_  
Secretary

## **APPENDIX A**

### **DESCRIPTION OF THE LEASED PROPERTY**

The Leased Property consists of that certain real property situated in the City of Brea, County of Orange, which is more particularly described as follows:

Parcel 1 of Parcel Map No. 91-133, in the City of Brea, in the County of Orange, State of California, as per Parcel Map recorded in Book 279 Page(s) 35 to 38 all inclusive of Parcel Maps, in the Office of the County Recorder of said County.

Excepting all oil, minerals, gas and other hydrocarbon substances below a depth of 500 feet, without the right of surface entry as reserved in deeds recorded in Book 13441 Page 1901 and Instrument No's 86-645775 and 86-645776, all of Official Records of said County.

Reserving all oil, mineral, gas and other hydrocarbon substances below a depth of 500 feet under the real property described herein, without the right of surface entry.

RECORDING REQUESTED BY:  
Stewart Title Guaranty Company  
Commercial Services San Francisco

AND WHEN RECORDED

RETURN TO:

Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Charles F. Adams, Esq.

## **AMENDED AND RESTATED LEASE AGREEMENT**

This AMENDED AND RESTATED LEASE AGREEMENT (this "Lease Agreement"), dated for convenience as of July 1, 2021, is between the BREA PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California, as lessor (the "Authority"), and the CITY OF BREA, a municipal corporation duly organized and existing under the laws of the State of California, as lessee (the "City").

### **B A C K G R O U N D :**

1. The Authority has previously issued its Brea Public Financing Authority 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (Federally Taxable - Build America Bonds - Direct Payment) in the aggregate principal amount of \$2,835,000 (the "2010 Bonds") for the purpose of providing funds to enable the City to finance the acquisition, construction and installation of solar and energy efficiency projects throughout the City.

2. The 2010 Bonds are secured by a pledge of lease payments which are made by the City as rental for certain property consisting generally of the land and improvements which constitute the existing Community Center of the City, as described more fully in Appendix A which is attached hereto and by this reference incorporated herein (the "Leased Property"), under a Lease Agreement dated as of April 1, 2010, which was recorded on May 6, 2010, as Document No. 2010000213512 in the Office of the Orange County Recorder (the "2010 Lease Agreement"), between the City and the Authority.

3. The 2010 Bonds are subject to redemption at the option of the Authority on October 1, 2021 at a redemption price equal to 100% of the principal amount thereof together with accrued interest thereon to the redemption date, without premium.

4. The City and the Authority have determined that it is in their best interests to refund the 2010 Bonds and in order to provide funds for that purpose the Authority has authorized the issuance of its 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds"), under an unrecorded Indenture of Trust dated as of July 1, 2021 (the "Indenture"), between the

Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

5. The City and the Authority wish to amend and restate the 2010 Lease Agreement pursuant to this Lease Agreement for the purpose of providing for the payment of lease payments by the City (the "Lease Payments") which have been assigned by the Authority to the Trustee for the security of the Bonds under an Assignment Agreement dated as of July 1, 2021 (the "Assignment Agreement"), which has been recorded concurrently herewith, between the Authority as assignor and the Trustee as assignee.

6. The Authority has been organized for the purpose of providing financial assistance to the City and is authorized to enter into financing documents for that purpose.

#### **A G R E E M E N T :**

*In consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:*

### **ARTICLE I**

#### **DEFINITIONS; RULES OF INTERPRETATION**

SECTION 1.1. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Lease Agreement have the respective meanings given them in the Indenture.

#### *SECTION 1.2. Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular includes the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and includes the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Lease Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section or subdivision hereof.

(d) Whenever the term "may" is used herein with respect to an action by one of the parties hereto, such action shall be discretionary and the party who "may" take such action shall be under no obligation to do so.

## ARTICLE II

### COVENANTS, REPRESENTATIONS AND WARRANTIES

SECTION 2.1. *Covenants, Representations and Warranties of the City.* The City makes the following covenants, representations and warranties to the Authority and the Trustee as of the date of the execution and delivery of this Lease Agreement:

- (a) Due Organization and Existence. The City is a municipal corporation duly organized and validly existing under the laws of the State of California, has full legal right, power and authority under the laws of the State of California to enter into the Site Lease, the Escrow Agreement and this Lease Agreement and to carry out and consummate all transactions contemplated hereby, and by proper action the City has duly authorized the execution and delivery of the Site Lease, the Escrow Agreement and this Lease Agreement.
- (b) Due Execution. The representatives of the City executing the Site Lease, the Escrow Agreement and this Lease Agreement have been fully authorized to execute the same under a resolution duly adopted by the City Council of the City.
- (c) No Conflicts. The execution and delivery of the Site Lease, the Escrow Agreement and this Lease Agreement, the consummation of the transactions therein and herein contemplated and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, the Escrow Agreement and this Lease Agreement or the financial condition, assets, properties or operations of the City.
- (d) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of the Site Lease, the Escrow Agreement and this Lease Agreement, or the consummation of any transaction therein and herein contemplated, except as have been obtained or made and as are in full force and effect.



- (e) No Litigation. The City has no knowledge of any action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority, or pending or threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon either (i) the consummation of the transactions contemplated by or the validity of the Site Lease, the Escrow Agreement and this Lease Agreement, or (ii) the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, the Escrow Agreement and this Lease Agreement or the financial conditions, assets, properties or operations of the City.

SECTION 2.2. *Covenants, Representations and Warranties of the Authority.* The Authority makes the following covenants, representations and warranties to the City and the Trustee as of the date of the execution and delivery of this Lease Agreement:

- (a) Due Organization and Existence. The Authority is a joint exercise of powers authority duly organized and existing under a joint powers agreement and the laws of the State of California; has power to enter into this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement and the Indenture; is possessed of full power to own and hold, improve and equip real and personal property, and to lease the same; and has duly authorized the execution and delivery of each of the aforesaid agreements and such agreements constitute the legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms.
- (b) Due Execution. The representatives of the Authority executing this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement and the Indenture are fully authorized to execute the same pursuant to official action taken by the governing body of the Authority.
- (c) No Conflicts. The execution and delivery of this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement and the Indenture, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Authority is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or

encumbrance of any nature whatsoever upon any of the property or assets of the Authority, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement and the Indenture or the financial condition, assets, properties or operations of the Authority.

- (d) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement or the Indenture, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.
- (e) No Litigation. The Authority has no knowledge of any action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon either (i) the consummation of the transactions contemplated by or the validity of this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement or the Indenture, or (ii) the financial condition, assets, properties or operations of the Authority, and the Authority is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement or the Indenture or the financial conditions, assets, properties or operations of the Authority.

### **ARTICLE III**

#### **LEASE TO THE CITY; ISSUANCE OF BONDS AND APPLICATION OF PROCEEDS; SUBSTITUTION AND RELEASE OF LEASED PROPERTY**

SECTION 3.1. *Lease of Leased Property*. This Lease Agreement constitutes an amendment and restatement in full of the 2010 Lease Agreement. From and after the Closing Date, the 2010 Lease Agreement, in the form heretofore executed and delivered by the City and the Authority, shall be of no further force and effect and shall be deemed to be restated in full hereby. The Authority continues to and does hereby lease the Leased Property to the City, and the City continues to and does hereby lease the Leased Property from the Authority, upon the terms and conditions set forth in this Lease Agreement,

without interruption by virtue of the amendment and restatement of the 2010 Lease Agreement hereby.

SECTION 3.2. *Issuance of Bonds; Application of Proceeds.* In consideration for the agreement by the City to amend and restate the 2010 Lease Agreement as provided herein, the Authority hereby agrees to issue the Bonds under the Bond Law for the purpose of providing funds to refund the 2010 Bonds in full. The proceeds received by the Authority from the sale of the Bonds to the Original Purchaser shall be applied on the Closing Date in the amounts and for the purposes set forth in Section 3.02 of the Indenture.

SECTION 3.3. *Substitution of Property.* The City has the option at any time and from time to time to substitute other real property (the "Substitute Property") for the Leased Property or any portion thereof (the "Former Property"), upon satisfaction of all of the following requirements which are hereby declared to be conditions precedent to such substitution:

- (a) No Event of Default has occurred and is continuing.
- (b) The City has filed with the Authority and the Trustee, and caused to be recorded in the office of the Orange County Recorder sufficient memorialization of, an amendment hereof and an amendment of the Site Lease which removes the Former Property from this Lease Agreement and the Site Lease and which adds the Substitute Property to this Lease and the Site Lease.
- (c) The City has obtained a CLTA policy of title insurance insuring the City's leasehold estate hereunder in the Substitute Property, subject only to Permitted Encumbrances, in an amount at least equal to the estimated value thereof.
- (d) The City has certified in writing to the Authority and the Trustee that the Substitute Property serves the municipal purposes of the City and constitutes property which the City is permitted to lease under the laws of the State of California, and has been determined to serve a governmental function of the City.
- (e) The Substitute Property does not cause the City to violate any of its covenants, representations and warranties made herein.
- (f) The City and the Authority have filed a written certificate with the Trustee stating that (a) based on the estimated value of the Substitute Property, the remaining Lease Payments constitute fair rental value for the use and occupancy of the Substitute Property, taking into consideration the factors set forth in Section 4.2(d), and (b) the useful life of the Substitute Property at least extends to the date which is ten years following the final maturity of the Bonds.
- (g) The City has mailed written notice of such substitution to the Rating Agency.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement and the term of the Site Lease will thereupon end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property herein and therein will apply with full force and effect to the Substitute Property. The City shall not be entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of any substitution of property under this Section. The Authority and the City shall execute, deliver and cause to be recorded all documents required to discharge the Site Lease, this Lease Agreement and the Assignment Agreement of record against the Former Property and to cause the Substitute Property to become subject to all of the terms and conditions of the Site Lease, this Lease Agreement and the Assignment Agreement.

SECTION 3.4. *Release of Property.* The City has the option at any time and from time to time to release any portion of the Leased Property from this Lease Agreement and the Site Lease (the "Released Property"), upon satisfaction of all of the following requirements which are hereby declared to be conditions precedent to such release:

- (a) No Event of Default has occurred and is continuing.
- (b) The City has filed with the Authority and the Trustee, and caused to be recorded in the office of the Orange County Recorder sufficient memorialization of, an amendment hereof and an amendment of the Site Lease which removes the Released Property from this Lease Agreement and the Site Lease.
- (c) The City and the Authority have filed with the Trustee a written certificate stating that based on the estimated value of the property which remains subject to this Lease Agreement following such release, the remaining Lease Payments constitute fair rental value for the use and occupancy of such property, taking into consideration the factors set forth in Section 4.2(d).
- (d) The City has mailed written notice of such release to the Rating Agency.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement and the term of the Site Lease will thereupon end as to the Released Property. The City shall not be entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Authority and the City shall execute, deliver and cause to be recorded all documents required to discharge the Site Lease, this Lease Agreement and the Assignment Agreement of record against the Released Property.

SECTION 3.5. *No Merger.* It is the express intention of the Authority and the City that this Lease Agreement and the obligations of the parties hereunder shall be and remain separate and distinct from the Site Lease and the obligations of the parties thereunder, and that during the term of the Site Lease and this Lease Agreement no merger of title or interest shall occur or be deemed to occur as a result of the respective positions of the Authority and the City thereunder and hereunder.

## ARTICLE IV

### TERM OF THIS LEASE AGREEMENT; LEASE PAYMENTS

SECTION 4.1. *Term.* The Term of this Lease Agreement shall commence on the Closing Date and end on the date on which the Indenture is discharged in accordance with Section 10.01 thereof, unless such term is extended as hereinafter provided. If on April 1, 2036, the Indenture shall not be discharged by its terms, or if the Lease Payments payable hereunder shall have been abated at any time and for any reason, then the Term of this Lease Agreement shall be extended until the Indenture shall be discharged by its terms, but not to exceed April 1, 2046.

#### SECTION 4.2. *Lease Payments.*

(a) Obligation to Pay. Subject to the provisions of Sections 6.2 and 6.3, the City agrees to pay to the Authority, its successors and assigns, the Lease Payments in the respective amounts specified in Appendix B attached to this Lease Agreement, to be due and payable in immediately available funds on the Interest Payment Dates immediately following each of the respective Lease Payment Dates specified in Appendix B, and to be deposited by the City with the Trustee on each of the Lease Payment Dates specified in Appendix B. Any amount held in the Bond Fund, the Interest Account and the Principal Account on any Lease Payment Date (other than amounts required for payment of past due principal or interest on any Bonds not presented for payment) will be credited towards the Lease Payment then required to be paid hereunder. The City shall not be required to deposit any Lease Payment with the Trustee on any Lease Payment Date if the amounts then held in the Bond Fund, the Interest Account and the Principal Account are at least equal to the Lease Payment then required to be deposited with the Trustee.

(b) Effect of Prepayment. If the City prepays all Lease Payments in full under Sections 9.2 or 9.3, the City's obligations under this Section will thereupon cease and terminate. If the City prepays the Lease Payments in part but not in whole under Sections 9.2 or 9.3, the principal and interest components of the remaining Lease Payments will be reduced to correspond to the payments of principal of and interest on the Bonds coming due and payable following the resulting redemption of the Bonds under the Indenture.

(c) Rate on Overdue Payments. If the City fails to make any of the payments required in this Section, the payment in default will continue as an obligation of the City until the amount in default has been fully paid, and the City agrees to pay the same with interest thereon, from the date of default to the date of payment at the rate borne by the respective Outstanding Bonds.

(d) Fair Rental Value. The aggregate amount of the Lease Payments and Additional Rental Payments coming due and payable during each Rental Period shall constitute the total rental for the Leased Property for such Rental Period, and shall be payable by the City in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Property during such Rental Period. The parties hereto have agreed and determined that the total Lease Payments represent the fair rental value of the Leased Property. In making that determination, consideration has been given to the estimated value of the Leased Property, other obligations of the City and the Authority under this Lease Agreement, the

uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the City and the general public.

(e) Assignment. The City understands and agrees that all Lease Payments have been assigned by the Authority to the Trustee in trust under the Assignment Agreement, for the benefit of the Owners of the Bonds, and the City hereby assents to such assignment. The Authority hereby directs the City, and the City hereby agrees, to pay all amounts due under this Section to the Trustee at its Office.

SECTION 4.3. *Source of Payments; Covenant to Budget and Appropriate*. The Lease Payments shall be payable from any source of available funds of the City, subject to the provisions of Sections 6.2 and 6.3. The City covenants to take all actions required to include the Lease Payments in each of its budgets during the Term of this Lease Agreement and to make the necessary appropriations for all Lease Payments and Additional Rental Payments. The foregoing covenant of the City contained constitutes a duty imposed by law and each and every public official of the City is required to take all actions required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the City.

SECTION 4.4. *Additional Rental Payments*. In addition to the Lease Payments, the City shall pay when due the following amounts of Additional Rental Payments in consideration of the lease of the Leased Property by the City from the Authority hereunder:

- (a) all fees and expenses incurred by the Authority in connection with or by reason of its leasehold estate in the Leased Property, when due;
- (b) compensation to the Trustee for its services rendered under the Indenture and for all expenses, charges, costs, liabilities, legal fees and other disbursements incurred by the Trustee in and about the performance of its powers and duties under the Indenture;
- (c) all fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Lease Agreement or the Indenture;
- (d) all amounts coming due and payable as Excess Investment Earnings in accordance with Section 7.6(e); and
- (e) all out-of-pocket expenses of the Authority in connection with the execution and delivery of this Lease Agreement or the Indenture, or in connection with the issuance of the Bonds, including but not limited to any and all expenses incurred in connection with the authorization, sale and delivery of the Bonds, or incurred by the Authority in connection with any litigation which may at any time be instituted involving this Lease Agreement, the Bonds, the Indenture or any of the other documents contemplated hereby or thereby, or otherwise incurred in connection with the administration of this Lease Agreement.

SECTION 4.5. *Quiet Enjoyment.* Throughout the Term of this Lease Agreement, the Authority shall provide the City with quiet use and enjoyment of the Leased Property and the City will peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble or hindrance from the Authority, except as expressly set forth in this Lease Agreement. The Authority will, at the request of the City and at the City's cost, join in any legal action in which the City asserts its right to such possession and enjoyment to the extent the Authority may lawfully do so. Notwithstanding the foregoing, the Authority has the right to inspect the Leased Property as provided in Section 7.2.

SECTION 4.6. *Title.* Upon the termination of this Lease Agreement (other than as a result of the occurrence of an Event of Default under Article VIII), all right, title and interest of the Authority in and to the Leased Property shall transfer to and vest in the City. The Authority shall take any and all steps and execute and record any and all documents reasonably required by the City to consummate any such transfer of title.

## **ARTICLE V**

### **MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS**

SECTION 5.1. *Maintenance, Utilities, Taxes and Assessments.* Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Leased Property, all improvement, repair and maintenance of the Leased Property shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of all utility services supplied to the Leased Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and will pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the City or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Authority agrees to provide only the Leased Property. The City waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the City under the terms of this Lease Agreement.

The City shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the City affecting the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall pay only such installments as are required to be paid during the Term of this Lease Agreement as and when the same become due.

Notwithstanding the foregoing, the City may, at its expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority notifies the City that, in its reasonable opinion, by nonpayment of any such items the interest of the Authority in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Authority with

full security against any loss which may result from nonpayment, in form satisfactory to the Authority and the Trustee.

SECTION 5.2. *Modification of Leased Property.* The City has the right, at its own expense, to make additions, modifications and improvements to the Leased Property or any portion thereof. All additions, modifications and improvements to the Leased Property will thereafter comprise part of the Leased Property and become subject to the provisions of this Lease Agreement. Such additions, modifications and improvements may not in any way damage the Leased Property, or cause the Leased Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Property, upon completion of any additions, modifications and improvements made thereto under this Section, shall be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements. The City will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the City under this Section; except that the City may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Authority with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Authority. The Authority will cooperate fully in any such contest, upon the request and at the expense of the City.

SECTION 5.3. *Liability Insurance.* The City shall maintain or cause to be maintained throughout the Term of this Lease Agreement, but only if and to the extent available from reputable insurers at reasonable cost in the opinion of the City, a standard commercial general liability insurance policy or policies in protection of the Authority, the City, and their respective members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such policy or policies shall provide coverage in such liability limits and be subject to such deductibles as the City deems adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City, subject to the provisions of Section 5.7, or in the form of the participation by the City in a joint powers agency or other program providing pooled insurance. The proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which it has been paid.

SECTION 5.4. *Casualty Insurance.* The City shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, casualty insurance against loss or damage to all buildings situated on the Leased Property, in an amount at least equal to the lesser of (a) 100% of the replacement value of the insured buildings, or (b) 100% of the aggregate principal amount of the Outstanding Bonds. Such insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance; provided that earthquake insurance shall not be required under any circumstances. Such insurance may be subject to such deductibles as the City deems adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or



in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained by the City in the form of self-insurance. The Net Proceeds of such insurance shall be applied as provided in Section 6.1.

SECTION 5.5. *Rental Interruption Insurance.* The City shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any portion of the Leased Property constituting buildings or other improvements as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum such Lease Payments coming due and payable during any consecutive two Fiscal Years. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained by the City in the form of self-insurance. The proceeds of such insurance, if any, shall be paid to the Trustee and deposited in the Bond Fund, to be applied as a credit towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

SECTION 5.6. *Recordation Hereof; Title Insurance.* On or before the Closing Date the City shall (a) cause the Site Lease, the Assignment Agreement and this Lease Agreement, or a memorandum hereof or thereof in form and substance approved by Bond Counsel, to be recorded in the office of the Orange County Recorder, and (b) obtain a CLTA title insurance policy insuring the City's leasehold estate hereunder in the Leased Property, subject only to Permitted Encumbrances, in an amount at least equal to the aggregate principal amount of the Bonds. All Net Proceeds received under any such title insurance policy shall be deposited with the Trustee and applied in accordance with the provisions of the Indenture.

SECTION 5.7. *Insurance Net Proceeds; Form of Policies.* Each policy of insurance maintained under Sections 5.4, 5.5 and 5.6 shall name the Trustee as loss payee so as to provide that all proceeds thereunder are payable to the Trustee. The City shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease Agreement. All such policies shall provide that the Trustee is given 30 days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby. The City shall file with the Trustee, upon the written request of the Trustee, a certificate of the City stating that all policies of insurance required hereunder are then in full force and effect. The Trustee has no responsibility for the sufficiency, adequacy or amount of any insurance or self-insurance herein required and is fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss.

If any insurance maintained under Section 5.3 is provided in the form of self-insurance, the City shall file with the Trustee annually, within 90 days following the close of each Fiscal Year, a statement of the risk manager of the City or an independent insurance adviser engaged by the City identifying the extent of such self-insurance and stating the determination that the City maintains sufficient reserves with respect thereto. If any such insurance is provided in the form of self-insurance by the City, the City has no obligation to make any payment with respect to any insured event except from those reserves.

SECTION 5.8. *Installation of City's Personal Property.* The City may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Leased Property. All such items shall remain the sole property of the City, in which neither the Authority nor the Trustee has any interest, and may be modified or removed by the City at any time, provided that the City shall repair all damage to the Leased Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement prevents the City from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, so long as no such lien or security interest attaches to any part of the Leased Property.

SECTION 5.9. *Liens.* The City may not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, other than as herein contemplated and except for such encumbrances as the City certifies in writing to the Trustee do not materially and adversely affect the leasehold estate of the City in the Leased Property hereunder. If any such mortgage, pledge, lien, charge, encumbrance or claim does materially and adversely affect the leasehold estate of the City in the Leased Property hereunder, the City will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible; provided that the City is not required to do so prior to the time when such mortgage, pledge, lien, charge, encumbrance or claim actually causes such material adverse effect. The City will reimburse the Authority for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

SECTION 5.10. *Advances.* If the City fails to perform any of its obligations under this Article, the Authority may take such action as it deems necessary to cure such failure, including the advancement of money, and the City shall repay all such advances as Additional Rental Payments hereunder, with interest at the rate set forth in Section 4.2(c).

## ARTICLE VI

### **DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS**

SECTION 6.1. *Application of Net Proceeds.* The Trustee, as assignee of the Authority under the Assignment Agreement, shall have the right to receive all Net Proceeds. As provided in the Indenture, the Trustee shall deposit all Net Proceeds in the Insurance and Condemnation Fund to be applied as set forth in Section 5.05 of the Indenture.

SECTION 6.2. *Termination or Abatement Due to Eminent Domain.* If the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of this Lease Agreement thereupon ceases as of the day possession is taken. If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, then:

- (a) this Lease Agreement shall continue in full force and effect with respect thereto and does not terminate by virtue of such taking, and the parties waive the benefit of any law to the contrary; and
- (b) the Lease Payments are subject to abatement in an amount determined by the City such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property.

SECTION 6.3. *Abatement Due to Damage or Destruction.* The Lease Payments are subject to abatement during any period in which by reason of damage or destruction (other than by eminent domain which is hereinbefore provided for) there is substantial interference with the use and occupancy by the City of the Leased Property or any portion thereof. The Lease Payments are subject to abatement in an amount determined by the City such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property not damaged or destroyed. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. Notwithstanding the foregoing provisions of this Section, the Lease Payments may be paid with proceeds of rental interruption insurance during any period in which the Lease Payments would otherwise be subject to abatement, it being hereby declared that such proceeds constitute a special fund for the payment of the Lease Payments. In the event of any such damage or destruction, this Lease Agreement continues in full force and effect and the City waives any right to terminate this Lease Agreement by virtue of any such damage and destruction.

## ARTICLE VII

### OTHER COVENANTS OF THE CITY

SECTION 7.1. *Disclaimer of Warranties.* THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE LEASED PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION THEREOF. THE CITY ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF ANY PORTION OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE CITY LEASES THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE CITY. The Authority has no liability for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease Agreement for the existence, furnishing, functioning or use of the Leased Property by the City.

SECTION 7.2. *Access to the Leased Property.* The City agrees that the Authority and any Authorized Representative of the Authority, and the Authority's successors or assigns, have the right at all reasonable times to enter upon and to examine and inspect the Leased Property or any part thereof. The City further agrees that the Authority, any Authority Representative and the Authority's successors or assigns may have such rights of access to the Leased Property or any component thereof as reasonably necessary to cause the proper maintenance of the Leased Property if the City fails to perform its obligations hereunder; *provided, however*, that neither the Authority nor any of its assigns has any obligation to cause such proper maintenance.

SECTION 7.3. *Release and Indemnification Covenants.* The City agrees to indemnify the Authority, the Trustee and their respective officers, agents, successors and assigns, against all claims, losses and damages, including legal fees and expenses, arising out of any of the following:

- (a) the use, maintenance, condition or management of, or from any work or thing done on the Leased Property by the City,
- (b) any breach or default on the part of the City in the performance of any of its obligations under this Lease Agreement,
- (c) any negligence or willful misconduct of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Property,
- (d) any intentional misconduct or negligence of any sublessee of the City with respect to the Leased Property,
- (e) the acquisition, construction, improvement and equipping of the Leased Property, or the authorization of payment of the costs thereof, or

- (f) the acceptance and performance of the duties of the Trustee under the Indenture and under this Lease Agreement.

No indemnification is made under this Section or elsewhere in this Lease Agreement for willful misconduct or negligence under this Lease Agreement by the Authority, the Trustee or their respective officers, agents, employees, successors or assigns.

SECTION 7.4. *Assignment and Subleasing by the City.* The City may sublease the Leased Property, or any portion thereof, subject to all of the following conditions:

- (a) this Lease Agreement and the obligation of the City to make Lease Payments hereunder shall remain obligations of the City;
- (b) the City shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of such sublease;
- (c) no such sublease by the City may cause the Leased Property to be used for a purpose which is not authorized under the provisions of the laws of the State of California; and
- (d) the City shall furnish to the Authority and the Trustee a written opinion of Bond Counsel stating that such sublease does not cause the interest components of the Lease Payments to become included in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State of California.

SECTION 7.5. *Amendment Hereof.* The Authority and the City may at any time amend or modify any of the provisions of this Lease Agreement, but only: (a) with the prior written consents of the Owners of a majority in aggregate principal amount of the Outstanding Bonds; or (b) without the consent of the Trustee or any of the Bond Owners, but only if such amendment or modification is for any one or more of the following purposes:

- (i) To add to the covenants and agreements of the City contained in this Lease Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the City.
- (ii) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein, to conform to the original intention of the City and the Authority.
- (iii) To modify, amend or supplement this Lease Agreement in such manner as to assure that the interest on the Bonds remains excluded from gross income under the Tax Code.
- (iv) To amend the description of the Leased Property to reflect accurately the property originally intended to be included therein, or in

connection with any substitution or release of property under Sections 3.3 or 3.4.

- (v) To obligate the City to pay additional amounts of rental for the use and occupancy of the Leased Property, but only if (A) such additional rent payments are pledged or assigned for the payment of any bonds, notes or other obligations the proceeds of which are applied to finance or refinance the acquisition or construction of any real or personal property for which the City is authorized to expend funds subject to its control, (B) the City has filed with the Trustee a Written Certificate of the City stating that the estimated value of the Leased Property is, or following the completion of the acquisition and construction of any improvements to be financed from the proceeds of such bonds, notes or other obligations will be, at least equal to the aggregate original principal amount of the Bonds and all such other bonds, notes or other obligations, and (C) the City has filed with the Trustee written evidence that the amendments made under this clause (v) will not of themselves cause a reduction or withdrawal of any rating then assigned to the Bonds. Any amounts of such additional rental will not constitute Revenues which are pledged to the payment of the Bonds.
- (vi) In any other respect whatsoever as the Authority and the City deem necessary or desirable, if in the opinion of Bond Counsel such modifications or amendments do not materially adversely affect the interests of the Owners of the Bonds.

No such modification or amendment shall (a) extend or have the effect of extending any Lease Payment Date or reducing any Lease Payment, without the express consent of the Owners of the affected Bonds, or (b) modify any of the rights or obligations of the Trustee without its written assent thereto.

#### SECTION 7.6. *Tax Covenants*

(a) Private Business Use Limitation. The City shall assure that the proceeds of the Bonds are not used in a manner which would cause the Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The City shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds or of any other obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code.

(d) Maintenance of Tax Exemption. The City shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the

Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The City shall calculate or cause to be calculated the Excess Investment Earnings in all respects at the times and in the manner required under the Tax Code. The City shall pay the full amount of Excess Investment Earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code. Such payments shall be made by the City from any source of legally available funds of the City, and shall constitute Additional Rental Payments hereunder.

The City shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Bonds, records of the determinations made under this subsection (e). In order to provide for the administration of this subsection (e), the City may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the City may deem appropriate. The Trustee has no duty or obligation to monitor or enforce compliance by the City of any of the requirements under this subsection (e).

SECTION 7.7. *Continuing Disclosure.* The City shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed by the City as of the Closing Date, as originally executed and as it may be amended from time to time in accordance with its terms. Notwithstanding any other provision of this Lease Agreement, failure of the City to comply with such Continuing Disclosure Certificate will not constitute an Event of Default, although any Participating Underwriter (as that term is defined in such Continuing Disclosure Certificate) or any Owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations under this Section, including seeking mandate or specific performance by court order.

## **ARTICLE VIII**

### **EVENTS OF DEFAULT AND REMEDIES**

SECTION 8.1. *Events of Default Defined.* Any one or more of the following events constitute an Event of Default hereunder:

- (a) Failure by the City to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein.
- (b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in the preceding subsection (a), for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority or the Trustee. If in the reasonable opinion of the City the failure stated in the notice can be corrected, but not within such 30-day period, the failure will not constitute an Event of Default if the City commences to cure the failure within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.

- (c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

SECTION 8.2. *Remedies on Default.* Whenever any Event of Default has happened and is continuing, the Authority may exercise any and all remedies available under law or granted under this Lease Agreement. Notwithstanding anything herein or in the Indenture to the contrary, neither the Authority nor the Trustee may accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each covenant hereof to be kept and performed by the City is expressly made a condition and upon the breach thereof the Authority may exercise any and all rights granted hereunder; except that no termination of this Lease Agreement may be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Authority may exercise each and every one of the following remedies, subject in all respects to the limitations set forth in Section 8.3.

- (a) Enforcement of Payments Without Termination. If the Authority does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (b) hereof, the City agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Authority for any deficiency arising out of the re-leasing of the Leased Property, or, if the Authority is unable to re-lease the Leased Property, then for the full amount of all Lease Payments to the end of the Term of this Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Authority or any suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Leased Property or the exercise of any other remedy by the Authority. The City hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the City to enter upon and re-lease the Leased Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Leased Property, to place the Leased Property in storage or other suitable place in the County of Orange for the account of and at the expense of the City, and the City hereby exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Leased Property and the removal and storage of the Leased Property by the Authority or its duly authorized agents in accordance with the provisions herein contained. The City agrees that the terms of this Lease Agreement constitute full and sufficient



notice of the right of the Authority to re-lease the Leased Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Authority in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the City the right to terminate this Lease Agreement shall vest in the Authority to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof. The City agrees to surrender and quit possession of the Leased Property upon demand of the Authority for the purpose of enabling the Leased Property to be re-let under this paragraph. Any rental obtained by the Authority in excess of the Lease Payments, to the extent remaining after paying reasonable expenses incurred in the collection of such rental, shall be applied to pay or redeem the Outstanding Bonds.

- (b) Termination of Lease. If an Event of Default occurs and is continuing hereunder, the Authority at its option may terminate this Lease Agreement and re-lease all or any portion of the Leased Property. Any surplus received by the Authority from such re-leasing shall be deposited in the Bond Fund. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Authority shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the City shall be or become effective by operation of law, or otherwise, unless and until the Authority shall have given written notice to the City of the election on the part of the Authority to terminate this Lease Agreement. The City covenants and agrees that no surrender of the Leased Property, or of the remainder of the Term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.
- (c) Proceedings at Law or In Equity. If an Event of Default occurs and continues hereunder, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

SECTION 8.3. *No Remedy Exclusive.* No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy is cumulative and in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default impairs any such right or power or operates as a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article it is not necessary to give any notice, other than as expressly required in this Article or by law.

SECTION 8.4. *Agreement to Pay Attorneys' Fees and Expenses.* If the Authority or the City defaults under any of the provisions of this Lease Agreement and the non-defaulting party employs attorneys or incurs other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

SECTION 8.5. *No Additional Waiver Implied by One Waiver.* If the Authority or the City breaches any agreement in this Lease Agreement and thereafter the other party waives the breach, such waiver is limited to the particular breach so waived and does not operate to waive any other breach hereunder.

SECTION 8.6. *Application of Proceeds.* All net proceeds received from the re-lease of the Leased Property under this Article, and all other amounts derived by the Authority or the Trustee as a result of the occurrence of an Event of Default, shall be paid to and applied by the Trustee in accordance with Section 7.03 of the Indenture.

SECTION 8.7. *Trustee and Bond Owners to Exercise Rights.* Such rights and remedies as are given to the Authority under this Article have been assigned by the Authority to the Trustee under the Assignment Agreement for the benefit of the Bond Owners. The Trustee and the Bond Owners shall exercise such rights and remedies in accordance with the Indenture.

## **ARTICLE IX**

### **PREPAYMENT OF LEASE PAYMENTS**

SECTION 9.1. *Security Deposit.* Notwithstanding any other provision of this Lease Agreement, the City may on any date secure the payment of the Lease Payments allocable to the Leased Property in whole or in part by depositing with the Trustee or an escrow agent an amount of cash which, together with other available amounts on deposit in the funds and accounts established under the Indenture, is either:

- (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Appendix B, or
- (b) invested in whole or in part in non-callable Defeasance Securities in such amount as will, in the opinion of an independent certified public accountant, (which opinion must be addressed and delivered to the Trustee), together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay such Lease Payments when due under Section 4.2(a), as the City instructs at the time of said deposit.

If the City makes a security deposit under this Section with respect to all unpaid Lease Payments, and notwithstanding the provisions of Section 4.2, (a) the Term of this Lease Agreement will continue, (b) all obligations of the City under this Lease Agreement, and all security provided by this Lease Agreement for said Lease Payments, will thereupon

cease and terminate, excepting only the obligation of the City to make, or cause to be made all of said Lease Payments from such security deposit, and (c) under Section 4.6, title to the Leased Property will vest in the City on the date of said deposit automatically and without further action by the City or the Authority. Said security deposit constitutes a special fund for the payment of Lease Payments in accordance with the provisions of this Lease Agreement.

SECTION 9.2. *Optional Prepayment.* The City has the option to prepay the principal components of the Lease Payments in whole, or in part in any integral multiple of \$5,000, from any source of legally available funds, on any date on or after April 1, 20\_\_, at a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with the interest component of the Lease Payment required to be paid on such Interest Payment Date, and together with a prepayment premium equal to the premium (if any) required to be paid on the resulting redemption of Bonds under Section 4.01 of the Indenture. Such prepayment price shall be deposited by the Trustee in the Redemption Fund to be applied to the redemption of Bonds under Section 4.01 of the Indenture. The City shall give written notice to the Trustee of its intention to prepay the Lease Payments under this Section at least 45 days prior to the date fixed for such prepayment.

SECTION 9.3. *Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain.* The City shall prepay the principal components of the Lease Payments in whole or in part on any date, from and to the extent of any Net Proceeds of insurance award or eminent domain award with respect to the Leased Property which is required to be used for that purpose under Article VI and Sections 5.05 and 5.06 of the Indenture. Such Net Proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be deposited by the Trustee in the Redemption Fund to be applied to the corresponding redemption of Bonds under Section 4.03 of the Indenture.

SECTION 9.4. *Credit for Amounts on Deposit.* If the principal components of the Lease Payments are prepaid in full under Sections 9.2 or 9.3, such that the Indenture is discharged by its terms as a result of such prepayment, at the written election of the City filed with the Trustee any or all amounts then on deposit in the Bond Fund (and the accounts therein) and in the Insurance and Condemnation Fund, will be credited towards the amounts then required to be so prepaid.

## ARTICLE X

### MISCELLANEOUS

SECTION 10.1. *Notices.* Any notice, request, complaint, demand or other communication under this Lease Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

*If to the City:* City of Brea  
1 Civic Center Circle  
Brea, California 92821  
Attention: City Manager

*If to the Authority:* Brea Public Financing Authority  
1 Civic Center Circle  
Brea, California 92821  
Attention: Executive Director

*If to the Trustee:* The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, Suite 500  
Los Angeles, California 90071  
Attention: Corporate Trust Administration

SECTION 10.2. *Binding Effect.* This Lease Agreement inures to the benefit of and binds the Authority, the City and their respective successors and assigns.

SECTION 10.3. *Severability.* If any provision of this Lease Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

SECTION 10.4. *Net-net-net Lease.* This Lease Agreement shall be deemed and construed to be a "net-net-net lease" and the City hereby agrees that the Lease Payments are an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 10.5. *Third Party Beneficiary.* The Trustee is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

SECTION 10.6. *Further Assurances and Corrective Instruments.* The Authority and the City shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease Agreement.

SECTION 10.7. *Execution in Counterparts.* This Lease Agreement may be executed in several counterparts, each of which is an original and all of which constitute but one and the same instrument.

SECTION 10.8. *Applicable Law.* This Lease Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 10.9. *Authority and City Representatives.* Whenever under the provisions of this Lease Agreement the approval of the Authority or the City is required, or the Authority or the City is required to take some action at the request of the other, such approval or such request shall be given for the Authority and for the City by an Authorized Representative thereof, and any party hereto may conclusively rely upon any such approval or request.

SECTION 10.10. *Captions.* The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Lease Agreement.

IN WITNESS WHEREOF, the Authority and the City have caused this Lease Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

**BREA PUBLIC FINANCING AUTHORITY,**  
*as lessor*

By \_\_\_\_\_  
Executive Director

Attest:

\_\_\_\_\_  
Secretary

**CITY OF BREA, as lessee**

By \_\_\_\_\_  
City Manager

Attest:

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

## **APPENDIX A**

### **DESCRIPTION OF THE LEASED PROPERTY**

The Leased Property consists of that certain real property situated in the City of Brea, County of Orange, which is more particularly described as follows:

Parcel 1 of Parcel Map No. 91-133, in the City of Brea, in the County of Orange, State of California, as per Parcel Map recorded in Book 279 Page(s) 35 to 38 all inclusive of Parcel Maps, in the Office of the County Recorder of said County.

Excepting all oil, minerals, gas and other hydrocarbon substances below a depth of 500 feet, without the right of surface entry as reserved in deeds recorded in Book 13441 Page 1901 and Instrument No's 86-645775 and 86-645776, all of Official Records of said County.

Reserving all oil, mineral, gas and other hydrocarbon substances below a depth of 500 feet under the real property described herein, without the right of surface entry.

## APPENDIX B

### SCHEDULE OF LEASE PAYMENTS

<u>Lease Payment Date*</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Aggregate Lease Payment</u>
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\* Lease Payment Dates are the 5<sup>th</sup> Business Day immediately preceding each date listed in the schedule

## **ESCROW AGREEMENT**

**Relating to**

**\$2,835,000**

**Brea Public Financing Authority**

**2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects)  
(Federally Taxable - Build America Bonds - Direct Payment)**

This ESCROW AGREEMENT (this "Agreement"), dated as of July 1, 2021, is among the BREA PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), the CITY OF BREA, a municipal corporation duly organized and existing under the laws of the State of California (the "City"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as escrow agent (the "Escrow Agent") and as trustee for the 2010 Bonds described below.

### ***B A C K G R O U N D :***

1. The Authority has previously issued its Brea Public Financing Authority 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (Federally Taxable - Build America Bonds - Direct Payment) in the aggregate principal amount of \$2,835,000 (the "2010 Bonds") under an Indenture of Trust dated as of April 1, 2010 (the "2010 Bond Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A. as trustee (the "2010 Bond Trustee"), for the purpose of providing funds to enable the City to finance the acquisition, construction and installation of solar and energy efficiency projects throughout the City.

2. The Authority has the right under the 2010 Bond Indenture, at its option, to redeem the 2010 Bonds on October 1, 2021 (the "Redemption Date"), from any available source of funds, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the Redemption Date, without premium.

3. In order to provide funds to pay and redeem the 2010 Bonds in full on the Redemption Date, the Authority has issued its Brea Public Financing Authority 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) in the aggregate principal amount of \$\_\_\_\_\_ (the "2021 Bonds") under an Indenture of Trust dated as of July 1, 2021 (the "2021 Bond Indenture"), between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "2021 Bond Trustee").

4. The Authority and the City wish to appoint the Escrow Agent for the purpose of establishing an irrevocable escrow fund to be funded, invested, held and administered as set forth herein for the purpose of providing for payment and redemption of the 2010 Bonds in full on the Redemption Date.



## A G R E E M E N T :

In consideration of the premises and the material covenants contained herein, the City and the Escrow Agent hereby agree as follows:

SECTION 1. *Appointment of Escrow Agent; Establishment of Escrow Fund.* The Authority and the City hereby appoint the Escrow Agent to act as escrow agent for purpose of administering the funds required for the refunding of the 2010 Bonds as provided herein. The Escrow Agent is hereby directed to establish an escrow fund (the "Escrow Fund") to be held by the Escrow Agent as an irrevocable escrow. If at any time the Escrow Agent receives actual knowledge that the cash in the Escrow Fund will not be sufficient to make any payment required by Section 4, the Escrow Agent shall notify the City of such fact and the City shall immediately cure such deficiency from any source of legally available funds. The Escrow Agent has no liability for any such insufficiency.

SECTION 2. *Deposit of Amounts in Escrow Fund.* On July \_\_, 2021 (the "Closing Date"), the Authority and the City shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of \$\_\_\_\_\_ in immediately available funds. Such amount shall be derived from the following sources:

- (a) from the proceeds of the 2021 Bonds in the amount of \$\_\_\_\_\_;
- (b) from amounts held by the 2010 Bond Trustee in the Reserve Fund which has been established under Section 5.02 of the 2010 Bond Indenture, in the amount of \$\_\_\_\_\_; and
- (c) from amounts held by the 2010 Bond Trustee in the Bond Fund which has been established under Section 5.01 of the 2010 Bond Indenture, in the amount of \$\_\_\_\_\_.

SECTION 3. *Investment of Amounts in Escrow Fund.* On the Closing Date, the Escrow Agent shall invest the amount of \$\_\_\_\_\_ held by it in the Escrow Fund in a United States Treasury Security, State and Local Government Series, maturing on October 1, 2021, bearing interest at the rate of \_\_\_\_% per annum. The Escrow Agent shall hold the remaining amount of \$\_\_\_\_\_ in the Escrow Fund in cash, uninvested.

SECTION 4. *Application of Amounts in Escrow Fund.* The Escrow Agent shall transfer amounts in the Escrow Fund to the 2010 Bond Trustee to pay and redeem all of the outstanding 2010 Bonds in accordance with the following schedule:

<u>Date</u>	<u>Interest Payment</u>	<u>Redeemed Principal</u>	<u>Total Payment</u>
October 1, 2021			

Following the payment and redemption of the 2010 Bonds in full on the Redemption Date, the Escrow Agent shall transfer any amounts remaining on deposit in the Escrow Fund to the 2021 Bond Trustee to be deposited into the Interest Account established under Section 5.02(a) of the 2021 Bond Indenture and applied to pay interest next coming due and payable on the 2021 Bonds.

SECTION 5. *Irrevocable Election; Filing of Notices.* The Authority hereby irrevocably elects to redeem the 2010 Bonds in full on the Redemption Date in accordance with Section 4.01 of the 2010 Bond Indenture. The 2010 Bond Trustee shall give notice of redemption of the 2010 Bonds in accordance with Section 4.03 of the 2010 Bond Indenture, at the expense of the Authority and the City.

The Authority and the City hereby authorize and direct the Escrow Agent to file a notice of the defeasance of the 2010 Bonds in substantially the form set forth in Appendix D attached hereto, on the Electronic Municipal Market Access system which is maintained by the Municipal Securities Rulemaking Board. Such notice shall be filed promptly following the deposit of funds into the Escrow Fund under Section 2.

SECTION 6. *Resignation of Escrow Agent.* The Escrow Agent may at any time resign by giving written notice of such resignation to the Authority and the City, and the Authority and the City shall promptly appoint a successor Escrow Agent by the resignation date. Resignation of the Escrow Agent will be effective only upon acceptance of appointment by a successor Escrow Agent. If the Authority and the City do not appoint a successor, the Escrow Agent may at the expense of the Authority and the City petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent. After receiving a notice of resignation of Escrow Agent, the Authority and the City may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the Authority and the City appoint a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the Authority and the City, shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

SECTION 7. *Compensation to Escrow Agent.* The City shall pay the Escrow Agent full compensation for its services under this Agreement, including out-of-pocket costs such as publication costs, prepayment expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes. The Escrow Agent has no lien upon or right of set off against the cash at any time on deposit in the Escrow Fund.

The City shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from, claims against the Escrow Agent by reason of its participation in the transactions contemplated hereby, except to the extent caused by the Escrow Agent's gross negligence or willful misconduct. The provisions of this Section shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

SECTION 8. *Immunities and Liability of Escrow Agent.* The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not have any liability hereunder except to the extent of its gross negligence or willful misconduct. In no event shall the Escrow Agent

be liable for any special, indirect or consequential damages. The Escrow Agent shall not be permitted to make any investments of amounts held by it in the Escrow Fund. The Escrow Agent may consult with counsel, which may be Bond Counsel or legal counsel to the City, and in such case the Escrow Agent shall not be liable for any action taken or not taken by it in good faith in reliance upon the opinion or advice of such counsel. The Escrow Agent shall not be liable for the recitals or representations contained in this Agreement and shall not be responsible for the validity of this Agreement, the sufficiency of the Escrow Fund or the moneys for the purposes set forth in this Agreement.

Whenever in the administration of this Agreement the Escrow Agent deems it necessary or desirable that a matter be proved or established prior to taking or not taking any action, such matter may be deemed to be conclusively proved and established by a certificate of an authorized representative of the Authority and the City and shall be full protection for any action taken or not taken by the Escrow Agent in good faith reliance thereon.

The Escrow Agent may conclusively rely as to the truth and accuracy of the statements and correctness of any opinions or calculations provided to it in connection with this Agreement and shall be protected in acting, or refraining from acting, upon any notice, instruction, request, certificate, document, opinion or other writing furnished to the Escrow Agent in connection with this Agreement and believed by the Escrow Agent to be signed by the proper party, and it need not investigate any fact or matter stated therein.

None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care. The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

**SECTION 9. *Furnishing of Statements.*** The Escrow Agent shall furnish the Authority and the City periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the Authority and the City. Upon the Authority's and the City's election, such statements will be delivered via the Escrow Agent's online service and upon electing such service, paper statements will be provided only upon request. The Authority and the City waive the right

to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The Authority and the City further understands that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost.

SECTION 10. *Electronic Communications.* The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means. For purposes of this paragraph, the term "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder). The Authority and the City shall provide to the Escrow Agent an incumbency certificate listing officers with the Authority and the City to provide such Instructions (the "Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate may be amended by the City from time to time. If the Authority and the City elect to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's reasonable understanding of such Instructions shall be deemed controlling. The Authority and the City understand and agree that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The Authority and the City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the Authority, the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority and the City. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reasonable reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Agent shall not be liable under this Section, except for its negligence or misconduct; provided, however, that the Trustee's reliance on Instructions delivered in accordance with this Section using Electronic Means shall not, in and of itself, be construed as negligence.

SECTION 11. *Termination of Agreement.* Upon payment and redemption in full of the 2010 Bonds, and upon payment of all fees, expenses and charges of the Escrow Agent

as described above, this Agreement shall terminate and the Escrow Agent shall be discharged from any further obligation or responsibility hereunder.

SECTION 12. *Execution in Counterparts.* This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 13. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

**BREA PUBLIC FINANCING AUTHORITY**

By \_\_\_\_\_  
Executive Director

**CITY OF BREA**

By \_\_\_\_\_  
City Manager

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Escrow Agent**

By \_\_\_\_\_  
Authorized Officer

## APPENDIX A

### NOTICE OF DEFEASANCE OF

**\$2,835,000**  
**Brea Public Financing Authority**  
**2010 Lease Revenue Bonds**  
**(Solar and Energy Efficiency Projects)**  
**(Federally Taxable - Build America Bonds - Direct Payment)**

NOTICE IS HEREBY GIVEN by the Brea Public Financing Authority (the "Authority") that on July \_\_, 2021, the Authority has established an irrevocable escrow for the discharge and defeasance of the outstanding Brea Public Financing Authority 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (Federally Taxable - Build America Bonds - Direct Payment) which have been issued by the Authority in the aggregate original principal amount of \$2,835,000 (the "2010 Bonds"). The 2010 Bonds which have been defeased are described as set forth below and are herein referred to as the "Defeased Bonds":

\$1,260,000 6.734% Term Bond due April 1, 2030 CUSIP<sup>†</sup> 106283 DA9  
\$1,500,000 6.884% Term Bond due April 1, 2036 CUSIP<sup>†</sup> 106283 DG6

*† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. The Authority takes no responsibility for the accuracy of the CUSIP data.*

Funds for the payment and defeasance of the Defeased Bonds have been set aside in an irrevocable Escrow Fund established with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent"), for the purpose of paying the principal of and interest on the Defeased Bonds to and including October 1, 2021 (the "Redemption Date"), and for the purpose of paying the redemption price of the Defeased Bonds on the Redemption Date. Amounts set aside in the Escrow Fund have been invested in certain Federal Securities as defined in the Indenture of Trust under which the 2010 Bonds have been issued (the "2010 Bond Indenture"). The sufficiency of the funds and securities for the purpose of paying the principal and redemption price of, and the interest on, the Defeased Bonds has been verified by Causey, Demgen & Moore, Inc., certified public accountants.

As a result of such deposit and investment of funds, the Defeased Bonds have been discharged and defeased in accordance with the provisions of the 2010 Bond Indenture, and are payable solely from the amounts held therefore by the Escrow Agent in the Escrow Fund.

THIS IS NOT A NOTICE OF REDEMPTION. THIS NOTICE IS FOR INFORMATION PURPOSES ONLY, AND DOES NOT REQUIRE OR SOLICIT THE PRESENT SURRENDER OR EXCHANGE OF THE DESCRIBED DEFEASED BONDS.

**Dated: July \_\_, 2021**

**The Bank of New York Mellon Trust  
Company, N.A., as Escrow Agent**

NEW ISSUE – BOOK ENTRY ONLY

Rating: S&amp;P: “\_\_\_”

See “CONCLUDING MATTERS – Rating.”

*In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2021 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See “CONCLUDING MATTERS – Tax Matters.”*

\$ \_\_\_\_\_ \*

**BREA PUBLIC FINANCING AUTHORITY  
2021 REFUNDING LEASE REVENUE BONDS  
(SOLAR AND ENERGY EFFICIENCY PROJECTS)**

Dated: Date of Delivery

Due: April 1, as shown on the inside front cover

The Brea Public Financing Authority (the “Authority”) will issue its 2021 Refunding Lease Revenue Refunding Bonds (Solar And Energy Efficiency Projects) (the “2021 Bonds”) pursuant to an Indenture of Trust, dated as of July 1, 2021 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Proceeds from the sale of the 2021 Bonds will be used to: (i) defease and refund the Authority’s outstanding 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects), and (ii) pay costs of issuance of the 2021 Bonds.

The 2021 Bonds will be payable from Revenues, which primarily consist of lease payments (“Lease Payments”) to be made by the City for the leasing of certain real property as described in this Official Statement (the “Leased Property”), pursuant to an Amended and Restated Lease Agreement, dated as of July 1 2021 (the “Lease”), by and between the Authority and the City. Such Lease Payments will be payable from any source of funds legally available to the City (subject to abatement under certain circumstances described in the Lease) as more fully described herein. See “LEASED PROPERTY” and “SECURITY FOR 2021 BONDS.”

The 2021 Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2021 Bonds. Individual purchases of the 2021 Bonds may be made in book-entry form only, in integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the 2021 Bonds purchased. Principal of and interest on the 2021 Bonds will be paid directly to DTC by the Trustee. Principal of the 2021 Bonds will be payable on the maturity dates set forth on the inside cover of this Official Statement. Interest on the 2021 Bonds will be payable on April 1 and October 1 of each year, commencing October 1, 2021. Upon its receipt of payment of principal and interest, DTC in turn will be obligated to remit such principal and interest to DTC participants for subsequent disbursement to the beneficial owners of the 2021 Bonds.

The 2021 Bonds will be subject to optional redemption and mandatory sinking fund redemption prior to maturity as described in this Official Statement.\* The 2021 Bonds will be subject to special mandatory redemption prior to maturity from certain insurance or condemnation proceeds as described in this Official Statement.

THE 2021 BONDS WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY SECURED SOLELY BY THE PLEDGE OF REVENUES AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE WILL NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION OR FULL FAITH AND CREDIT. NEITHER THE 2021 BONDS NOR THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE CONSTITUTES AN INDEBTEDNESS OF THE CITY, STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS.

*See the section of this Official Statement entitled “BONDOWNERS’ RISKS” for a discussion of certain of the risk factors that should be considered, in addition to other matters set forth in the Official Statement, in evaluating the investment quality of the 2021 Bonds. This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.*

The 2021 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will be passed upon for the City by Richards, Watson & Gershon, A Professional Corporation, as Disclosure Counsel and as City Attorney, and for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. It is anticipated that the 2021 Bonds will be available for delivery in book-entry form through the facilities of DTC on or about \_\_\_\_\_, 2021.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the dated date of the Official Statement in its final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

\* Preliminary; subject to change.

STIFEL

Dated: \_\_\_\_\_, 2021.



\$ \_\_\_\_\_ \*

**BREA PUBLIC FINANCING AUTHORITY  
2021 REFUNDING LEASE REVENUE BONDS  
(SOLAR AND ENERGY EFFICIENCY PROJECTS)**

**MATURITY SCHEDULE**

<b>Maturity Date (April 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield<sup>†</sup></b>	<b>Price</b>	<b>CUSIP<sup>††</sup> (Base:     )</b>
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\$ \_\_\_\_\_ % Term Bond due April 1, 20 \_\_, Yield \_\_\_\_\_ %, Price: \_\_\_\_\_; CUSIP<sup>†</sup>: \_\_\_\_\_

\$ \_\_\_\_\_ % Term Bond due April 1, 20 \_\_, Yield \_\_\_\_\_ %, Price: \_\_\_\_\_; CUSIP<sup>†</sup>: \_\_\_\_\_

\* Preliminary; subject to change.

† Reoffering price/yields furnished by the Underwriter. The Authority and the City take no responsibility for the accuracy thereof.

†† CUSIP is a registered trademark of the American Bankers Association. CUSIP data in this Official Statement is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP alphanumeric designations (“CUSIP Numbers”) are assigned by an independent company not affiliated with the Authority, the City or the Underwriter. CUSIP © 2021 CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP Numbers are provided for convenience of reference only. None of the Authority, the City nor the Underwriter takes any responsibility for the accuracy of such numbers. The CUSIP Number for any particular maturity is subject to change after delivery of the 2021 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors applicable to all or a portion of the 2021 Bonds.

**BREA PUBLIC FINANCING AUTHORITY**  
**CITY OF BREA**  
Orange County, California

**City Council/Authority Board of Directors**

Steven Vargas, *Mayor/Chair*  
Cecilia Hupp, *Mayor Pro Tem/Vice Chair*  
Christine Marick, *Council Member/Director*  
Glenn Parker, *Council Member/Director*  
Marty Simonoff, *Council Member/Director*

**OTHER ELECTED OFFICIAL**

Denise Eby, *City Treasurer*

**CITY STAFF**

William Gallardo, *City Manager*  
Chris Emeterio, *Assistant City Manager*  
Lillian Harris-Neal, *City Clerk*  
Cynthia Russell, *Administrative Services Director*  
Faith Madrazo, *Revenue and Budget Manager*

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**SPECIAL SERVICES**

**Bond Counsel**

Jones Hall, A Professional Law Corporation  
San Francisco, California

**Disclosure Counsel**

Richards, Watson & Gershon, A Professional Corporation  
Los Angeles, California

**Municipal Advisor**

Fieldman Rolapp & Associates, Inc.  
Irvine, California

**Trustee**

The Bank of New York Mellon Trust Company, N.A.  
Los Angeles, California

**Verification Agent**

Causey Demgen & Moore, P.C.  
Denver, Colorado

## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the offer and sale of the 2021 Bonds and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2021 Bonds.

Estimates and Forecasts. Certain statements included or incorporated by reference in this Official Statement and in any continuing disclosure by the City or the Authority, any press release and in any oral statement made with the approval of an authorized officer of the City, the Authority or any other entity described or referenced in this Official Statement, constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “anticipate,” “estimate,” “budget” or other similar words and include, but are not limited to, statements under the captions “PLAN OF REFUNDING,” “CITY” and “CITY FINANCIAL INFORMATION.” The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. While the City has undertaken to provide certain on-going financial and other data pursuant to a continuing disclosure certificate (see “CONCLUDING MATTERS – Continuing Disclosure” and APPENDIX E), the City and the Authority do not plan to issue any updates or revisions to those forward-looking statements if or when there are changes to their expectations or events, conditions or circumstances on which such statements are based.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness. Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the City or the Authority to give any information or to make any representations in connection with the offer or sale of the 2021 Bonds other than those contained in this Official Statement and if given or made, such other information or representation must not be relied upon as having been authorized by the City, the Authority or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2021 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information as of Dated Date of Official Statement. The information and expressions of opinions in this Official Statement are subject to change without notice and neither delivery of this Official Statement nor any sale made of the 2021 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the City, the Authority or any other entity described or referenced in this Official Statement since the dated date shown on the front cover. All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

Stabilization of Prices. In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of the 2021 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the 2021 Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside front cover and such public offering prices may be changed from time to time by the Underwriter.

No Incorporation of Websites. References to internet websites in this Official Statement are shown for reference and convenience only, and none of their content (including, but not limited to, the content of the City’s website) is incorporated by reference. None of the Authority, the City nor the Underwriter makes no representation regarding the accuracy or completeness of information presented on such websites.

THE 2021 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE 2021 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAW OF ANY STATE.

[insert map]

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**BREA PUBLIC FINANCING AUTHORITY  
2021 REFUNDING LEASE REVENUE BONDS  
(SOLAR AND ENERGY EFFICIENCY PROJECTS)**

**INTRODUCTION**

*This Introduction does not purport to be complete, and reference is made to the body of this Official Statement, appendices and the documents referred to for more complete information with respect to matters concerning the 2021 Bonds. Potential investors are encouraged to read the entire Official Statement. Capitalized terms used but not defined in the forepart of this Official Statement have the meanings set forth in the Indenture, or if not in the Indenture, the Lease. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS.”*

**General**

This Official Statement, including the cover page, the inside front cover and appendices, is provided to furnish information in connection with the sale by the Brea Public Financing Authority (the “Authority”) of its 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) (the “2021 Bonds”), in the aggregate principal amount of \$ \_\_\_\_\_. The 2021 Bonds will be issued pursuant to: (i) Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53570 and 53580, respectively, (ii) a resolution adopted by the Board of Directors of the Authority on \_\_\_\_\_, 2021, (iii) a resolution adopted by the City Council of the City of Brea (the “City”) on \_\_\_\_\_, 2021, and (iv) the Indenture of Trust, dated as of July 1, 2021 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Proceeds from the sale of the 2021 Bonds will be used to: (a) defease and refund the Authority’s outstanding 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (the “2010 Bonds”), and (b) pay costs of issuance of the 2021 Bonds.

Interest on the 2021 Bonds will be payable semiannually on April 1 and October 1 of each year, commencing October 1, 2021. The 2021 Bonds will mature in the amounts and on the dates and bear interest at the rates shown on the inside front cover of this Official Statement.

The 2021 Bonds will be subject to optional redemption and mandatory sinking fund redemption prior to maturity as described in this Official Statement.\* The 2021 Bonds will also be subject to special mandatory redemption prior to maturity from certain insurance or condemnation proceeds as described in this Official Statement. See “2021 BONDS – Redemption.”

The 2021 Bonds will be initially delivered as one fully registered certificate for each maturity (unless there are different interest rates within such maturity, then one certificate for each interest rate within such maturity) and, when issued and delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as the depository for the 2021 Bonds and all payments due on the 2021 Bonds will

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\* Preliminary; subject to change.

be made to Cede & Co. Ownership interests in the 2021 Bonds may be purchased only in book-entry form. So long as the 2021 Bonds are registered in the name of Cede & Co., or any other nominee of DTC, references in this Official Statement to the registered owners, or just “Owners” of the 2021 Bonds shall mean Cede & Co. or such other nominee of DTC and shall not mean the beneficial owners of the 2021 Bonds. See “2021 BONDS – Book-Entry Only System” and “APPENDIX F – DTC’S BOOK-ENTRY ONLY SYSTEM.”

## **Security for 2021 Bonds**

The 2021 Bonds will be payable solely from and secured by a pledge of Revenues (defined below, see “SECURITY FOR 2021 BONDS”) and moneys in certain funds and accounts held under the Indenture. Revenues consist primarily of certain lease payments (“Lease Payments”) made by the City to the Authority pursuant to an Amended and Restated Lease Agreement, dated as of July 1, 2021 (the “Lease”), by and between the Authority and the City with respect to certain real property (the “Leased Property”).

Pursuant to an Assignment Agreement, dated as of July 1, 2021 (the “Assignment Agreement”), by and between the Authority and the Trustee, the Authority will assign to the Trustee for the benefit of the Owners of the 2021 Bonds, certain of its rights under the Lease, including its rights to receive Lease Payments for the purpose of securing the payment of debt service on the 2021 Bonds. The City will covenant under the Lease to take such action as necessary to include the Lease Payments and Additional Rental Payments (as defined in the Indenture and subject to the terms of the Lease; consisting of fees and expenses of the Authority incurred in connection with the 2021 Bonds and the Leased Property, including compensation to Trustee and other consultants engaged by the Authority) in its annual budget and to make all necessary appropriations therefor (subject to abatement under certain circumstances described in the Lease).

No debt service reserve fund for the 2021 Bonds has been established under the Indenture.

***The 2021 Bonds will be limited obligations of the Authority secured solely by the pledge of Revenues and certain funds and accounts held under the Indenture. The Authority has no taxing power. The obligation of the City to make Lease Payments under the Lease will not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation or full faith and credit. Neither the 2021 Bonds nor the obligation of the City to make Lease Payments under the Lease constitutes an indebtedness of the City, State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitations.***

See “SECURITY FOR 2021 BONDS” and “BONDOWNERS’ RISKS.”

## **City**

The City encompasses approximately 12 square miles and is located at the northern end of Orange County (the “County”), California (the “State”), just south of the Los Angeles County line. The City’s population was [45,629] as of January 1, [2020], according to State of California Department of Finance estimates. The City Council is composed of five members elected at large every two years to four-year alternating terms. On June 20, 2019, the City Council adopted

Resolution No. 2019-049, declaring the intent to transition to district-based elections after receipt of the 2020 Census results (which results are currently expected to be released by the U.S. Census Bureau in late spring 2021). The City Council appoints the City Manager, who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. See “CITY,” “CITY FINANCIAL INFORMATION” and “APPENDIX A – SUPPLEMENTAL INFORMATION ABOUT CITY OF BREA.”

## **COVID-19 Pandemic**

A coronavirus disease, known as COVID-19 (“COVID-19”), is an infectious disease caused by a novel strain of the coronavirus known as severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The disease was first identified in China in late 2019, and then spread around the globe. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic. In the State (including in the City and County), other parts of the United States and many nations, protective measures (including mandatory and voluntary closing or partial closing of non-essential businesses and public venues, and imposition of social distancing measures, limitation of social gatherings of certain sizes) were imposed. There have been major disruptions in the economy, at the local, state, national and international levels.

The pandemic has affected the City’s finances in fiscal years 2019-20 and fiscal year 2020-21. Revenues from sales tax, transient occupancy tax and community services have decreased, compared to prior years. However, revenues from property tax have remained strong. The City has been able to use reserves saved from prior years to maintain service levels and avoid significant reductions.

By the end of first quarter of 2021, United States Food and Drug Administration has approved the emergency use of several different COVID-19 vaccines. Vaccine administration is on-going in many places, including the State. In the United States, the overall new COVID-19 infection rate in April 2021 was significantly lower compared to the peak in December 2020 and January 2021. However, the trends continued to vary in different countries. It is unknown how long the pandemic will continue to affect the global economy and individuals’ daily lives. Furthermore, as economies re-open, it is unknown if there will be lingering effects from the changes that have been brought by the pandemic. The City will continue to monitor the situation closely and make adjustments. The City’s current reserves are at amounts above the City policy level of 25 percent of the annual General Fund expenditures.

On March 11, 2021, United States President Biden signed into law the American Rescue Plan Act of 2021 (“ARPA”), a \$1.9 trillion federal stimulus bill to support the nation’s relief and economic recovery. ARPA includes a total of \$350 billion to help state, local and tribal governments. The City currently expects to be allocated approximately \$8 million from ARPA. The use of such moneys will be limited for the purposes and within the timeline permitted by ARPA.

See “CITY FINANCIAL INFORMATION” and “BONDOWNERS’ RISKS – Effects from COVID-19 Pandemic.”



## **Continuing Disclosure**

In connection with the sale of the 2021 Bonds, the City will execute a Continuing Disclosure Certificate, covenanting to prepare and deliver an annual report and certain other information to the Municipal Securities Rulemaking Board (“MSRB”), via its Electronic Municipal Market Access (“EMMA”) system. See “CONCLUDING MATTERS – Continuing Disclosure” and “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

## **Other Information**

This Official Statement contains brief descriptions of the 2021 Bonds, the Indenture, the Lease, various other documents and legislation. The descriptions and summaries do not purport to be comprehensive or definitive, and reference is made to each such document or law for the complete details of all terms and conditions. All statements in this Official Statement are qualified in their entirety by reference to each such document and legislation and, with respect to certain rights and remedies, to laws and principles of equity relating to or affecting creditors’ rights generally. Capitalized terms that are used but not defined in this Official Statement shall have the meanings set forth in the Indenture.

This Official Statement speaks only as of its date as set forth on the cover, and the information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made with respect to the 2021 Bonds shall under any circumstances create any implication that there has been no change in the affairs of the Authority or the City since the date of this Official Statement.

Unless otherwise expressly noted, references to internet websites in this Official Statement are shown for reference and convenience only, and none of their content (including the City’s website) is incorporated by reference. Each of the Authority, the City and the Underwriter makes no representation to potential investors of the 2021 Bonds regarding the accuracy or completeness of the information presented on such websites.

## **PLAN OF REFUNDING**

### **Refunding of 2010 Bonds**

The 2021 Bonds will be issued to refund and defease all of the outstanding 2010 Bonds, in the principal amount of \$2,760,000. The 2010 Bonds were issued pursuant to an Indenture of Trust, dated as of April 1, 2010 (the “2010 Indenture”), by and between Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “2010 Trustee”), in the original principal amount of \$2,835,000. The 2010 Bonds were issued to finance the costs of certain renewable energy and energy efficiency improvements on City properties.

In connection with the issuance of the 2021 Bonds, the City, the Authority and 2010 Trustee will enter into an Escrow Agreement (the “Escrow Agreement”). As described below under “Sources and Uses of Funds,” a portion of the proceeds of the 2021 Bonds, together with certain moneys released from funds held under the 2010 Indenture, will be deposited into an Escrow Fund to be established under the Escrow Agreement. A portion of the moneys deposited

in the Escrow Fund will be invested in escrow securities (comprising of non-callable direct obligations of the United States of America, or other non-callable obligations the payment of principal and interest of which are unconditionally and fully guaranteed by the United States of America), with the remaining to be held uninvested in cash. The refunded 2010 Bonds will be redeemed in full on October 1, 2021 (the “Redemption Date”). The escrow securities will bear interest rates such that, upon their maturity, the principal and interest paid on the escrow securities, together with the uninvested cash in the Escrow Fund, will provide sufficient funds to: (i) pay scheduled interest payment coming due on the 2010 Bonds on the Redemption Date, and (ii) redeem the refunded 2010 Bonds in full on the Redemption Date. Moneys in the Escrow Fund will be held solely for the benefit of the holders of the refunded 2010 Bonds and will not serve as security nor be available for payment on any of the 2021 Bonds.

Causey Demgen & Moore, P.C., certified public accountants (the “Verification Agent”), will verify the mathematical accuracy of certain computations included in the schedules provided on behalf of the City relating to the computation of forecasted receipts of principal and interest earnings (if any) on the moneys and escrow securities deposited in the Escrow Funds and the forecasted payments of principal and interest in connection with the defeasance of the 2010 Bonds. The report of the Verification Agent will include the statement that the scope of its engagement was limited to verifying the mathematical accuracy of computations contained in the schedules provided to the Verification Agent and the Verification Agent has no obligation to update its report because of events occurring, or data or information coming to the Verification Agent’s attention, subsequent to the date of its report.

## Sources and Uses of Funds

The following table provides a summary of the anticipated sources and uses of the proceeds of the 2021 Bonds and other moneys to be released from funds related to 2010 Bonds:

### Sources:

Principal amount	\$	*
Plus: Original issue premium		
Less: Underwriter’s discount		
Moneys from funds held under 2010 Indenture		
<b>Total Sources</b>		

### Uses:

Escrow Fund <sup>(1)</sup>		
Costs of Issuance Fund <sup>(2)</sup>		
<b>Total Uses</b>		

(1) Escrow Fund will be established under the Escrow Agreement. See “Refunding of 2010 Bonds” above.

(2) Moneys in the Costs of Issuance Fund will be used to pay fees and expenses of Bond Counsel, Disclosure Counsel, Trustee, Municipal Advisor, rating fee, costs of posting and printing this Official Statement, and other costs of issuance.

\* Preliminary; subject to change.

## 2021 BONDS

### Description

The 2021 Bonds will be issued in fully registered form, and will bear interest at the rates, and mature on April 1 in the years and in the amounts all as set forth on the inside front cover of this Official Statement. The 2021 Bonds will be issued in integral multiples of \$5,000 and will be dated their date of delivery.

Interest on the 2021 Bonds will be payable semiannually on April 1 and October 1 of each year, commencing October 1, 2021 (each, an “Interest Payment Date”), and will be calculated on the basis of a 360-day year composed of twelve 30-day months. Each 2021 Bond will accrue interest from the Interest Payment Date next preceding the date of authentication of such 2021 Bond, unless: (i) such 2021 Bond is authenticated on or before an Interest Payment Date but after the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date (a “Record Date”) and, in which event it will bear interest from such Interest Payment Date; (ii) such 2021 Bond is authenticated on or before September 15, 2021, in which event it will bear interest from the date of delivery; or (iii) interest on any 2021 Bond is in default as of the date of authentication, in which event interest will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

The 2021 Bonds will be initially delivered as one fully registered certificate for each maturity (unless the 2021 Bonds of such maturity bear different interest rates, then one certificate for each interest rate among such maturity) and will be delivered by means of the book-entry system of DTC. While the 2021 Bonds are held in DTC’s book-entry only system, all such payments will be made to Cede & Co., as the registered owner of the 2021 Bonds. See “Book-Entry-Only System” below.

### Redemption

Optional Redemption.\* The 2021 Bonds maturing on or after April 1, 20\_\_, will be subject to redemption, in whole or in part, among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after April 1, 20\_\_, from any available source of funds, at a redemption price equal to the principal amount of the 2021 Bonds to be redeemed plus accrued interest to the date of redemption, without premium.

Special Mandatory Redemption from Insurance or Condemnation Proceeds. The 2021 Bonds will be subject to redemption as a whole, or in part by lot on a *pro rata* basis among maturities, on any date, from certain proceeds of casualty insurance, title insurance or condemnation required to be used for such purpose pursuant to the Indenture (see “SECURITY FOR 2021 BONDS – Insurance; Condemnation”), at a redemption price equal to 100 percent of the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

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\* Preliminary; subject to change.

*Mandatory Sinking Fund Redemption.*\* The 2021 Bonds maturing on April 1, 20\_\_ and April 1, 20\_\_ (the “Term Bonds”) will be subject to mandatory redemption in whole or in part by lot, from sinking fund payments, at a redemption price equal to the principal amount of such Term Bonds to be redeemed, without premium, in the aggregate respective principal amounts and on April 1 in the respective years as set forth in the following tables, plus accrued interest to the date of redemption; provided, however, that if some but not all of the Term Bonds of a maturity have been redeemed pursuant to the optional redemption provisions or the special mandatory redemption provisions described above, the total amount of all future sinking fund payments (including the principal amount of the Term Bonds coming due at the maturity thereof) will be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis as determined by the Authority.

Term Bonds Maturing on April 1, 20\_\_

Redemption Date (April 1)	Principal Amount to be Redeemed
†	
<hr/>	
† maturity.	

Term Bonds Maturing on April 1, 20\_\_

Redemption Date (April 1)	Principal Amount to be Redeemed
†	
<hr/>	
† maturity.	

*Notice of Redemption.* The Trustee, on behalf of the Authority, will give notice not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any 2021 Bonds designated for redemption at their addresses appearing on the registration books kept by the Trustee. In addition, the Trustee will file a copy of each redemption notice electronically with the Municipal Securities Rulemaking Board in accordance with the Continuing Disclosure Certificate. Any notice of the optional redemption of the 2021 Bonds may be made conditional. The notice of optional redemption of 2021 Bonds may be made conditional upon the receipt of funds for that purpose and may provide that notice of such redemption may be cancelled in the event funds for the redemption of the 2021 Bonds are not available. Notwithstanding the foregoing, neither the failure to receive any notice nor any defect in the notice will affect the sufficiency of the proceedings for the redemption or the cessation of accrual of interest with respect to the related 2021 Bonds from and after the redemption date.

*Right to Rescind Notice of Optional Redemption.* The Authority has the right to rescind any notice of the optional redemption of 2021 Bonds by written notice to the Trustee on or prior

to the dated fixed for redemption. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2021 Bonds then called for redemption, and such cancellation will not constitute an Event of Default under the Indenture. The Authority and the Trustee will have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will cause notice of such rescission to be sent to the respective Owners of any 2021 Bonds designated for redemption, at their addresses appearing on the registration books of the Trustee, and to the Municipal Securities Rulemaking Board.

*Selection of Bonds for Redemption.* Whenever less than all of the 2021 Bonds of a single maturity will be redeemed, the Trustee will select the 2021 Bonds of such maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee will treat each 2021 Bond as consisting of separate \$5,000 portions and each such portion shall be subject to redemption as if such portion were a separate 2021 Bond.

*Effect of Redemption.* Upon the time when notice of redemption will have been duly given pursuant to the Indenture, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on the 2021 Bonds (or portions thereof) so called for redemption will be held by the Trustee, on the redemption date designated in such notice, the 2021 Bonds (or portions thereof) so called for redemption will become due and payable, interest on the 2021 Bonds called for redemption will cease to accrue, such 2021 Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Owners of such 2021 Bonds will have no rights in respect of such 2021 Bonds except to receive payment of the redemption price of such 2021 Bonds.

### **Book-Entry Only System**

The 2021 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the 2021 Bonds. Individual purchases of the 2021 Bonds may be made in book-entry form only in integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the 2021 Bonds purchased. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the 2021 Bonds as described in this Official Statement. So long as DTC's book-entry system is in effect with respect to the 2021 Bonds, notices to Owners by the Authority or the Trustee will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the 2021 Bonds, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. So long as the 2021 Bonds are registered in the name of Cede & Co., or any other nominee of DTC, references in this Official Statement to the registered owners or use of the capitalized term "Owners" means Cede & Co. or such other nominee of DTC, and do not mean the beneficial owners of the 2021 Bonds. See "APPENDIX F – DTC'S BOOK-ENTRY ONLY SYSTEM." In the event that such book-entry system is discontinued with respect to the 2021 Bonds, the Authority will execute and deliver replacements in the form of registered certificates and, thereafter, the 2021 Bonds will be transferable and exchangeable on the terms and conditions provided in the Indenture.

## Annual Debt Service

The following table shows the annualized debt service on the 2021 Bonds, without regard to any optional or special mandatory redemption.

<b>Bond Year Ending April 1</b>	<b>Principal*</b>	<b>Interest*</b>	<b>Annual Debt Service<sup>*(1)</sup></b>
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
Total <sup>(1)</sup>			

\* Preliminary; subject to change.

(1) Total may not equal to sum due to rounding.

Source: Stifel, Nicolaus & Company, Incorporated.

## **LEASED PROPERTY**

The City is the fee owner of the Leased Property. In connection with the issuance of the 2021 Bonds, the Authority and the City will enter into an Amended and Restated Site Lease, dated as of July 1, 2021 (the “Site Lease”). Under the Site Lease, the Authority will lease the Leased Property from the City. Then, under and pursuant to the term of the Lease, the City subleases the Leased Property from the Authority. See “SECURITY FOR 2021 BONDS” and “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS” for a summary of certain provisions of the Lease.

The Leased Property consists of approximately seven acres of land housing the City’s approximately 51,000-square-foot Community Center. The Community Center was constructed in 1996 and is centrally located within the City at 695 E. Madison Way. It is adjacent to the Brea Mall and serves all residents as well as the business community. The Community Center has a gymnasium, arts and crafts facilities, community meeting rooms, teen activities center and child care. The balance of the property includes perimeter landscaping, a parking area, outdoor patios, and an enclosed children’s play yard. Under the City’s current insurance coverage, the insured value of the Community Center is significantly higher than the principal amount of the 2021 Bonds.

## **SECURITY FOR 2021 BONDS**

### **Pledge of Revenues Under Indenture**

*The 2021 Bonds will be limited obligations of the Authority secured solely by the pledge of Revenues and certain funds and accounts held under the Indenture. The Authority has no taxing power. The obligation of the City to make Lease Payments under the Lease will not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation or full faith and credit. Neither the 2021 Bonds nor the obligation of the City to make Lease Payments under the Lease constitutes an indebtedness of the City, State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitations.*

The 2021 Bonds will be payable from and secured by a pledge of Revenues and certain funds and accounts established and held by the Trustee. Revenues, as defined in the Indenture, will mean: (a) all amounts received by the Authority or the Trustee under or with respect to the Lease, including, without limiting the generality of the foregoing, all of the Lease Payments (including both timely and delinquent payments, any late charges, and whether paid from any source), but excluding the Additional Rental Payments and any additional lease payments to be pledged or assigned for payment of any bonds, notes or other obligations (other than the 2021 Bonds), the proceeds of which will be applied to finance or refinance the acquisition or construction of any real or personal property for which the City is authorized to expend funds subject to its control; (b) all interest, profits or other income derived from the investment of amounts in any fund or account established under the Indenture. See “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Definitions.”

As security for the 2021 Bonds, the Authority will assign to the Trustee for the payment of the 2021 Bonds the Authority's rights, title and interest in the Lease (with certain exceptions), including the right to receive Lease Payments to be made by the City under the Lease.

No Reserve Fund will be established for the 2021 Bonds under the Indenture.

### **Bond Fund**

All Revenues deposited with the Trustee will be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. Under the Indenture, Revenues will be deposited by the Trustee in a special fund designated as the "Bond Fund," which the Trustee will establish, maintain and hold in trust; except that all moneys received by the Trustee and required to be deposited in the Insurance and Condemnation Fund (see "Insurance; Condemnation") or the Redemption Fund (for payment of principal of 2021 Bonds called for optional redemption or special mandatory redemption, see "2021 BONDS – Redemption") will be promptly deposited in such funds.

See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Indenture – Revenues; Flow of Funds."

### **Lease Payments; Covenant to Appropriate**

Under the Lease, the City will agree to pay semiannual Lease Payments, subject to the abatement provisions of the Lease (see "Abatement" below), as the rental for the use and occupancy of the Leased Property. On the fifth Business Date immediately preceding each Interest Payment Date (the "Lease Payment Date"), the City will deposit with the Trustee the full amount of the Lease Payments coming due and payable on the next Interest Payment Date, to the extent required to be paid by the City under the Lease. Any amount held in the Bond Fund, the Interest Account and the Principal Account under the Indenture on any Lease Payment Date (other than amounts required for payment of past due principal or interest on any Bonds not presented for payment) will be credited towards the Lease Payment then required to be paid.

The City will covenant to take all actions required to include the Lease Payments in each of its budgets during the Term of the Lease and to make the necessary appropriations for all Lease Payments and Additional Rental Payments. Such covenant will constitute a duty imposed by law and each and every public official of the City will be required to take all actions required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in the Lease agreed to be carried out and performed by the City.

See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Lease – Rental."

### **Abatement**

If the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of the Lease will cease as of the



day possession is taken. If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, then:

- (a) the Lease will continue in full force and effect with respect thereto and will not terminate by virtue of such taking, and the parties waive the benefit of any law to the contrary; and
- (b) the Lease Payments will be subject to abatement in an amount determined by the City such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property.

The Lease Payments will also be subject to abatement during any period in which by reason of damage or destruction (other than by eminent domain as described above), there will be substantial interference with the use and occupancy by the City of all of a portion of the Leased Property. In such case, the Lease Payments will be subject to abatement in an amount determined by the City such that the resulting Lease Payments will represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property not damaged or destroyed. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. Notwithstanding the foregoing, under the Lease, the Lease Payments will not be subject to abatement to the extent that the amounts in the proceeds from rental interruption insurance will be used to pay the portion of the Lease Payments which would otherwise be abated.

In the event of any such damage or destruction, the Lease will continue in full force and effect and the City will waive any right to terminate the Lease by virtue of any such damage and destruction

### **Insurance; Condemnation**

In the event of an abatement of Lease Payments, debt service on the 2021 Bonds may, to a certain extent, be covered by rental interruption insurance proceeds.

In the following summary of provisions of the Lease and the Indenture pertaining to use of insurance and condemnation proceeds, the term “Net Proceeds” is used. Under the Indenture, “Net Proceeds” will mean “amounts derived from any policy of casualty insurance or title insurance with respect to the Leased Property, or the proceeds of any taking of the Leased Property or any portion thereof in eminent domain proceedings (including sale under threat of such proceedings), to the extent remaining after payment therefrom of all expenses incurred in the collection and administration thereof.”

*Rental Interruption Insurance.* The City will be required to procure and maintain, or cause to be procured and maintained, throughout the Term of the Lease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any portion of the Leased Property constituting buildings or other improvements as a result of any of the hazards covered in the insurance required by the casualty insurance described above in an amount at least equal to the maximum such Lease Payments coming due and payable during any consecutive two fiscal years. Such insurance may be maintained as part of or in conjunction with any other insurance coverage

carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained by the City in the form of self-insurance. The proceeds of such insurance, if any, must be paid to the Trustee and deposited in the Bond Fund, to be applied as a credit towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable. See “Abatement” above.

*Casualty Insurance.* The Lease will also require the City to maintain casualty insurance with respect to the Leased Property. The required casualty insurance will be in a coverage amount at least equal to the lesser of (a) 100 percent of the replacement value of the insured buildings, or (b) 100 percent of the aggregate principal amount of the Outstanding 2021 Bonds. Such insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance; provided that earthquake insurance shall not be required under any circumstances. Such insurance may be subject to such deductibles as the City deems adequate and prudent.

Pursuant to the Indenture, any Net Proceeds of insurance against accident to or destruction of the Leased Property collected by the City or the Authority in the event of any such accident or destruction will be paid to the Trustee and deposited in the Insurance and Condemnation Fund. If the City does not notify the Trustee in writing of its determination, within 120 days following the date of such deposit, to apply such Net Proceeds to replace, repair, restore, modify or improve the Leased Property which has been damaged or destroyed, then the Trustee will transfer such Net Proceeds to the Redemption Fund and applied to the redemption of 2021 Bonds on the next available date for a special mandatory redemption (see “2021 BONDS – *Redemption Special Mandatory Redemption from Insurance or Condemnation Proceeds*”). Notwithstanding the foregoing, however, if the Leased Property is damaged or destroyed in full, the Net Proceeds of such insurance shall be used by the City to rebuild or replace the Leased Property if such proceeds are not sufficient to defease Outstanding 2021 Bonds. All proceeds deposited in the Insurance and Condemnation Fund and not so applied to redeem the Outstanding Bonds will be applied by the City to the replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Leased Property.

Any Net Proceeds under such title insurance policy will be deposited with the Trustee in the Bond Fund, to be credited towards the prepayment of the remaining Lease Payments under the Lease.

*Eminent Domain Proceeds.* If all or any part of the Leased Property will be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), the Authority will cause the Net Proceeds to be deposited by the Trustee into the Insurance and Condemnation Fund. If the City gives written notice to the Trustee, within [120] days following the date on which such Net Proceeds are deposited with the Trustee (the “Determination Notice”), of its determination that such Net Proceeds will be needed for replacement of the Leased Property (or such portion thereof), the Trustee will pay to the City, or to its order, from such Net Proceeds the amounts pursuant to the City’s written request for expenditure on such replacement. If the City does not give such Determination Notice to the Trustee, then the Trustee will transfer the Net Proceeds to the Redemption Fund for a special

mandatory redemption of Outstanding 2021 Bonds. See “2021 BONDS – *Redemption Special Mandatory Redemption from Insurance or Condemnation Proceeds.*”

*Title Insurance.* Pursuant to the Lease, the City will obtain a CLTA title insurance policy insuring the City’s leasehold estate in the Leased Property, subject to Permitted Encumbrances, in an amount at least equal to the aggregate principal amount of the 2021 Bonds. Any Net Proceeds of such title insurance with respect to the Leased Property collected by the City or the Authority will be paid to the Trustee pursuant to the Lease Agreement and deposited by the Trustee in the Insurance and Condemnation Fund. If the City fails to determine and notify the Trustee in writing of its determination, within 120 days following the date of such deposit, to apply such Net Proceeds to replace the Leased Property or cure the title defect which gave rise to such Net Proceeds, then such Net Proceeds shall be promptly transferred by the Trustee to the Redemption Fund for a special mandatory redemption of Outstanding 2021 Bonds. See “2021 BONDS – *Redemption Special Mandatory Redemption from Insurance or Condemnation Proceeds.*”

*Standard Commercial General Liability Insurance.* The Lease will require that the City maintain or cause to be maintained throughout the Term of the Lease, but only if and to the extent available from reputable insurers at reasonable cost in the opinion of the City, a standard commercial general liability insurance policy or policies in protection of the Authority, the City, and their respective members, officers, agents, employees and assigns. The policy or policies will provide for indemnification of such parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. The policy or policies shall provide coverage in such liability limits and be subject to such deductibles as the City deems adequate and prudent. The proceeds of such liability insurance will be applied toward extinguishment or satisfaction of the liability with respect to which it has been paid.

See also “BONDOWNERS’ RISKS – Abatement” and “– Risk of Uninsured Loss;” and “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Lease Agreement – Abatement of Lease Payments” and “– Insurance”

### **Substitution of Leased Property**

The City will have the option at any time and from time to time, to substitute other real property (the “Substitute Property”) for all or a portion of the Leased Property, upon satisfaction all of the following requirements:

- (i) No Event of Default under the Lease will have occurred and is continuing.
- (ii) The City will have filed with the Authority and the Trustee, and caused to be recorded in the office of the Orange County Recorder sufficient memorialization of, an amendment of the Lease and an amendment of the Site Lease which removes the former Leased Property (or the relevant portion) from the Lease and Site Lease and adds the Substitute Property to the Lease and the Site Lease.
- (iii) The City will obtain a CLTA policy of title insurance insuring the City’s leasehold estate under the Lease in the Substitute Property, subject only to Permitted

Encumbrances, in an amount at least equal to the estimated value of the Substitute Property.

- (iv) The City will have certified in writing to the Authority and the Trustee that the Substitute Property will serve the municipal purposes of the City and will constitute property which the City will be permitted to lease under the laws of the State, and has been determined to serve a governmental function of the City; and
- (v) The Substitute Property will not cause the City to violate any of its covenants, representations and warranties made in the Lease.
- (vi) The City and the Authority will have filed with the Trustee a written certificate stating that (a) based on the estimated value of the Substitute Property, the remaining Lease Payments will constitute fair rental value for the use and occupancy of the Substitute Property, taking into consideration various factors set forth in the Lease, and (b) the useful life of the Substitute Property will extend at least to ten years following the scheduled final maturity date of the 2021 Bonds.
- (vii) The City will have mailed written notice of such substitution to the Rating Agency.

The City will not be entitled to any reduction, diminution, extension or other modification of the Lease Payments as a result of any substitution of property. See “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Lease Agreement – Substitution of Property.”

### **Release of Property**

The City will have the option at any time and from time to time to release any portion of the Leased Property from the Lease (the “Released Property”) provided that the City will have satisfied all of the following requirements:

- (i) No Event of Default under the Lease will have occurred and is continuing.
- (ii) The City will have filed with the Authority and the Trustee, and caused to be recorded in the office of the Orange County Recorder sufficient memorialization of, an amendment of the Lease and an amendment of the Site Lease which will remove the Released Property from the Lease and Site Lease.
- (iii) The City and the Authority will have filed with the Trustee a written certificate stating that based on the estimated value of the property which will remain subject to the Lease following such release, the remaining Lease Payments will constitute fair rental value for the use and occupancy of such property, taking into consideration certain factors set forth in the Lease.
- (iv) The City will have mailed written notice of such substitution to the Rating Agency.

The City will not be entitled to any reduction, diminution, extension or other modification of the Lease Payments as a result of any such release of property. See “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Lease Agreement – Release of Property.”

## **CITY**

### **General**

The City, a general law city, was incorporated in 1917, the eighth city in the County. The City's population was [45,629] as of January 1, [2020], according to State of California Department of Finance estimates.

The City encompasses 12 square miles and is located at the northern end of Orange County (the "County"), just south of the Los Angeles County line. It is approximately 25 miles southeast of downtown Los Angeles, 15 miles north of Santa Ana, the County Seat, and 22 miles inland of the Pacific Ocean. Neighboring communities include Fullerton, Placentia, La Habra and Yorba Linda.

The City is well served by area transportation routes. The Orange Freeway (State Highway 57), a major north-south corridor, crosses centrally through the City. The City is also within minutes of the Pomona Freeway (State Route 60), the Riverside Freeway (State Route 91) and the Santa Ana Freeway (Interstate 5). The City is close to several commercial airports: John Wayne Airport (20 miles from the City), Ontario Airport (25 miles from the City) and LAX (40 miles from the City). An Amtrak/Metrolink station located approximately five miles from the City provides passenger rail access. The Orange County Transportation Authority operates a regional bus system with routes that serves the City and other areas throughout the County.

The City provides police and fire protection, emergency paramedics, sewer maintenance, water, trash collection, street sweeping, park maintenance and building inspection. It cooperates with the County in the provision of flood control. Public primary and secondary educational services in the City are served by the Brea Olinda Unified School District presided over by a separately elected board. Several colleges, universities and a number of technical and vocational schools are located in and around Brea.

### **City Government**

The City has a Council-Manager form of municipal government. The City Council is composed of five members elected every two years at large to four-year alternating terms. The Mayor is selected by the City Council from among its members. On June 20, 2019, the City Council adopted Resolution No. 2019-049 declaring the intent to transition to district-based elections after receipt of the 2020 Census results (which results are currently expected to be released by the U.S. Census Bureau in late spring 2021).

The current members of the City Council are as follows:

<u><b>Name and Office</b></u>	<u><b>Current Term Expires</b></u>
Steven Vargas, <i>Mayor</i>	November 2022
Cecilia Hupp, <i>Mayor Pro Tem</i>	November 2022
Christine Marick, <i>Council Member</i>	November 2024
Glenn Parker, <i>Council Member</i>	November 2022
Marty Simonoff, <i>Council Member</i>	November 2024

The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. As of March 24, 2021, the City had approximately 273 full-time employees. Below are brief biographies of the City Manager and certain members of the City's professional staff:

*Bill Gallardo, City Manager.* Mr. Gallardo was appointed the City Manager in July 2015 after serving as Assistant City Manager for one year. The City Manager is the City's Chief Administrative Officer, accountable to the City Council. In addition to being the City Manager of the City, he is active in several professional groups benefiting the City: The North Orange County Cities Coalition, the Orange County City Manager Association and the International City Managers Association. Mr. Gallardo started working for the City in April 1990 as an Administrative Assistant, and was promoted to Finance Manager later in 1990 and to the Finance Director in August 2004. He became the City's Administrative Services Director in May 2010, when the City consolidated the former Financial Services Department, the City Clerk's Office, Human Resources, and the Information Technology Division into the Administrative Services Department. Prior to working for the City, Mr. Gallardo worked at the City of Walnut. He received his Bachelor of Science Degree in Business from California Polytechnic State University, Pomona.

*Chris Emeterio, Assistant City Manager/Community Services Director.* Mr. Emeterio has worked for the City since 1982 when he was hired as Community Service Leader. Throughout his career, Mr. Emeterio worked in a number of Community Services divisions in various positions and in 1999, he was promoted to Community Services Director. Mr. Emeterio became the Assistant City Manager in 2015 while maintaining his role as Community Services Director. As Community Services Director, Chris oversees Human Services, Cultural Arts, and Recreation Services Divisions. As the Assistant City Manager, Mr. Emeterio's responsibilities include city budget, employee negotiations and other management duties. Mr. Emeterio earned a Bachelors in History from California State University, Fullerton and has completed a number of continuing education programs throughout his career.

*Cindy Russell, Administrative Services Director.* Ms. Russell became the City's Administrative Services Director in February 2016. As Administrative Services Director, Ms. Russell oversees the Administrative, Revenue, Accounting/Auditing and Purchasing Division, Information Technology, Human Resources and the City Clerk's Office, under the City Manager's general direction. Previously, Ms. Russell worked for the City of San Juan Capistrano for 30 years and served as its Chief Financial Officer, City Treasurer and the Administrative Services Director. She worked in public accounting before serving the City of San Juan Capistrano.

*Faith Madrazo, Revenue and Budget Manager.* Ms. Madrazo was appointed to her position with the City in October 2010. She has worked for the City's Administrative Services Department since 2000 in various other capacities, including Management Analyst, Payroll, and Utility Billing. Prior to this, Ms. Madrazo worked for the City of Norwalk for more than five years. Ms. Madrazo received her Bachelor of Arts Degree in Business Administration with a Concentration in Accounting from California State University, Fullerton.

## Employee Relations

All City employees, with the exception of executive staff (e.g., department directors) and part-time employees, are represented by employee associations. As shown below, the most recent City contracts with all of the associations, except the Brea City Employees Association, have expired. The City is engaged with each association regarding new contracts. No work stoppage has resulted because of the expiration of the contracts with any of these associations.

<b>Association</b>	<b>General Description</b>	<b>No. of Employees<sup>(1)</sup></b>	<b>Expiration Date<sup>(2)</sup></b>
Brea City Employees Association	Maintenance, clerical and technical	61	06/30/2021
Admin. and Professional Employees Assn	Supervisory and professional	77	06/30/2020
Brea Management Association	Division managers	14	06/30/2020
Brea Firefighters Association	Sworn firefighters, engineers and captains	34	06/30/2020
Fire Management Association	Sworn fire battalion chiefs	2	03/21/2020
Brea Police Association	Sworn police officer, sergeant and non-sworn ancillary	72	06/30/2020
Police Management Association	Sworn lieutenants and captains	6	06/30/2020

(1) Excludes executive staff and part-time employees, who are not represented by employee associations.

(2) Shows the expiration date of the most recent agreements.

Source: City of Brea

## **CITY FINANCIAL INFORMATION**

### **COVID-19 Disruption**

The COVID-19 pandemic brought unexpected and unprecedented disruption to the global economy, and challenges to governments at all levels, including the City. See “INTRODUCTION – COVID-19 Pandemic” and “BONDOWNERS’ RISKS – Effects from COVID-19 Pandemic.” Many tables under this “CITY FINANCIAL INFORMATION” of the Official Statement show data that span from one to a few years before the pandemic, during which the economy was relatively strong and also show data for fiscal years 2019-20 and 2020-21, during which adjustments had to be made in face of the pandemic. During fiscal years 2019-20 and 2020-21, while revenues from certain sources (such as sales tax, community services revenues and transient occupancy tax), have been reduced, other sources (such as property tax and franchise tax) have remained relatively strong or stable. Furthermore, the City’s reserves, saved from excess revenues from prior years, have helped the City maintain current service levels and avoid significant service reductions. The City cannot make any guarantee about how the COVID-19 pandemic will continue to impact the City’s finances and operations with respect to the short- and the long-term. The City has made, and will continue to make, adjustments as it strives to serve its residents and businesses.

The City currently expects to be allocated approximately \$8 million from ARPA (American Rescue Plan Act of 2021), the federal stimulus bill signed into law in March 2021. The use of such moneys will be limited for the purposes and within the timeline permitted by ARPA. Eligible uses include:

- (i) COVID-19 expenditures or negative economic impacts of COVID-19, including assistance to households, small businesses and non-profits, or aid to impacted industries, such as tourism, travel and hospitality;
- (ii) premium pay for essential workers or grants to eligible employers that have workers who perform essential work (in an amount up to \$13 per hour or \$25,000 per worker);
- (iii) revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, relative to revenues collected in the most recent fiscal year prior to the emergency; and
- (iv) necessary investments in water, sewer, and broadband infrastructure.

APRA funding cannot be used for any deposit into a pension fund and must be used to cover costs incurred no later than December 31, 2024. The City expects to receive the ARPA funding in two tranches, half in June 2021 and half in June 2022. The dollar figures shown below for estimates and budget for fiscal years 2020-21 and 2021-22 under this “CITY FINANCIAL INFORMATION” caption do not take into account impacts from ARPA.



## **Financial Statements (General Fund)**

Set forth in the following pages are the City's General Fund Balance Sheets and Statements of Revenues, Expenditures and Changes in General Fund Balance for fiscal years 2015-16 through 2019-20, based on the City's audited financial statements. Such statements are subject to various notes attached to the City's financial statements for the respective years and the footnotes below the table. The City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2020, which includes the City's fiscal year 2019-20 audited financial statements and the Independent Auditor's Report issued by Eide Bailly LLP (the "Auditors") regarding such financial statements, is set forth in Appendix B. The City has not requested the Auditors to consent to the inclusion of its report in Appendix B and it has not undertaken to update financial statements included in Appendix B. A complete copy of the City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2020, as well as the reports for prior years, can be obtained from the City's Administrative Services Department.

**Table 1**  
**CITY OF BREA**  
**General Fund Balance Sheet**  
**Fiscal Years 2015-16 through 2019-20**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Assets</b>					
Cash and investments	\$24,642,356	\$25,418,375	\$24,824,722	\$33,245,832	\$31,432,436
Prepaid items	–	38,956	8,680	8,826	2,485
Receivables					
Taxes	156,361	152,337	139,452	119,814	203,680
Accounts	695,220	849,107	1,140,697	1,420,723	1,029,393
Interest	232,549	298,871	415,787	586,482	529,345
Due from other funds	604,309	439,894	1,516,469	265,170	689,352
Due from other governments <sup>(1)</sup>	7,723,984	4,777,485	5,544,805	5,704,877	4,383,986
Due from Successor Agency <sup>(2)</sup>	24,363	26,595	603,568	8,347	4,310
Advance from other funds <sup>(3)</sup>	615,605	373,703	130,882	–	–
Restricted assets					
Cash and investments <sup>(4)</sup>	6,120,004	6,827,659	7,297,623	7,742,302	7,948,033
Cash and investments with fiscal agents	269,453	296,368	259,380	269,021	344,008
<b>Total assets</b>	<b>41,084,204</b>	<b>39,499,350</b>	<b>41,882,065</b>	<b>49,371,394</b>	<b>46,567,028</b>
<b>Liabilities</b>					
Accounts payable	1,097,281	1,002,999	1,197,116	1,266,561	1,280,775
Accrued liabilities	1,546,405	1,523,992	1,371,008	1,417,552	1,371,570
Unearned revenues	941,903	1,160,080	1,195,341	1,367,576	1,099,508
Deposits payable	426,825	342,386	301,284	368,803	391,196
Due to other governments <sup>(5)</sup>	107,425	774,765	237,965	7,618	59,195
Due to Successor Agency	254	2,253	--	--	--
<b>Total liabilities</b>	<b>4,120,093</b>	<b>4,806,475</b>	<b>4,302,714</b>	<b>4,428,110</b>	<b>4,202,244</b>
<b>Deferred inflow of resources</b>					
Unavailable revenues <sup>(6)</sup>	63,183	684,789	1,486,014	1,311,178	425,876
<b>Fund balances</b>					
Non-spendable <sup>(7)</sup>	615,605	412,659	139,562	8,826	2,485
Restricted <sup>(8)</sup>	7,228,012	8,201,746	8,112,011	8,661,782	8,883,450
Committed <sup>(9)</sup>	9,091,623	–	867,841	980,101	1,353,559
Assigned <sup>(10)</sup>	590,815	11,316,072	12,270,563	12,777,708	11,807,692
Unassigned (deficit)	19,374,873	14,077,609	14,703,360	21,203,689	19,891,722
<b>Total fund balance</b>	<b>36,900,928</b>	<b>34,008,086</b>	<b>36,093,337</b>	<b>43,632,106</b>	<b>41,938,908</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$41,084,204</b>	<b>\$39,499,350</b>	<b>\$41,882,065</b>	<b>\$49,371,394</b>	<b>\$46,567,028</b>

- (1) Includes sales taxes, property taxes, and grant revenues collected and provided by federal, State, County and city governments which are due and unremitted to the City as of June 30 of that fiscal year.
- (2) Includes amounts due from Successor Agency for monthly administrative (staff) costs for month of June, except that, for fiscal year 2017-18 this amount also included proceeds of bonds issued by the former Brea Redevelopment Agency that became available for projects with approval from the Successor Agency's Oversight Board and the California State Department of Finance. See "Property Taxes (Ad Valorem and Vehicle In-Lieu Fees) – Former Redevelopment Tax Increment; Redevelopment Dissolution" regarding dissolution of redevelopment agencies.
- (3) Includes repayments from the Water Utility Fund and Special Assessment Funds, respectively, for advances previously made from General Fund for water rights purchase and funding of street improvements.
- (4) Reflects Pension Stabilization Fund (Section 115 Irrevocable Trust). See "Investment Policies and Portfolio."
- (5) Represents revenues collected on behalf of others jurisdiction and not yet remitted, including primarily, developer impact fees collected on behalf of the Orange County Sanitation District and County of Orange.
- (6) Includes revenues collected in one fiscal year for services to be rendered in next fiscal year, mostly related to Community Services programs.
- (7) Includes long-term interfund receivables (see footnote 3 above) and prepaid costs.
- (8) Includes amounts restricted by creditors, grantors, contributors or laws or regulations of other governments, most of which represents funds deposited in the City's Pension Stabilization Fund (Section 115 Irrevocable Trust). See "Investment Policies and Portfolio."
- (9) Includes amounts which can only be used for specific purposes pursuant to a City Council resolution.
- (10) Represents constrained internally for specific purposes, the majority of which represents capital replacement and other special funds.
- Source: City of Brea audited financial statements for fiscal years 2015-16 through 2019-20. Additional explanations for footnotes from City of Brea Administrative Services Department.

**Table 2**  
**CITY OF BREA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Fiscal Years 2015-16 through 2019-20**

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>
<b>Revenues</b>					
Taxes	\$38,896,769	\$38,308,747	\$38,986,972	\$44,889,030	\$43,473,114
Licenses and permits	782,250	870,940	584,841	606,355	823,019
Intergovernmental	7,346,081	7,808,780	9,297,372	9,107,164	9,406,073
Charges for services	3,863,571	3,789,430	3,862,112	3,810,657	4,251,831
Investment income, net	736,385	768,370	529,131	1,670,458	1,696,728
Fines and forfeitures	630,420	554,708	819,914	682,762	403,116
Rental income	1,403,685	1,441,527	1,336,756	1,662,487	1,026,581
Other revenues	2,678,722	3,440,937	2,603,193	3,017,005	3,834,593
<i><b>Total revenues</b></i>	<u><b>56,337,883</b></u>	<u><b>56,983,439</b></u>	<u><b>58,020,291</b></u>	<u><b>65,445,918</b></u>	<u><b>64,915,055</b></u>
<b>Expenditures</b>					
Current:					
General government	5,270,834	5,032,816	5,283,304	5,732,627	7,013,093
Public safety	32,555,433	34,011,330	34,441,868	35,120,119	37,688,380
Community development	2,833,357	3,009,011	2,918,971	2,716,848	2,813,755
Community services	7,048,955	7,395,363	7,284,303	7,540,687	7,584,500
Public works	5,241,976	5,537,040	5,131,010	5,054,521	6,549,937
Capital outlay	2,282,014	403,524	403,166	10,549	137,920
Debt service					
Principal	618,132	410,411	435,389	465,458	2,595,619
Interest and fiscal charges	420,772	397,243	383,551	368,468	351,681
<i><b>Total expenditures</b></i>	<u><b>56,271,473</b></u>	<u><b>56,196,738</b></u>	<u><b>56,281,562</b></u>	<u><b>57,009,277</b></u>	<u><b>64,734,885</b></u>
<b>Excess (Deficiency) of Revenues over (under) expenditures</b>	<u>66,410</u>	<u>786,701</u>	<u>1,738,729</u>	<u>8,436,641</u>	<u>180,170</u>
<b>Other financing sources (uses):</b>					
Transfers in	1,050,000	2,207,848	1,050,000	660,000	450,000
Transfers out	(1,193,093)	(5,887,391)	(703,478)	(1,557,872)	(2,323,368)
Capital leases <sup>(1)</sup>	1,952,104	--	--	--	--
<i><b>Total other financing sources (uses)</b></i>	<u>1,809,011</u>	<u>(3,679,543)</u>	<u>346,522</u>	<u>(897,872)</u>	<u>(1,873,368)</u>
<b>Net changes in fund balances</b>	<u>1,875,421</u>	<u>(2,892,842)</u>	<u>2,085,251</u>	<u>7,538,769</u>	<u>(1,693,198)</u>
<b>Fund balances, beginning of year</b>	<u>35,025,507</u>	<u>36,900,928</u>	<u>34,008,086</u>	<u>36,093,337</u>	<u>43,632,106</u>
<i><b>Fund balances, end of year</b></i>	<u><b>\$36,900,928</b></u>	<u><b>\$34,008,086</b></u>	<u><b>\$36,093,337</b></u>	<u><b>\$43,632,106</b></u>	<u><b>\$41,938,908</b></u>

(1) Reflects, for fiscal year 2015-16, proceeds from 2015 leasing-purchase financing for public safety radio equipment. See "Certain Long-Term Obligations Payable Out of General Fund."

Source: City of Brea audited financial statements for fiscal years 2015-16 through 2018-19. Additional explanations for footnotes from City of Brea Administrative Services Department.

## **Budgetary Process**

The fiscal year of the City begins on July 1 of each year and ends on June 30 of the following year. On or before June 30, the City Council adopts the budget for the upcoming fiscal year by an affirmative vote of at least three of the five members of the City Council.

The following describes the general process that the City has followed in recent years. For each upcoming fiscal year, the preparation of the proposed budget begins with the selection of a Budget Team, consisting of the Assistant City Manager/Community Services Director, Administrative Services Directors and other City staff members. In January, the Budget Team hosts a meeting with the Budget Coordinators (and other key staff members) of all City departments. In February, each department's Budget Coordinator submits the relevant budget materials (such as revenue projections, year-end estimates and requests for the upcoming fiscal year). Throughout February and March, the Budget Team and the Departments meet and review the budget submittals. In April and May, updates are provided to the City Council, and one or more public workshops with City Council are held. The City Council adopts the final budget, with revisions (if any), after at least one public hearing.

The City Council may amend the budget at any time during the fiscal year. Budgetary controls are maintained to ensure compliance with the budget as approved by the City Council. Adjustments between departments or requests for additional funding require the approval of the City Council. Pursuant to authority usually given under the budget resolutions, the City Manager may make changes within departmental budgets. The level of budgetary control (*i.e.*, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level. At a minimum, a mid-year budget review with the City Council is conducted to provide a recap of the year-end standings from the prior fiscal year as well as a look at the revised five year projections.

## **City Budgets for Fiscal Years 2019-20 and 2020-21**

The following shows, with respect to the City's General Fund resources, requirements and reserves, the respective amounts from: (i) actual fiscal year 2018-19 results, (ii) the fiscal year 2019-20 budget, as adopted on June 18, 2019, (iii) actual fiscal year 2019-20 results, and (iv) the fiscal year 2020-21 budget, as adopted on June 16, 2020, and (v) the revised budget for fiscal year 2020-21, based on the mid-year updated, approved by the City Council on February 2, 2021.

**Table 3**  
**CITY OF BREA**  
**General Fund Revenues, Requirements, Reserves**  
**Fiscal Year 2018-19 Actual, Fiscal Year 2019-20 Budget and Actual and Fiscal Year 2020-21 Budget**  
**(non-GAAP Budgetary Basis)**

	<b>FY 2018-19 Actual</b>	<b>FY 2019-20 Budget - Adopted in June 2019</b>	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Budget - Adopted in June 2020<sup>(1)</sup></b>	<b>FY 2020-21 Budget - Updated as of Feb 2021<sup>(1)</sup></b>
<b>Beginning Balance</b>	<b>\$ –</b>	<b>\$4,034,243</b>	<b>\$6,462,425</b>	<b>\$3,130,406</b>	<b>\$3,282,673</b>
<b>Resources</b>					
Revenues					
Property tax ( <i>ad valorem</i> )	10,744,574	11,462,800	11,518,968	12,317,300	12,317,300
Sales tax	23,319,589	20,378,000	21,495,924	21,170,918	19,680,400
Transient occupancy tax	1,805,609	1,805,400	1,352,527	1,543,136	1,070,000
Franchise tax	2,550,523	2,598,100	2,485,834	2,602,300	2,545,700
Business tax	1,110,975	1,100,000	1,036,931	1,100,000	1,100,000
License and permits	606,355	716,779	823,020	520,746	605,076
Motor vehicle in-lieu fees (in-lieu property tax)	4,242,340	4,379,500	4,455,881	4,693,010	4,693,010
Community services	3,200,239	3,377,729	2,269,852	2,513,323	599,280
All other	10,554,397	8,794,305	9,956,594	8,435,495	8,807,650
Sub-total revenues	58,134,601	54,612,613	55,395,531	54,896,228	51,418,416
Transfers-in <sup>(2)</sup>	889,200	844,435	895,435	550,000	550,000
Transfer from reserves	1,357,298	–	1,255,014	87,123	1,821,012
Total resources	60,381,099	55,457,048	57,545,980	55,533,351	53,789,428
<b>Available (beginning balance + total resources)</b>	<b>60,381,099</b>	<b>59,491,291</b>	<b>64,008,405</b>	<b>58,663,757</b>	<b>57,072,101</b>
<b>Requirements</b>					
Expenditures					
Management services	2,647,536	2,823,094	2,880,866	3,133,111	3,231,388
Administrative services	3,045,382	3,033,820	3,194,174	3,213,390	3,082,037
Police services	21,750,446	23,699,760	22,881,564	23,843,347	23,359,635
Fire services	7,005,228	7,639,972	8,415,435	8,361,981	9,118,382
Community development	2,716,851	2,634,853	2,813,094	2,981,130	3,295,623
Community services	7,454,749	7,709,671	7,296,693	7,787,712	6,612,976
Public works	5,161,170	8,132,163	8,630,044	5,501,108	5,406,113
Sub-total expenditures	49,781,362	55,673,333	56,111,869	54,821,779	54,106,154
Transfers-out <sup>(3)</sup>	2,882,298	2,065,030	2,199,856	2,184,499	2,184,499
Transfer to reserves	1,255,014	67,142	2,414,006	–	–
<b>Total requirements</b>	<b>53,918,674</b>	<b>57,805,505</b>	<b>60,725,732</b>	<b>57,006,278</b>	<b>56,290,653</b>
<b>Ending Balance</b>	<b>6,462,425</b>	<b>1,685,786</b>	<b>3,282,673</b>	<b>1,657,479</b>	<b>781,448</b>
<b>Reserves</b>					
Operating reserve	5,391,867	5,528,446	5,746,070	5,700,628	5,629,065
Budget stabilizing reserve	8,087,801	8,030,862	8,619,105	8,550,942	8,443,598
Encumbrances	1,255,014	–	1,528,500	–	–
Solar energy bond service fund	270,943	261,807	303,564	270,943	303,564
<b>Total reserves</b>	<b>\$15,005,625</b>	<b>\$13,821,115</b>	<b>\$16,197,239</b>	<b>\$14,522,513</b>	<b>\$14,376,227</b>

(1) Fiscal year 2020-21 budget reflected certain adjustments due to economic disruptions caused by the COVID-19 pandemic, but did not include any adjustment that may result from moneys to be received under the American Rescue Plan Act of 2021. See “COVID-19 Disruption.”

(2) Includes transfers in from the following funds: General Fund maintenance fee, supplement law enforcement, fixed asset replacement, gas tax and park development.

(3) Includes transfers out to the following funds: paramedic services, community center replacement, fixed asset replacement, sanitation and street sweeping, equipment and vehicle maintenance and capital improvement.

Source: City of Brea Administrative Services Department.

## Significant General Fund Revenue Sources

The table below shows the relative percentages of several major General Fund revenue sources based on the fiscal years 2018-19 and 2019-20 actuals, and the projected fiscal year 2020-21 results (projected as of February 2, 2021). The decreases in actual and budgeted revenues from sales tax and community services for fiscal year 2019-20 and 202-21, respectively, reflect in large part impact from the economic disruption from the COVID-19 pandemic. See discussion under “COVID-19 Disruption.”

**Table 4**  
**CITY OF BREA**  
**Selected General Fund Major Revenue Sources**  
**Fiscal Years 2018-19 and 2019-20 Actual, Fiscal Year 2020-21 Budget**  
**(non-GAAP Budgetary Basis)**

Category	FY 2018-19 Actual		FY 2019-20 Actual		FY 2020-21 Budget (as of Feb 2021)	
	Revenues	% of GF Revenue Total <sup>(1)</sup>	Revenues	% of GF Revenue Total <sup>(2)</sup>	Revenues	% of GF Revenue Total <sup>(3)</sup>
Property tax sources:						
Ad valorem	\$10,744,574	18.5%	\$11,518,968	20.8%	\$12,317,300	24.0%
Motor vehicle in-lieu fees	4,242,340	7.3	4,455,881	8.0	4,693,010	9.0
Sales tax	23,319,589	40.1	21,495,924	38.8	19,680,400	38.3
Franchise tax	2,550,523	4.4	2,485,834	4.5	2,545,700	5.0
Community services	3,200,239	5.5	2,269,852	4.1	599,280	1.0
<b>Total<sup>(4)</sup></b>	<b>\$44,057,265</b>	<b>75.8%</b>	<b>\$42,226,459</b>	<b>76.2%</b>	<b>\$39,835,690</b>	<b>77.5%</b>

(1) Based on total General Fund revenue of \$58,134,601. See Table 3.

(2) Based on total General Fund revenue of \$55,395,531. See Table 3.

(3) Based on total budgeted General Fund revenue of \$51,418,416. See Table 3.

(4) Percentage total may not equal sum of column due to rounding.

Source: City of Brea Administrative Services Department.

## Sales Tax

Sales tax revenues represent the largest source of General Fund revenues. The sales tax is governed by the Bradley-Burns Uniform Local Sales and Use Tax Law, set forth in California Revenue and Taxation Code Section 7200 *et seq.* As of January 1, 2021, the local sale tax rate in the City is 7.75 percent.

The California Department of Tax and Fee Administration (“CDTFA”) collects and administers the tax, and makes distributions on taxes collected within the City. This function was formerly performed by the State Board of Equalization, but was transferred to the CDTFA pursuant to the Taxpayer Transparency and Fairness Act of 2017, which took effect July 1, 2017. Under its procedures, the CDTFA projects receipts of the sales and use tax on a quarterly basis and remits an advance of the receipts of the sales and use tax to the City on a monthly basis. The amount of each monthly advance is based upon the CDTFA’s quarterly projection. During the last month of

each quarter, the CDTFA adjusts the amount remitted to reflect the actual receipts of the sales and use tax for the previous quarter.

The City is a major regional retail center, featuring the Brea Mall (the third largest shopping center in the County by sales tax volume), the Brea Plaza and various other retail and service businesses. Retail businesses, including department stores, apparel stores, and general merchandise outlets, generated approximately 45 percent of the City's sales tax revenues in fiscal year 2019-20. The follow table shows the taxable sales by category within the City for the fiscal years shown:

**Table 5**  
**CITY OF BREA**  
**Taxable Sales by Category**  
**Fiscal Years 2016-17 Through 2019-20**

<b>Category</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Department stores	\$2,827,804	\$2,576,479	\$2,496,605	\$2,024,839
Restaurant	2,305,596	2,512,626	2,441,525	2,129,793
Light industry	2,158,761	2,000,878	2,162,541	2,220,495
Building materials-wholesale	2,116,119	2,071,993	2,251,101	2,264,618
apparel stores	1,676,921	1,589,063	1,608,941	1,298,914
Miscellaneous retail	1,558,413	1,575,008	1,430,115	1,160,807
Furniture/appliance	810,168	976,083	1,071,240	895,046
Service stations	674,913	705,984	740,148	603,696
Food markets	488,165	437,616	421,421	430,868
Building materials - retail	472,178	500,971	430,202	396,907
Heavy industry	359,099	674,914	745,514	633,444
Auto sales - new	441,956	534,567	2,522,614	2,173,665
Other	1,927,869	1,680,294	1,800,006	5,262,832
<b>Total</b>	<b>\$17,817,962</b>	<b>\$17,836,476</b>	<b>\$20,121,973</b>	<b>\$21,495,924</b>

Source: City of Brea Comprehensive Annual Financial Report for fiscal year ended June 30, 2020 – supplemental statistical section, based on information from MuniServices until fiscal year 2018-19 and Avenue Insights & Analytics for fiscal year 2019-20 data.

### **Property Taxes (Ad Valorem and Vehicle In-Lieu Fees)**

Property tax revenues represent the second largest General Fund revenue source. Property tax revenues include *ad valorem* tax revenues, or tax imposed on property based on an assessed value. In addition, the City also receives property tax revenues in lieu of Vehicle License Fees (“VLF”). VLF is a state imposed and collected tax on ownership of a registered vehicle. Since the State lowered the VLF rate in the mid-1990s, the State has reimbursed counties and cities for their lost revenue. Before 2004, the reimbursement were made from State general fund revenues. Starting in 2004, the State paid for the lost VLF revenue by redirecting a portion of property taxes originally allocated to the schools to counties and cities, called the VLF swap. Previously, the amounts counties and cities received were based on their populations. Currently, counties’ and cities’ VLF swap amounts increase annually based on growth in the secured assessed value of property within their boundaries.

The tables below show: (i) the assessed value of taxable property in the City and the property tax levies and collections for fiscal years 2015-16 through 2019-20, and (ii) the top ten

property tax assessees in the City by fiscal year 2019-20 assessed value. In fiscal year 2019-20, approximately 59 percent of the assessed value was attributable to residential property, and of the approximately 16,900 dwelling units, 64 percent are single family units, 30 percent are multifamily family units and 6 percent are mobile homes.

**Table 6**  
**CITY OF BREA**  
**Assessed Value of Property<sup>(1)</sup>**  
**Fiscal Years 2015-16 Through 2019-20**

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Other Property<sup>(2)</sup></b>	<b>Total Taxable Assessed Value</b>
2015-16	\$4,945,219,822	\$1,670,210,797	\$1,168,849,914	\$740,725,273	\$8,525,005,806
2016-17	5,359,064,633	1,725,644,969	1,264,334,778	775,342,859	9,124,387,239
2017-18	5,598,174,721	1,844,339,813	1,437,177,754	774,675,165	9,654,367,453
2018-19	6,016,606,483	1,998,943,577	1,491,711,794	757,185,866	10,264,447,720
2019-20	6,407,150,882	2,063,879,311	1,630,616,856	797,206,400	10,898,853,449

(1) Tax-exempt property excluded.

(2) Includes recreational, institutional, vacant and miscellaneous property.

Source: City of Brea Comprehensive Annual Financial Report for fiscal year ended June 30, 2020 – supplemental statistical section, based on compilation by HdL Coren & Cone of data originated from Orange County Assessor's Office

**Table 7**  
**CITY OF BREA**  
**Property Tax Levies and Collections<sup>(1)(2)</sup>**  
**Fiscal Years 2015-16 Through 2019-20**

<b>Fiscal Year</b>	<b>Taxes Levied for Fiscal Year</b>	<b>Collection Within Fiscal Year of Levy</b>		<b>Total Collection <sup>(3)</sup> as of June 30, 2020</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>	<b>Amount</b>	<b>Percentage of Levy</b>
2015-16	\$16,669,635	\$16,489,408	98.92%	\$16,656,050	99.92%
2016-17	17,274,771	16,771,004	97.08	16,943,242	98.08
2017-18	19,516,778	19,193,847	98.35	19,357,620	99.18
2018-19	20,815,715	20,526,862	98.61	20,667,280	99.29
2019-20	22,223,439	21,836,049	98.26	22,029,810	99.13

(1) Reflects collection by the City, as a participant of the County's Teeter Plan. Under the Teeter Plan, the County apportions 100 percent of the property taxes from the secured tax roll to the City. The Teeter Plan does not apply, however to taxes levied from the unsecured roll or supplemental tax bills. See "*Teeter Plan*" below.

(2) Includes property tax revenues, which were formerly redevelopment tax increment that are deposited in the Redevelopment Property Tax Trust Fund of the Successor Agency of the Brea Redevelopment Agency. See "*Former Redevelopment Tax Increment; Redevelopment Dissolution*" below.

(3) Includes collection within fiscal year of levy and in subsequent years.

Source: City of Brea Comprehensive Annual Financial Report for fiscal year ended June 30, 2020 – supplemental statistical section, based on data from the Orange County Auditor-Controller's Office.



**Table 8**  
**CITY OF BREA**  
**Top Property Tax Assesseees by Assessed Value**  
**Fiscal Year 2019-20**

Assessee	Description of Use	Assessed Value	% of City Taxable Assessed Value
Retail Property Trust (Brea Mall)	Shopping center	\$254,912,079	2.30%
RAR2 200 North Puente LLC	Warehouse & distribution center	201,092,641	1.81
Olen Pointe Brea LLC	Commercial and apartments	171,010,645	1.54
Beckman Coulter Inc.	Commercial & distribution center	127,534,956	1.15
CRE Brea Valencia LLC	Commercial office	118,513,051	1.07
Brea Union Plaza II LLC	Shopping center	82,934,107	0.75
Avalon Brea Place, LLC	Apartments	73,714,346	0.67
FW CA-Brea Marketplace LLC	Commercial	69,045,742	0.62
Brea Apartment Venture, LLC	Apartments	66,897,320	0.60
Sarah L Wilcox Trust	Mobile Home Lot	63,750,000	0.58
Total:		\$ 1,229,404,887	11.09%

*Proposition 13 Limitations.* Article XIII A of the State of California Constitution imposes limits on annual adjustments to real property assessed values and to the amount of ad valorem tax that may be levied on real property. See “STATE CONSTITUTIONAL LIMITATIONS ON CITY REVENUES AND APPROPRIATIONS.”

*Tax Levies and Collection.* Taxable valuation within the City is established by the County Assessor, except for utility property, which is assessed by the State Board of Equalization. Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. Effective July 1, 1983, real property that changes ownership or is newly constructed is reassessed at the time the change in ownership occurs or the new construction is completed. If the property is reassessed at a higher value, one or more supplemental tax statements will be added to the annual tax bill. If the property is reassessed at a lower value, the property owner may receive a refund.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and if unpaid become delinquent on December 10 and April 10, respectively. If the first installment is not paid by December 10, a ten percent delinquent penalty is added to any unpaid balance. If the second installment is not paid by April 10, a ten percent penalty plus a charge of \$10 is added to the unpaid balance. Since supplemental tax bills are mailed throughout the year, they may or may not be due or delinquent at the same time as annual tax bills. The same penalties and charges accrue for delinquent supplemental taxes as for delinquent annual taxes.

The County bills and collects the property taxes, and subsequently remits the amount due to the City in installments during the year.

*Teeter Plan.* The County has implemented the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Pursuant to the Teeter Plan, the County

apportions to the participating local agencies, including the City, amounts equal to 100 percent of the property taxes levied from the secured roll regardless of the amount actually collected. The County retains all penalties and interest which are collected with delinquent taxes. The Teeter Plan does not apply to the taxes levied from the unsecured roll or supplemental tax bills. The County may discontinue the Teeter Plan at any time. If the Teeter Plan is discontinued subsequent to its implementation, secured property taxes would be allocated to political subdivisions, including the City, for which the County acts as the tax-levying or tax-collecting agency on an actual collections basis. The property tax collection amounts shown in Table 7 above reflect the City's participation in the Teeter Plan.

Assessed Value Appeals and Proposition 8 Adjustments. Pursuant to State law, property owners may apply for a reduction of their property tax assessment by filing a written appeal. If resolved in the property owner's favor in whole or in part, any reduction in the assessment ultimately granted applies to the year for which the application is made and may also affect the values in subsequent years. Refunds for taxpayer overpayment of property taxes may include refunds for overpayment of taxes in years after that which was appealed. Current year values may also be adjusted as a result of a successful appeal of prior year values. Any taxpayer payment of property taxes that is based on a value that is subsequently adjusted downward will require a refund for overpayment

Section 51 of the California Revenue and Taxation Code permits a reduction (a "Proposition 8 Adjustment") in the assessed value if the full cash value of the property has been reduced by damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Reductions made under this code section may be initiated by the County Assessor or requested by the property owner. During the Great Recession (which began around 2007), the County Assessor's Office initiated proactive reviews of single family homes, condominiums, townhomes, multifamily and commercial and industrial properties, which resulted in Proposition 8 Adjustments for many properties in the County. After a roll reduction is granted under Section 51, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

The assessed values shown in the tables above do not take into account any pending, unresolved assessment appeals.

Former Redevelopment Tax Increment; Redevelopment Dissolution. The State's Community Redevelopment Law (commencing Section 33000 of the California Health and Safety Code) authorized the redevelopment agency of any city or county to receive an allocation of tax revenues resulting from increases in assessed values of properties within designated redevelopment project areas (the "incremental value") occurring after the year the project area is formed (the "project area base year"). In effect, local taxing agencies generally would realize tax revenues only in the assessed value of such property at the time the redevelopment project is created for the duration of such redevelopment project.

Assembly Bill No. 26 (“AB X1 26”), enacted in June 2011 as Chapter 5 of Statutes of 2011, statutorily dissolved redevelopment agencies as of February 1, 2012. A successor agency was established for each former redevelopment agency and is tasked with the winding down of the former redevelopment agency’s affairs. The enforceable obligations of dissolved redevelopment agencies, continue to be paid from property taxes derived from such incremental value (“Tax Increment”) until the enforceable obligations are paid in full in accordance with Part 1.85 (commencing with Section 34170 of the California Health and Safety Code).

Tax Increment revenues formerly allocated to the former redevelopment agency are now deposited into a Redevelopment Property Tax Trust Fund (the “RPTTF”) held and administered by the County Auditor-Controller for the successor agency. Taxing entities, such as the City, receive distributions (in proportion to such taxing entity’s share of property tax revenues in the tax rate area for the applicable Fiscal Year) from residual amounts in the RPTTF on each June 1 and January 2, after payment of moneys in the RPTTF are used for: (i) tax sharing obligations established previously pursuant to the Community Redevelopment Law, (ii) enforceable obligations of the successor agency, based on Recognized Obligation Payment Schedules (“ROPS”) approved by the State Department of Finance, and (iii) an administrative cost allowance to such successor agency. Generally, as enforceable obligations of a former redevelopment agency and its successor agency are paid and retired, residual amounts to be disbursed to the taxing entities are expected to increase over time.

Within the City, the former Brea Redevelopment Agency (the “Former Agency”) undertook projects in two redevelopment project areas, known as Project Area AB and Project C. The respective redevelopment plans for Project Area AB and Project C had an unusual aspect relative to those of other project areas. Under the redevelopment plans for Project Area AB and Project C, the Tax Increment revenues received by the Former Agency for each project area were capped by certain annual limits (the “Annual TI Caps”). As the result, property tax revenues in excess of the Annual TI Caps, even if attributable to the incremental value, were not part of the Tax Increment received by the Former Agency and are not, since redevelopment dissolution, deposited into the RPTTF established for the Successor Agency to the Brea Successor Agency (the “Successor Agency”). There are currently outstanding bonds secured and payable from the property tax revenues deposited into the RPTTF. The final maturity date for the Project Area C bonds is September 1, 2026, and the final maturity of the Project Area AB Bonds is August 1, 2036.

## **Franchise Taxes**

The franchise revenue received by the City is based on adopted City ordinances and contractual agreements. Public utilities (electric and gas) account for approximately 32 percent of the annual franchise tax revenue. The remaining 68 percent includes franchise fees for oil pipelines, cable television, and other non-city utilities.

## **Community Services Revenues**

The City operates a multitude of facilities – including the 55,000 square foot Brea Community Center (including the Brea Fitness Center, Brea Resources Center, teen programming, banquet facilities, and a gymnasium), senior center, parks and museum centers – and offers a

variety of programs to serve the community. Revenues from community services attributed to over five percent of the total General Fund revenues in fiscal year 2018-19. Community services activities have been severely disrupted in fiscal years 2019-20 and 2020-21 because of the COVID-19 pandemic. As shown in Table 4, the projected revenue from this category was reduced to just one percent of the total General Fund Revenue for fiscal year 2020-21.

### **General Fund Reserve Policies**

As recited the City's adopted fiscal year 2020-21 budget, the City's current General Fund reserve policies are as follows. The City maintains General Fund contingency reserves at a level at least equal to 25 percent of the General Fund expenditures. Of such amount, 10 percent is for an Operating Reserve to provide sufficient cash flow and 15 percent is for an Budget Stabilization Reserve to provide resources in the event of the following: (i) temporary or one-time decrease of revenues, such as state subventions; (ii) economic downturn or when one or more of the General Fund's major revenue sources decreases more than 10 percent while expenditure reductions are implemented; (iii) natural (*e.g.* fire, earthquake, flood) and catastrophic disasters (*e.g.* civil unrest, acts of terrorism, airplane crashes). Whenever contingency reserves are used, the City will replenish the reserve as soon as possible. Fifty percent or more of available year-end funds may be allocated to the contingency reserves annually until the reserve is at the 25 percent target. The reserves will be funded in the following priority order: (i) Operating Reserve and (ii) Budget Stabilization Reserve. The total contingency reserve balance should not drop below 10 percent of the City's annual operating expenditures. The City, upon City Council approval, may adjust such policies at any time. At this time, as shown in Table 3, the balances in the City's General Fund reserves exceed the amounts required by the current policies.

## **Certain Long-Term Obligations Payable Out of General Fund**

As of the end of fiscal year 2019-20, there were three series of bonds, each issued by the Authority, in connection with which the City agreed to make payments (the “Bond Lease Payments”) under certain leases between the Authority and the City. The Bond Lease Payments are in amounts sufficient to cover the principal and interest due on such related bonds. The three series bonds include: (i) the Authority’s 2004 Refunding Lease Revenue Bonds (the “2004 Bonds”), (ii) the 2010 Bonds, which will be refunded by the 2021 Bonds, and (iii) another series of bonds issued in 2010, the Authority’s 2010 Refunding Lease Revenue Bonds (the “2010 Refunding Bonds”).

In connection with the 2004 Bonds and the 2010 Refunding Bonds, the City and the Former Agency (*i.e.*, the former Brea Redevelopment Agency, see “Property Taxes (Ad Valorem and Vehicle In-Lieu Fees) – *Former Redevelopment Tax Increment; Redevelopment Dissolution*”) entered into a reimbursement agreement, under which the Former Agency was obligated to make certain payments to the City, in sufficient amounts for the City to pay the lease payments under the related leases. After the Former Agency’s dissolution, the Successor Agency has continued make such reimbursements pursuant to the ROPS (including the Last and Final ROPS) approved by the State Department of Finance. The final principal and interest payment for both the 2004 Bonds and the 2010 Refunding Bonds is scheduled to be made on July 1, 2021.

In addition, the City entered into an Equipment/Lease Purchase Agreement, dated as of August 1, 2015 (the “2015 Equipment Lease”), in connection with the acquisition of certain public safety radio equipment. Payments under the 2015 Equipment Lease are due on June 1 and December 1 each year. The last scheduled payment is June 1, 2022. After the next June 1, 2021 payment, the aggregate amount due in fiscal year 2021-22, including the principal and interest components, will be \$305,287.68.

## **Investment Policies and Portfolio**

Investment of cash in the City’s General Fund is subject to the restrictions set forth in the California Government Code Section 53600 *et seq.* In addition, the City Council annually reviews and adopt an investment policy. Under such policy, the Administrative Services Director submits a monthly report of investments to the City Council each month.

Pursuant to the State law and the City’s investment policy, the following investments are authorized (except that investment of bond funds are governed by the provisions of the respective bond agreements):

**Table 9**  
**CITY OF BREA**  
**Investment Types Authorized by State Law and City Investment Policy**  
**as of January 1, 2021**

<b>Authorized Investment Type</b>	<b>Credit Ratings</b>	<b>Maximum Maturity</b>	<b>Max % Amount of Portfolio<sup>(1)</sup></b>	<b>Max Investment in One Issuer</b>
U.S. Treasury Obligations (Bills, Notes and Bonds)	N/A	5 years	No limit	No limit
U.S. Government Sponsored Agency Obligations <sup>(2)</sup>	N/A	5 years	No limit	25%
Municipal Securities	A	5 years	No limit	5%
Banker's Acceptances	N/A	180 days	40%	5%
Commercial Paper	A-1/A	270 days	25%	5%
Repurchase Agreements	N/A	1 year	No limit	5%
Certificates of Deposit	N/A	N/A	No limit	5%
Negotiable Certificates of Deposit	N/A	5 years	30%	5%
Passbook Savings Accounts/Interest Bearing Investment	N/A	N/A	No limit	No limit
Medium Term Corporate Notes	A	5 years	30%	No limit
Bank Money Market Accounts	AAA	5 years	20%	8%
California Local Agency Investment Fund ("LAIF") <sup>(3)</sup>	N/A	N/A	40%	Set by State Treasurer
County of Orange Investment Fund (County Pool) <sup>(4)</sup>	N/A	N/A	40%	No limit
Asset Backed and Mortgage Pass-Through Securities	AA	5 years	20%	5%
Supranationals	AA	5 years	15%	5%

(1) Percentages measured by the maturity value of the portfolio at the time of purchase.

(2) Maximum of 5% in callable bonds issued by such agencies.

(3) Effective January 1, 2020, the deposit limit for a regular LAIF account is \$75 million.

(4) At the time of purchase, State and County investment pools together cannot exceed 60 percent of the maturity value of the portfolio, and no more than 40 percent of the maturity value can be deposited in any one particular pool.

Source: Brea Administrative Services Department and Chandler Asset Management.

A Section 115 Trust is a trust established to set aside funds for paying future employee benefits such as pensions and other post-employment benefits. The City has established a Section 115 Trust to accumulate resources for future contribution to the California Public Employees Retirement System ("PERS" or "CalPERS") (see "Pension Plans" below). As of March 31, 2021, the City had approximately \$7.9 million of restricted cash and investments reported in the General Fund in a Section 115 Trust restricted for future pension contributions. In January 2016, the City Council adopted an separate investment policy for the Section 115 Trust, which authorized the following: (i) debt obligations of the U.S. Government, its agencies, and Government Sponsored Enterprises, (ii) mortgage-backed securities, (iii) asset-backed securities, (iv) collateralized mortgage obligations, (v) commercial mortgage-backed securities, (vi) 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, (vii) eligible instruments issued pursuant to SEC Rule 144(a), (viii) municipal bonds and (ix) money market mutual funds. The portfolio should maintain a minimum weighted average quality of A-. Individual securities should have a minimum quality rating of Baa3 by Moody's or BBB- by Standard & Poor's.

The City's investment policy states that at least 25 percent of the City's portfolio will mature in one year or less. The only allowable exception to these maturity limits will be investments for the bond proceeds for reserve funds and the Section 115 Trust.

As of March 31, 2021, the City had the following investment and original maturities. Of the total amount invested as shown below, approximately 25 percent represent General Fund moneys.

**Table 10**  
**CITY OF BREA**  
**Investment Portfolio**  
**as of March 31, 2021**

<b>Investment Type</b>	<b>12 months or less</b>	<b>13 to 24 months</b>	<b>25 to 60 months</b>	<b>Total<sup>(1)</sup></b>
U.S. Treasury Obligations	\$3,271,766	\$4,611,620	\$18,238,363	\$26,121,749
Municipal Bonds			953,820	953,820
U.S. Govt Sponsored Enterprise Securities	2,660,040	1,455,057	32,485,538	36,600,635
Corporate Bonds	2,708,695	3,316,862	13,066,120	19,091,677
Money Market Mutual Funds	97,109			97,109
Asset Backed Securities		528,054	6,870,795	7,398,849
California LAIF	13,569,953			13,569,953
Supranational	1,294,251	817,584	927,337	3,039,172
Total <sup>(1)</sup> :	\$23,601,814	\$10,729,176	\$72,541,974	\$106,872,964

(1) Sum may not equal total due to rounding.

Source: Brea Administrative Services Department.

## **Pension Plans**

### **General Information Regarding CalPERS Plans**

All qualified permanent and probationary City employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan administered by the CalPERS. PERS is an agent multiple employer public employee retirement system and issues its own comprehensive annual financial report. PERS acts as a common investment and administrative agent for participating public entities within the State. A menu of benefit provisions as well as other requirements of the PERS program are established by the Public Employees' Retirement Law set forth in California Government Code (commencing with Section 20000). The City selects optional benefit provisions from the benefit menu by contract with PERS and adopts those benefits through local ordinance (or other local methods). Contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by PERS.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the

Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Governor Jerry Brown signed the California Public Employees' Pension Reform Act of 2013 ("PEPRA") into law on September 12, 2012. For non-safety CalPERS participants hired after January 1, 2013 (the "Implementation Date"), the Reform Act changes the normal retirement age by increasing the eligibility for the 2 percent age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5 percent to age 67. PEPRA also implements certain other changes to CalPERS including the following: (a) all new participants enrolled in CalPERS after the Implementation Date are required to contribute at least 50 percent of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalPERS is required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date, and (c) "pensionable compensation" is capped for new participants enrolled after the Implementation Date at 100 percent of the federal Social Security contribution and benefit base for members participating in Social Security or 120 percent for CalPERS members not participating in social security.

The California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and be effective on the July 1 following notice of a change in the rate. Funding contributions for the City's Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.



Plans Offered by City

The provisions and benefits in effect at June 30, 2020 for the City's PERS plans are summarized below:

	<b><u>Miscellaneous Plan</u></b>		
	<b>Tier 1 (closed to new entrants)</b>	<b>Tier 2</b>	<b>Tier 3 (PEPRA)</b>
		9/17/1999 to 12/31/2012, and non-PEPRA hired on or after 1/1/2013	
Hire Date	Before 9/17/1999		1/1/2013 and after
Benefit formula	2.0% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 years	minimum 50 years	minimum 50 years
Monthly benefits, as a % of eligible compensation	1.426% to 2.418% 50 to 63 years, respectively	1.426% to 2.418% 50 to 63 years, respectively	1.000% to 2.500% 52 to 67+ years, respectively
Required employee contribution rate	7.00%	7.00%	6.25%
Required employer contribution rate	8.216%	8.216%	6.326%

### Safety Plan

	<b>Tier 1 (closed to new entrants)</b>	<b>Tier 2 (closed to new entrants)</b>	<b>Tier 3</b>	<b>Tier 4 (PEPRA)</b>
Hire Date	Before 6/30/1984	On 6/30/1984 and before 9/17/2011	9/17/2011 to 12/31/2012, and non-PEPRA hired on or after 1/1/2013	1/1/2013 and after
Benefit formula	3.0% @ 50	3.0% @ 50	2.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 years	minimum 50 years	minimum 50 years	minimum 50 years
Monthly benefits, as a % of eligible compensation	3.000% 50 years	3.000% 50 years	2.000% to 2.700% 50 to 55 years, respectively	2.000% to 2.700% 52 to 57+ years, respectively
Required employee contribution rate	9.00%	9.00%	9.00%	11.25%
Required employer contribution rate	18.479%	18.479%	18.479%	11.079%

See information set forth in Note 9 of the City’s audited financial statements shown in “APPENDIX B – CITY OF BREA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2020” for details regarding the City’s pension liabilities, pension expenses and related deferred outflows and inflows as reported in the financial statements, and additional information regarding actuarial assumptions.

#### City Plans Funding Status and History, Required Contributions

Around July of each year, PERS provides the City reports (each, a “PERS Report”) of the actuarial valuation (as of June 30 of the calendar year preceding the year of the PERS Report) for each of the City’s Plans. *The following information is based on information available from PERS and the PERS Reports. The City has not independently verified the information provided by PERS and expresses no opinion regarding the accuracy of such information. PERS’ actuarial assessments are based various assumptions (including demographic assumptions and economic assumptions) made by PERS, its actuaries, accountants and other consultants. One or more assumptions may not materialize or be changed in the future. The City expresses no opinion regarding the quality such assumptions and cannot provide any guarantee as to the eventual results.*

Actuarial valuations used in the July 2020 PERS Reports were based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The PERS Board of Administration adopts these assumptions after considering the advice of PERS actuarial and investment teams and

other professionals. Each actuarial valuation reflected all prior differences between actual and assumed experience and adjusts the contribution rates as needed. This valuation is based on an investment return assumption of 7.0 percent, which was adopted by the PERS Board in December 2016. Other assumptions used in July 2020 PERS Report are those recommended in the PERS Experience Study and Review of Actuarial Assumptions report from December 2017.

The PERS Board of Administration adopted a new amortization policy effective with this actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a 5-year ramp-up and ramp-down on unfunded accrued liability (“UAL”) bases attributable to assumption and method changes and non-investment gains/losses. The new policy also does not utilize a 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019

For inactive employers the new amortization policy imposes a maximum amortization period of 15 years for all UAL effective June 30, 2018. The plan actuary has the ability to shorten the amortization period on any valuation date based on the life expectancy of plan members and projected cash flow needs to the plan. The impact of this has been reflected in the current valuation results.

The contribution requirements determined in the July 2019 PERS Report are based on demographic and financial information as of June 30, 2018, and may reflect additional discretionary payments made by the employer through April 30, 2019. Changes in the value of assets subsequent to that date are not reflected. Investment returns below the assumed rate of return will increase the required contribution, while investment returns above the assumed rate of return will decrease the required contribution.

The July 2020 PERS Reports show the following funding history for the City’s plans (without accounting for prepayments or benefit changes made during any fiscal year):

*Miscellaneous Plan*

<b>Valuation Date</b>	<b>Accrued Liability</b>	<b>Market Value of Assets</b>	<b>Unfunded Liability</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>
6/30/2015	\$122,046,571	\$94,140,220	\$27,906,351	77.1%	\$14,824,824
6/30/2016	128,859,768	92,696,256	36,163,512	71.9	15,338,944
6/30/2017	137,520,485	100,759,665	36,760,820	73.3	15,771,428
6/30/2018	148,823,699	106,834,163	41,989,536	71.8	14,983,832
6/30/2019	152,327,266	111,174,359	41,152,907	73.0	15,314,953

### *Safety Plan*

<b>Valuation Date</b>	<b>Accrued Liability</b>	<b>Market Value of Assets</b>	<b>Unfunded Liability</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>
6/30/2015	\$226,070,045	\$156,064,569	\$70,005,476	69.0%	\$10,679,565
6/30/2016	235,229,919	150,805,326	84,424,593	64.1	11,116,223
6/30/2017	247,235,624	162,743,863	84,491,761	65.8	11,373,467
6/30/2018	266,487,569	171,279,297	95,208,272	64.3	11,418,903
6/30/2019	274,963,016	177,132,388	97,830,628	64.4	11,316,214

The tables below show the historic required City contribution from fiscal years 2019-20 to 2021-22 and projected City contributions for fiscal years 2022-23 to 2024-25, as reported in the July 2020 PERS Reports. In the reports, “Normal Cost” is defined as the annual cost of service accrual for the upcoming fiscal year for active employees and is intended to be viewed as the long-term contribution rate. The projections are based on various assumptions. Not all assumptions will not be realized in any given year. According to the July 2020 PERS Reports, the investment earnings at PERS have averaged 5.8 percent over the 20 years ending June 30, 2019, yet individual fiscal year returns have ranged from -23.6 percent to +20.7 percent. PERS reviews its actuarial assumptions by conducting in-depth experience studies every four years, with the most recent experience study completed in 2017. PERS actuarial assumptions are subject to periodic review and revisions. Actual contributions will be subject to such revisions.

### *Miscellaneous Plan*

	<b>Required Contribution</b>			<b>Projected Future Employer Contribution<sup>(1)</sup></b>		
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Normal Cost %</b>	8.216%	8.823%	8.82%	8.7%	8.7%	8.6%
<b>UAL Payment</b>	\$2,758,660	\$3,071,472	\$3,268,515	\$3,645,000	\$3,887,000	\$4,126,000

(1) Assumes 7.00 percent return for fiscal year 2019-20, but see discussion above regarding certain assumptions used by CalPERS.

### *Safety Plan*

	<b>Required Contribution</b>			<b>Projected Future Employer Contribution<sup>(1)</sup></b>		
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Normal Cost %</b>	18.479%	19.349%	18.84%	18.5%	18.2%	17.9%
<b>UAL Payment</b>	\$5,963,500	\$6,565,722	\$7,307,152	\$7,958,000	\$8,397,000	\$8,865,000

(1) Assumes 7.00 percent return for fiscal year 2019-20, but see discussion above regarding certain assumptions used by CalPERS.

The July 2019 PERS Reports reflected statutory changes, regulatory changes and PERS Board actions through January 2020. Any subsequent changes or actions, were not reflected.

Information regarding PERS’ administration of the plans, actuarial methods assumptions and asset valuation can be obtained from PERS at Lincoln Plaza North, 400 Q Street Sacramento,

California 95811 or (888) 225-7377. The comprehensive annual financial reports of PERS are available on PERS' website at [www.calpers.ca.gov](http://www.calpers.ca.gov). The website reference is for informational purposes only. None of the content of the website is any way incorporated into this Official Statement. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such website or the continued maintenance of such website.

## Other Post-Employment Benefits Other Than Pensions

In addition to providing pension benefits, the City provides medical insurance for certain employees after they separate from the City, through a single-employer defined benefit plan (the "Plan") as provided under the City's contractual agreements with members from each unit. Members who retire from the City on or after attaining the age of 50 with at least five years of service are eligible for these benefits.

Currently, the City funds retiree healthcare benefits on a pay-as-you-go basis (paying a maximum of \$350 per month for each retirees' benefits from City funds as they are due with no pre-funding for future years. The City recognizes expenditure for its share of the annual premiums as these benefits become due.

At June 30, 2020, the City had a total other post-employment benefits ("OPEB") liability of \$25,131,999, as determined by an actuarial valuation as of June 30, 2018, the most recent valuation date. At the June 30, 2018 valuation date, there were 526 employees or beneficiaries covered by the benefit terms under the Plan. The table below shows the one-year change in total OPEB liability and percentage covered-employee payroll for each of fiscal years shown:

	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Total OPEB liability</b>			
<i>Service cost</i>	\$1,020,496	\$882,455	\$849,287
<i>Interest on total OPEB liability</i>	801,573	936,624	1,000,101
<i>Differences between actual and expected experience</i>	—	—	(2,073,628)
<i>Changes in assumptions</i>	(2,488,279)	(908,163)	976,091
<i>Benefit payments, including refunds of employee contributions</i>	(1,146,800)	(1,170,100)	(1,225,956)
<b>Net change in total OPEB liability</b>	<b>(1,813,010)</b>	<b>(259,184)</b>	<b>(474,105)</b>
Total OPEB liability @ beginning of fiscal year	27,678,298	25,865,288	25,606,104
<b>Total OPEB liability @ end of fiscal year</b>	<b>\$25,865,288</b>	<b>\$25,606,104</b>	<b>\$25,131,999</b>
Covered - employee payment	\$33,837,681	27,465,185	27,001,678
Total OPEB liability as percentage of covered-employee payroll	76.44%	93.23%	93.08%

Source: City of Brea Comprehensive Annual Financial Report for fiscal year ended June 30, 2020 – Note 10 and required supplemental information section.

Assumptions used in actuarial valuation to determine the City's OPEB liability, certain testing of the sensitivity of the assumptions and other details about the City's OPEB obligations are presented in Note 10 of the City's audited financial statements shown in "APPENDIX B – CITY OF BREA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2020."

## City Risk Management

The City is a member of the California Insurance Pool Authority (“CIPA”), a joint powers authority formed under the laws of the State. CIPA, a consortium of 13 cities in southern California, was established to pool resources, share risks, purchase excess insurance and to share costs for professional risk management and claims administration. CIPA’s governing board is comprised of one member from each participating city and is responsible for the selection of management and for the budgeting and financial management of CIPA.

As March 31, 2021 the City was self-insured for workers' compensation up to \$400,000 per occurrence and general liability and auto liability insurance up to \$350,000 per occurrence. The coverage for general and auto liability extends to \$43,000,000 per occurrence with a \$43,000,000 annual aggregate. CIPA member agencies may be assessed the difference between funds available and the \$20,000,000 annual pooled aggregate in proportion to their annual premium. During the three fiscal years ended June 30, 2020, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage.

From time to time, the City has been named as a defendant in litigations or become recipient of claims, generally of the nature common to other similar jurisdictions. With respect to the pending lawsuits and claims, the City management believes that, to the extent there will be any unfavorable outcome and a portion of the payment is not covered by insurance, such payment will not materially affect the City’s financial position.

The table below shows the claims liability and judgement at the end of each of fiscal years 2017-18, 2018-19 and 2019-20:

<b>Claims and judgements at June 30, 2018</b>	\$5,021,366
Claims payments	(1,757,009)
Claims incurred and changes in estimates	1,876,568
<b>Claims and judgments at June 30, 2019</b>	5,140,925
Claims payments	(1,462,889)
Claims incurred and changes in estimates	1,044,558
<b>Claims and judgments at June 30, 2020</b>	\$4,722,594

## **BONDOWNERS' RISKS**

*Investment in the 2021 Bonds involves elements of risk. The following section describes certain specific risk factors affecting the payment and security of the 2021 Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the 2021 Bonds and the order of discussion of such risks does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the 2021 Bonds. There can be no assurance that other risk factors not discussed under this caption will not become material in the future.*

### **Limited Obligations with Respect to 2021 Bonds**

The 2021 Bonds will be limited obligations of the Authority payable solely from and secured by a pledge of Revenues and certain funds and accounts held under the Indenture. Revenues consist primarily of Lease Payments payable by the City under the Lease and amounts on deposit from time to time in the funds and accounts held by the Trustee. If for any of the reasons described in this Official Statement, or for any other reason, the Revenues collected under the Lease are not sufficient to pay debt service on the Outstanding 2021 Bonds under the Indenture, the Authority will not be obligated to utilize any other of its funds, other than certain amounts on deposit in the funds and accounts established under the Indenture, to pay debt service on the 2021 Bonds.

The Authority has no taxing power. The obligation of the City to make Lease Payments under the Lease will not constitute an obligation of the City for which the City has levied or pledged any form of taxation or the City will be obligated to levy or pledge any form of taxation. Neither the 2021 Bonds nor the obligation of the City to make Lease Payments under the Lease will constitute an indebtedness of the City, State or any of its political subdivisions in violation of any constitutional or statutory debt limitations.

### **Effects from COVID-19 Pandemic**

As mentioned under “INTRODUCTION – COVID-19 Pandemic,” the COVID-19 pandemic has had a deep effect around the globe. The first cases of COVID-19 in California were confirmed in the end of January 2020. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic. The COVID-19 Dashboard by the Center for Systems Science and Engineering at Johns Hopkins University reported that, as of [April 21], 2021, there have been: (i) globally, over 143 million of confirmed cases and over 3 million deaths attributable to the disease, and (ii) with respect to the United States, over 31 million of confirmed cases and over 569,000 deaths attributable to the disease.

In the State (including in the City and County), other parts of the United States and many nations, protective measures (including mandatory and voluntary closing or partial closing of non-essential businesses and public venues, and imposition of social distancing measures, limitation of social gatherings of certain sizes) have been imposed. There have been major disruptions in the economy, at the local level as well as globally.

Since the onset of the pandemic, the City has worked to maintain City service levels, in face of revenue losses. Sales tax revenues for fiscal year 2019-20 was \$21.5 million, compared to \$23.3 million for fiscal year 2018-19. Transient occupancy tax revenues for fiscal year 2019-20 was \$1.8 million, compared to \$1.35 million for fiscal year 2018-19. Reserves saved from prior year revenues and at amounts above the current City policy level of 25 percent, have helped the City maintain current service levels and avoid severe service reductions. Furthermore, development within the City has remained active. Property values in the City and the County have remained strong. Property tax revenues for fiscal year in 2019-20 was \$22 million, up from 20.7 million for fiscal year 2018-19. See “CITY FINANCIAL INFORMATION.”

The City expects to be allocated approximately \$8 million from ARPA (American Rescue Plan Act of 2021). The use of such moneys will be subject to restrictions set forth in ARPA. See “CITY FINANCIAL INFORMATION – COVID-19 Disruption.”

Throughout 2020, multiple groups in different countries aimed to develop effective vaccines for COVID-19. Between December 2020 and the date of this Official Statement, United States Food and Drug Administration approved the emergency use of several different COVID-19 vaccines. Other governments have also approved the use of vaccines within their territories. Vaccine administration has begun in many places, including the State. According to the COVID Data Tracker on the United States Centers for Disease Control’s website, as of [April 21], 2021, over [87] million people in the United States (or approximately [34] percent of the total population in the country over 18 years of age) have been fully vaccinated. While, in the United States, the overall new COVID-19 infection rate in April 2021 was significantly lower compared to the peak in December 2020 and January 2021, the trends varied in different countries. Vaccine supplies, vaccination rates, new COVID-19 variants are among the numerous factors in the continuing reach of the disease in different locations. It is unknown how long the pandemic will continue to affect the global economy and individual’s daily lives.

The disruption caused by the pandemic have changed behaviors for many – from working from home, social distancing in public spaces, to people’s comfort level to participate in activities involving gatherings. Even as the economy re-opens, it is unknown if there will be lingering effects from this experience and what they will be.

## **Abatement**

Pursuant to the Lease, the obligation of the City to pay Lease Payments will be abated as the result of eminent domain or government taking and also during any period in which, by reason of any damage or destruction, there is substantial interference with the use and occupancy of the Leased Property. Such abatement due to damage or destruction will continue until the restoration of the Leased Property to tenantable condition. See “SECURITY FOR 2021 BONDS – Abatement; Insurance.” The City will be required under the Lease to obtain and maintain in effect rental interruption insurance insuring against any loss of Lease Payments for a period of two fiscal years from the date of damage or destruction of the Leased Property. Under the Lease, the City will waive any right to terminate the Lease by virtue of such damage or destruction. Notwithstanding the provisions of the Lease specifying the extent of abatement in the event of the City’s failure to have use and possession of the Leased Property, such provisions may be superseded by operation of law. In the event that the Leased Property, if damaged or destroyed by



an insured casualty, could not be replaced during the period of time that proceeds of the City's rental interruption insurance will be available in lieu of Lease Payments, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of the Leased Property or a redemption of the 2021 Bonds in whole (see "2021 BONDS – Redemption – Special Mandatory Redemption"), a default on the 2021 Bonds may occur.

### **Risk of Uninsured Loss**

The City will covenant under the Lease to maintain certain insurance policies on the Leased Property. These insurance policies do not cover all types of risk. The Leased Property could be damaged or destroyed due to a casualty for which the Leased Property is uninsured. Additionally, the Lease Property could be the subject of an eminent domain proceeding, resulting in a termination of the Lease or permanent abatement. See "SECURITY FOR 2021 BONDS – Abatement." There can be no assurance that the providers of the City's liability and rental interruption insurance will in all events be able or willing to make payments under the respective policies for such loss should a claim be made under such policies. There can be no assurances that amounts received as proceeds from insurance or from condemnation of the Lease Property will be sufficient to redeem the 2021 Bonds. Apart from the Net Proceeds, the City will have no obligation to expend any funds to repair or replace such damaged or destroyed property. While the City currently has earthquake insurance with respect to city properties, the Lease does not require the City to continuously maintain such insurance for the Leased Property or any other properties during the term of the Lease. See "SECURITY FOR 2021 BONDS – Insurance; Condemnation."

### **Limited Recourse on Lease Default; No Acceleration of Lease Payments**

If an event of default occurs and is continuing under the Lease, there will be no remedy of acceleration of any Lease Payment which has not come due. Upon the occurrence and continuance of any Event of Default under the Lease, the Trustee, as the Authority's assignee, will have the right to terminate the Lease or, with or without such termination, re-enter, take possession of and re-let the Leased Property.

If the Trustee does not terminate the Lease, the Trustee may be required to seek a separate judgment each year for that year's defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against cities in California, including a limitation on enforcement of judgments against funds or property needed to serve the public welfare and interest could prove both expensive and time-consuming.

If the Trustee does not elect to terminate the Lease, the City will remain liable to pay all Lease Payments as they come due and liable for damages resulting from such Event of Default. Any amounts collected by the Trustee from the re-letting of the Leased Property will be credited towards the unpaid Lease Payments. To the extent that a Leased Property serves essential governmental purposes, a court may determine to not permit such remedy to be exercised. Even if such remedy may be exercised, no assurance can be given that the Trustee could readily relet the Leased Property for rents in an amount sufficient to enable it to pay debt service on the 2021 Bonds in full when due.

## **City General Fund**

The Lease Payments and other payments due under the Lease (including payment of costs of repair and maintenance of, and taxes and other governmental charges levied against, the Leased Property) will be payable from funds lawfully available to the City. A variety of national, state or regional factors, which are beyond the control of the City could reduce the City's General Fund revenues or increase the City's General Fund expenditures. The City is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the 2021 Bonds. If the amounts which the City is obligated to pay in a fiscal year exceed the City's revenues for such year, the City may choose to make some payments rather than making other payments, including Lease Payments, based on the perceived needs of the City. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues or is required to expend available revenues to preserve the public health, safety and welfare. See "STATE CONSTITUTION LIMITATIONS ON CITY REVENUES AND APPROPRIATIONS."

## **Cybersecurity**

The City, like many other public and private entities, relies on a complex tiered approach of security products and processes to protect its network environment, from the backend network infrastructure to the end-users desktop computers. These measures provide a strong presence in combating cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City's network or systems for the purposes of malicious activity, such as misappropriation of information or causing operational disruption and damage. The City's Information Technology Division ("IT Division") evaluates the City's security infrastructure annually to assess the current hardware and software tools that are in place, and provide recommendations regarding any further enhancements. The IT Division also conducts periodical testing of the City's information security systems and provides cybersecurity training for City staff.

In 2019, the City's network was infiltrated by a malware attack which caused an interruption to the City's operations. However, the City's IT Division was able to bring the City's network back into full operation within a couple of weeks. There was a full investigation of the incident conducted by the IT Division, along with the City's cybersecurity consultants. This investigation determined that there was no evidence of data exfiltration. The City did not cede to any ransom demand for the recovery of data. The IT Division has taken steps to address the vulnerabilities that were discovered from this incident, and it continues to periodically improve the City's defenses against any future cybersecurity threats. The IT Division reported that, as of March 2021, no further infiltration nor other significant cybersecurity incidences have occurred.

## **Natural Calamities and Other Disasters**

From time to time, the City is subject to natural calamities or other disasters that may adversely affect economic activity in the City and City finances.

The City, like most communities in California, is in an area of unpredictable seismic activity, and therefore, is subject to potentially destructive earthquakes. Two major faults traverse through the City, the Whittier fault and the Elysian Park thrust fault. The Whittier fault cuts across the hills and through the eastern half of the City in a northwesterly direction. Several traces of the Whittier fault are still active. The Elysian Park thrust fault is buried approximately six to ten miles below the ground surface of the City. The San Andreas Fault lies 33 miles from the City.

California is, from time to time, subject to spells of dry weather, even severe droughts. The most recent drought period lasted from 2011 to 2016, during which the State instituted mandatory water restrictions in 2015. Relief finally came with the wet 2016-17 season. Governor Brown declared the drought over in April 2017.

Drought conditions in Southern California, combined with higher than average temperatures and Santa Ana winds, have created conditions that are from time to time conducive to wildfires. The northern edge of the City abutting the foothills is identified as an urban-open space interface area, which is subject to risk of wild fires. In these areas, additional conditions are imposed on developments to mitigate potential fire hazard. These conditions include: fuel modification plan to a depth of 170 feet surrounding the perimeter of developments, automatic fire sprinklers in all buildings, a minimum road width of 40 feet, hydrant spacing throughout the development, hydrant marker plan to ease visibility, restriction of cul-de-sac lengths, ignition resistant construction, and the proper selection of plant pallet. In August and September 2020, extreme heat, dryness, strong winds and other conditions (such as unusual number of lightning strikes) in some instances have contributed to an outbreak of wildfires throughout states on the Pacific Coast (California, Oregon and Washington) as well as other areas in the western portion of the United States. According to information released by the National Interagency Fire Center, at one point in early to mid-September 2020, there were over 100 active large fires and, at September 30, 2020, there were still approximately 70 active large fires affecting close 4 million acres. Other than the negative air quality which blanketed the region, the City was not directly impacted by such August and September 2020 wildfires.

According to the City's General Plan (last prepared in 2003), because of variable rainfall in the area, it is difficult to predict and plan for floods in and around the City. Any flood that occurs is expected to be short in duration, high in peak volume and high in velocity. Flood insurance rate maps prepared by the Federal Emergency Management Agency ("FEMA") show potential flood zones (100-year floodplain and 500-year floodplain) in the western portion of the City (between Puente Street and Brea Boulevard) and areas along Carbon Canyon Road and Carbon Canyon Regional Park. Potential flood risks are also associated with the Orange County Reservoir and nearby Carbon Canyon Dam. However, according to FEMA, flooding in the City is considered lower than other parts of the County. This can be attributed to the flood control structures that have been established in and around the area.

### **Limitations on Remedies and Bankruptcy**

Remedies available to the Owners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest and premium, if any, on the 2021 Bonds. Bond Counsel has limited its opinion as to the enforceability of the 2021 Bonds and the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency,

reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. Additionally, the 2021 Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Indenture. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay in the exercise of, or limitations on or modifications to, the rights of the Owners.

Enforceability of the rights and remedies of the Owners, and the obligations incurred by the Authority or the City, may become subject to the United States Bankruptcy Code (Title 11, United States Code) (the "Bankruptcy Code") and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of related powers by the federal or State government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

*Bankruptcy of the City.* Under Chapter 9 of the Bankruptcy Code, which governs bankruptcy proceedings of public entities such as the City, no involuntary bankruptcy petition may be filed against a public entity; however, upon satisfaction of certain prerequisite conditions, a voluntary bankruptcy petition may be filed by the City.

If the City is in a Chapter 9 bankruptcy proceeding, parties may be prohibited from taking any action to collect any amount from the City or to enforce any obligation of the City, unless the bankruptcy court grants permission to take such action. This prohibition may also prevent the Trustee from making payments to the Owners from funds in the Trustee's possession.

In the event of a City bankruptcy filing, the City may be able to borrow additional money that is secured by a lien on any of its property, including the sources of funds for payment to the Trustee of the assigned Lease Payments and Additional Rental Payments under the Lease (including, without limitation, the General Fund of the City and funds deposited in the General Fund), which lien could have priority over the pledges made under the Indenture, so long as the bankruptcy court determines that the rights of the Owners will be adequately protected. The City may also be able to cause some of the Lease Payments and Additional Rental Payments to be released to it, free and clear of the lien of the Indenture, so long as the bankruptcy court determines that the rights of the Owners will be adequately protected.

The City may be able, without the consent and over the objection of the Trustee and the Owners, to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the 2021 Bonds, so long as the bankruptcy court determines that the alterations are fair and equitable.

The City is informed that CalPERS (see “CITY FINANCIAL INFORMATION – Pension Plans”) has significant unfunded liabilities, and the City is unable to predict what the amount of unfunded liabilities will be in the future or the amount of contributions that the City may be required to make. In a bankruptcy of the City, the amounts of current and, if any, accrued (unpaid) contributions owed to CalPERS or any other pension system (collectively the “Pension Systems”), as well as future material increases in required contributions, reduce the City’s ability to pay Lease Payments and Additional Rental Payments. Given that municipal pension systems in California are usually administered pursuant to State constitutional provisions and, as applicable, other state or city law, the Pension Systems may take the position, among other possible arguments, that (1) their claims enjoy a priority over all other claims, (2) Pension Systems are instrumentalities of the State and have the right to enforce payment by injunction or other proceedings outside of a City bankruptcy case, and (3) their claims cannot be the subject of adjustment or other impairment under the Bankruptcy Code because that would purportedly constitute a violation of state statutory, constitutional or municipal law. It is uncertain how a bankruptcy judge in a bankruptcy of the City would rule on these matters. In addition, this area of law is unsettled because issues of pension underfunding claim priority, pension contribution enforcement and related bankruptcy plan treatment of such claims (among other pension-related matters) are presently the subject of litigation in the Chapter 9 cases of several California municipalities, but did not result in appellate rulings giving definitive guidance on these matters.

Recharacterization of the Site Lease and the Lease as a Financing Arrangement. In bankruptcy proceedings, a bankruptcy court is not required to accept the characterization of an agreement as a “lease,” but may look to the economic realities of the transaction as a whole. In the event the City files for bankruptcy, a bankruptcy court could determine that each of the Site Lease and the Lease is either: (1) an unexpired lease or executory contract (defined below) under Section 365 (“Section 365”) of the Bankruptcy Code (a “True Lease”) or (2) part of a loan or other financing arrangement secured by a lien (a “Financing Arrangement”). The Bankruptcy Code specifies different treatment for True Leases and Financing Arrangements.

There can be no guarantee that a bankruptcy court would not re-characterize the Lease and the Lease together as a Financing Arrangement. If a bankruptcy court did so, the payment obligations of the City might be substantially reduced. A borrower in a bankruptcy proceeding that has given a security interest in property in connection with a Financing Arrangement may retain such property, provided that it make payments over time giving the lender the economic value of the security interest. If such economic value is less than the balance due on the debt in the Financing Arrangement, the difference is then treated as an unsecured debt. In the case of the City, were the Site Lease and the Lease to be determined to be part of a Financing Arrangement, the City may be permitted to remain in possession of the Leased Property if it made payments for that right, but the amount required to be paid would be primarily dependent upon the value of the Trustee’s security interest under the Indenture, not the payment terms of the Lease. Therefore, there is a risk that payment will be delayed or reduced from the amounts specified in the Lease, even if the value of the Trustee’s security interest is greater than the amount of the debt owed by the City.

Treatment of the Site Lease and the Lease as True Leases. Section 365 requires an entity in bankruptcy to make considered decisions either to keep (“assume”) or repudiate (“reject”) its “executory” contracts (that are as yet incomplete as to both parties’ performances), and its leases.

Section 365 requires that a lessee under a True Lease must either: (1) assume the lease or the executory contract and fully perform all of its obligations or (2) reject such lease or executory contract and surrender the Leased Property. In the event of a bankruptcy case with respect to the City in which a bankruptcy court determined that the Site Lease and the Lease were each a True Lease or executory contract, the City would then have these two options.

If it is determined that the Lease would require the City to cure all monetary defaults (including any unpaid amounts due under the Lease) and most non-monetary defaults, if any, the City would also have to provide adequate assurance that defaults would not occur in the future.

If the Lease is treated as a True Lease by a bankruptcy court and the City rejects the Lease, the rights of the Trustee (and thus the Owners) to receive Lease Payments and Additional Rental Payments would be terminated. Under such circumstances, the Owners could suffer substantial losses, and any claim for damages may be significantly limited. Rejection of the Lease could result in a claim for damages against the City in connection with the 2021 Bonds that would rank as a general unsecured debt of the City. In the event of such rejection of the Lease, the amount of any corresponding claim may be limited by the cap on landlord claims provided in the Bankruptcy Code, *i.e.*, to the Lease Payments payable under the Lease (without acceleration) for the greater of one year or 15 percent of the remaining term of the Lease, but not to exceed three years, following the earlier of (a) the date the bankruptcy petition was filed, and (b) the date on which the City surrendered (voluntarily or involuntarily) the Leased Property, plus any unpaid Lease Payments and Additional Rental Payments under the Lease (without acceleration) existing on the earlier of such dates. If the Lease is treated as a True Lease under Section 365 and rejected in a bankruptcy of the City, the damage claim could be severely limited resulting in reduced funds available to pay the 2021 Bonds. In addition, payments by a lessee within 90 days prior to a bankruptcy filing may be deemed to be “avoidable preferences” under the Bankruptcy Code. Accordingly, payments made pursuant to the Lease could be subject to recapture in a bankruptcy of the City, subject to certain defenses that may be available to the Authority or the Trustee.

There may be delays in payments with respect to the 2021 Bonds while the bankruptcy court considers any of these issues. There may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments with respect to the 2021 Bonds, or result in losses to the Owners. Actions could be taken in a bankruptcy of the City that could adversely affect the exclusion of interest evidenced by the 2021 Bonds from gross income for federal income tax purposes. Regardless of any specific adverse determinations in a bankruptcy proceeding of the City, the mere commencement of such a bankruptcy proceeding could have an adverse effect on the liquidity and market value of the 2021 Bonds.

*Bankruptcy of the Authority.* The Authority could potentially become a debtor in a bankruptcy case. In a bankruptcy case of the Authority, the legal principles and risks discussed above, in connection with a bankruptcy case filed by the City, would apply, with uncertain consequences to the Owners.

Because the Authority is not assigning all its rights under the Site Lease and the Lease to the Trustee, if the Authority became the subject of a bankruptcy proceeding, the Authority may be able to obtain authorization from the bankruptcy court to sell to a third party all rights under the Site Lease and the Lease, including the Lease Payments and Additional Rental Payments, free and

clear of rights of the Trustee and the Owners. While the Trustee (and thus the Owners) would be entitled to receive the value of the Lease Payments and Additional Rental Payments as determined by the bankruptcy court, the bankruptcy court's valuation may be substantially different than the value placed on such payments by the Owners, and the Owners may suffer a loss.

The Trustee and the Owners would be prohibited from taking any action to enforce any of their respective rights or remedies against the Authority or its property, unless the permission of the bankruptcy court was first obtained. This could prevent the Trustee from making payments to the Owners from funds in the possession of the Trustee. In addition, the provisions of the transaction documents that require the City to make payments directly to the Trustee, rather than to the Authority, may no longer be enforceable, and all payments may be required to be made to the Authority.

There may be delays in payments on the 2021 Bonds while the bankruptcy court considers any of these issues. There may be other possible effects of a bankruptcy of the Authority that could result in delays or reductions in payments with respect to the 2021 Bonds, or result in losses to the Owners. Actions could be taken in a bankruptcy of the Authority that could adversely affect the exclusion of interest evidenced by the 2021 Bonds from gross income for federal income tax purposes. Regardless of any specific adverse determinations in a bankruptcy proceeding of the Authority, the mere commencement of such a bankruptcy proceeding could have an adverse effect on the liquidity and market value of the 2021 Bonds.

## **State Budgets**

The State's financial condition and budget policies affect communities and local public agencies throughout California. A number of the City's revenues are collected and dispersed by the State (such as sales tax and motor-vehicle license fees) or allocated in accordance with State law (most importantly, property taxes). Therefore, State budget decisions can have an impact on City finances. In the event of a material economic downturn in the State, there can be no assurance that any resulting revenue shortfalls to the State will not reduce revenues to local governments (including the City) or shift financial responsibility for programs to local governments as part of the State's efforts to address any such related State financial difficulties.

State budgets are affected by regional, national or even international economic conditions and a multitude of other factors over which the City has no control. The City cannot give any assurances regarding the financial conditions of the State during any period of time. Some of the State's budget solutions have caused in the past, and may cause in the future, increased financial stress to cities, counties and other local governments by: (i) decreasing local revenues (for example, the property tax, road improvement funding, public safety or other categorical funded initiatives), or (ii) increasing directly or indirectly demand for local programs (such as public safety or indigent health programs). AB X1 26 enacted in 2011, pursuant to which all redevelopment agencies in the State were dissolved, was enacted during the Fiscal Year 2011-12 budget process and was just one example where cities and counties throughout the State were significantly impacted. Even though California has experienced significantly improved fiscal condition during the past few fiscal years, the State is still facing continuing financial challenges and unfunded long-term liabilities.

According to the State Constitution, the Governor is required to propose a budget to the State Legislature by no later than January 10 of each year, and a final budget must be adopted by the vote of each house of the Legislature no later than June 15, although this deadline has been frequently breached in the past. The State budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. The Governor on January 8, 2021, introduced a proposed 2021-22 State budget. The City does not anticipate any material negative adverse effect on the City's finances based on the proposed fiscal year 2021-22 State budget. However, the City can make no predictions regarding the changes, if any, that will be made to the proposed budget before it is finally adopted. The City also cannot predict what measures the State will adopt to respond to any future financial difficulties. The City can provide no guarantees regarding the outcome of future State budget negotiations, the actions that will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures, or the impact that such budgets or actions will have on the City's finances and operations.

Information about the State budget and State spending is available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the State Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov). An analysis of the budget is posted by the Office of the Legislative Analyst at [www.lao.ca.gov](http://www.lao.ca.gov). In addition, various official statements for State-issued bonds, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, [www.treasurer.ca.gov](http://www.treasurer.ca.gov). None of the websites referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such websites or the continued maintenance of such websites by the respective entities.

## **Investment of Funds**

The funds held under the Indenture are required to be invested in Permitted Investments as provided under the Indenture, respectively. See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS." All investments, including Permitted Investments, authorized by law from time to time for investments by the Authority contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected, decline in market value and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held under the Indenture could have a material adverse effect on the security for the 2021 Bonds.

## **Future Initiative and Legislation**

As discussed herein under "STATE CONSTITUTION LIMITATIONS ON CITY REVENUES AND APPROPRIATIONS," the California's Constitutional initiative process has resulted in the adoption of measures which pose certain limits on the ability of cities and local agencies to generate revenues, through property taxes or otherwise. From time to time, other initiative measures could be adopted, affecting the City's ability to generate revenues and to increase appropriations. No assurances can be given as to the potential impact of any future initiative or legislation on the finances and operations of the City.



## **Secondary Market**

There can be no assurance that there will be a secondary market for the 2021 Bonds, or if a secondary market exists, that the 2021 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, pricing of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could substantially differ from the original purchase price.

## **Loss of Tax Exemption for 2021 Bonds**

Compliance by Authority and City. In order to maintain the exclusion of interest on the 2021 Bonds from gross income for federal income tax purposes, the Authority and the City have covenanted to comply with the applicable requirements of Section 148 and certain other sections of the Internal Revenue Code of 1986, as amended, relative to arbitrage and avoidance of characterization as hedge bonds or private activity bonds, among other things. Interest on the 2021 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the 2021 Bonds as a result of acts or omissions of the Authority and the City in violation of these covenants. See “CONCLUDING MATTERS – Tax Matters.”

Future Legislation or Court Decisions. Legislation affecting the tax exemption of interest on the 2021 Bonds may be considered by the United States Congress and the State legislature. Federal and state court proceedings and the outcome of such proceedings could also affect the tax exemption of interest on the 2021 Bonds. No assurance can be given that legislation enacted or proposed, or actions by a court, after the date of issuance of the 2021 Bonds will not have an adverse effect on the tax exemption of interest on the 2021 Bonds or the market value of the 2021 Bonds.

IRS Audit of Tax-Exempt Bonds. The Internal Revenue Service conducts random and targeted audits of tax-exempt bond issues. It is possible that the 2021 Bonds will be selected for audit by the Internal Revenue Service. It is possible that the market value of the 2021 Bonds might be affected as a result of such an audit of the 2021 Bonds or by an audit of similar bonds.

## **STATE CONSTITUTIONAL LIMITATIONS ON CITY REVENUES AND APPROPRIATIONS**

### **State Initiative Measures Generally**

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Voters have exercised this power through the adoption of Proposition 13 (“Article XIII A”) and similar measures, some of which are discussed below. Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the City. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly

to the extent of creating cash-flow problems in the payment of outstanding obligations such as the Sublease.

### **Property Tax Limitations – Article XIII A**

California voters, on June 6, 1978, approved an amendment (commonly referred to as “Proposition 13” or the “Jarvis-Gann Initiative”) to the California Constitution. This amendment, which added Article XIII A to the California Constitution, among other things, affects the valuation of real property for the purpose of taxation in that it defines the full cash value of property to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent per year, or any reduction in the consumer price index or comparable local data, or any reduction in the event of declining property value caused by damage, destruction or other factors.

Article XIII A further limits the amount of any ad valorem tax on real property to one percent of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978. In addition, an amendment to Article XIII was adopted in August 1986 by initiative that exempts from the one percent limitation any bonded indebtedness approved by two-thirds of the votes cast by voters for the acquisition or improvement of real property. On December 22, 1978, the California Supreme Court upheld the amendment over challenges on several state and federal constitutional grounds (*Amador Valley Joint Union School District v. State Board of Equalization*).

In the general election held on November 4, 1986, voters of the State of California approved two measures, Propositions 58 and 60, which further amended Article XIII A. Proposition 58 amended Article XIII A to provide that the terms “purchased” and “change of ownership,” for purposes of determining full cash value of property under Article XIII A, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first \$1,000,000 of other property between parents and children. Proposition 60 amended Article XIII A to permit the Legislature to allow persons over age 55 who sell their residence to buy or build another of equal or lesser value within two years in the same county, to transfer the old residence’s assessed value to the new residence. Pursuant to Proposition 60, the Legislature has enacted legislation permitting counties to implement the provisions of Proposition 60.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in certain other minor or technical ways.

In the November 2020 election, Proposition 19 was approved by the voters to further amends Article XIII A, such that it would permit eligible homeowners to transfer tax assessments anywhere in the State, narrow existing special rules for inherited properties, and broaden the scope of triggers for reassessment of properties. Proposition 19 provides that any additional revenues and net savings resulting from the ballot measure would be allocated to fire protection services and reimbursing local governments for taxation-related changes.

## **Article XIII A Implementing Legislation**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1978.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the “taxing area” based on their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in California no longer record property values on tax rolls at the assessed value of 25 percent of market value, which was expressed as \$4 per \$100 of assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. Unless otherwise noted, all taxable property value included in this Official Statement (unless noted differently) is shown at 100 percent of market value and all tax rates reflect the \$1 per \$100 of taxable value.

## **Challenges to Article XIII A**

California trial and appellate courts have upheld the constitutionality of Article XIII A’s assessment rules in three significant cases. The United States Supreme Court, in an appeal to one of these cases, upheld the constitutionality of Article XIII A’s tax assessment system. The City cannot predict whether there will be any future challenges to California’s present system of property tax assessment and cannot evaluate the ultimate effect on the City’s receipt of property tax revenues should a future decision hold unconstitutional the method of assessing property.

## **Appropriations Limitations - Article XIII B**

On November 6, 1979, California voters approved Proposition 4, the so-called Gann Initiative, which added Article XIII B to the California Constitution. Article XIII B limits the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and services rendered by the government entity. The “base year” for establishing such appropriations limit is the 1978-79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies. Revenues received in excess of the appropriations limit must be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Appropriations subject to Article XIII B include generally any authorization to expend during the fiscal year the “proceeds of taxes” levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally

authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the Federal government, appropriations for qualified outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues and (iii) certain State subventions received by local governments.

Section 7910 of the California Government Code requires the City to adopt a formal appropriations limit for each fiscal year. The City's appropriations limit for fiscal year 2015-16 is \$97,105,898. The dollar amount of the City's budgeted appropriations subject to the limit for fiscal year 2015-16 is approximately \$45.4 million, comprising of an approximate 46.7 percent of the City's fiscal year 2015-16 appropriation limit.

### **Propositions 218 and 26 - Article XIIC and Article XIID**

On November 5, 1996, California voters approved Proposition 218, "the Right to Vote on Taxes Act." Proposition 218 added Articles XIIC and XIID to the California Constitution, providing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments, and property-related fees and charges.

Provisions of Article XIIC (i) require taxes for general governmental purposes to be submitted to the electorate and approved by a majority vote, and taxes for specific purposes, even if deposited into the General Fund, to be submitted to the electorate and approved by two-thirds vote, (ii) require any general purpose tax which the City imposed, extended or increased, without voter approval, after December 31, 1994, to be submitted to the electorate and approved by majority vote on November 5, 1998 and (iii) provide that all taxes, assessments, fees and charges to reduction or repeal at any time through the initiative process, subject to overriding constitutional principles relating to the impairment of contracts. Provisions of Article XIID that affect the ability of the City to fund certain services or programs that it may be required or choose to fund include (ii) adding notice, hearing, protest and, in some cases, voter approval requirements to impose, increase or extend certain assessments, fees and charges and (ii) adding stricter requirements for finding individualized benefits associated with such levies.

On November 2, 2010, California voters approved Proposition 26, the "Supermajority Vote to Pass New Taxes and Fees Act." Relevant to local governments, Proposition 26 amended Article XIIC of the California Constitution by adding an expansive definition for the term "tax," which previously was not defined under the California Constitution. As a result, Proposition 26 requires a local government to obtain two-thirds voter approval for many fees, charges and levies that a local government was previously authorized to adopt by a majority vote of its legislative body. Specifically, Proposition 26 defines a "tax" as any levy, charge, or exaction of any kind imposed by a local government except those enumerated in seven specified exceptions, as follows:

- (1) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the

reasonable costs to the local government of conferring the benefit or granting the privilege.

- (2) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.
- (3) A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.
- (4) A charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.
- (5) A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law.
- (6) A charge imposed as a condition of property development.
- (7) Assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

In the event that charges included in the definition of a “tax” in Article XIIC cannot be appropriately increased, the City may have to choose whether to reduce or eliminate the service financed by such taxes or finance such service from its General Fund. Further, no assurance can be given that the City mayor will be able to reduce or eliminate such services in the event the fees and charges that presently finance them are reduced or repealed.

The foregoing discussion of Propositions 218 and 26 should not be considered an exhaustive or authoritative treatment of the provisions of Propositions 218 and 26 or the possible effects of Propositions 218 and 26. Interim rulings, final decisions, legislative proposals and legislative enactments affecting Propositions 218 and 26 may impact the City’s ability to make Rental Payments. The City does not expect to be in a position to control the consideration or disposition of these issues and cannot predict the timing or outcome of any judicial or legislative activity related to these issues. The City does not believe any of the fees or charges constituting City General Fund revenues are imposed in violation of Propositions 218 or 26.

## **Proposition 62**

On November 4, 1986, California voters adopted Proposition 62, which requires that (i) any local tax for general governmental purposes (a “general tax”) must be submitted to the electorate and approved by a majority vote; (ii) any local tax for specific purposes (a “special tax”) must be submitted to the electorate and approved by a two-thirds vote; (iii) any general tax must be proposed for a vote by two-thirds of the legislative body; and (iv) proceeds of any tax imposed in violation of the vote requirements must be deducted from the local agency’s property tax allocation.

Most of the provisions of Proposition 62 were affirmed by the 1995 California Supreme Court decision in *Santa Clara County Local Transportation Authority v. Guardino*, which invalidated a special sales tax for transportation purposes because fewer than two-thirds of the voters voting on the measure had approved the tax. The City does not believe any of the taxes constituting City revenues are levied in violation of Proposition 62.

### **Proposition 1A**

Proposition 1A ("Proposition 1A"), proposed by the State Legislature in connection with the State Budget Act for fiscal year 2004-05 and approved by the voters in November 2004, restricts State authority to reduce major local tax revenues such as the tax shifts permitted to take place in fiscal years 2004-05 and 2005-06. Proposition 1A provided that beginning in fiscal year 2008-09, the State was permitted shift to schools and community colleges up to eight percent of local government property tax revenues, if: (i) the amount was to be repaid, with interest, within three years, (ii) the Governor proclaimed that the shift is needed due to a severe state financial hardship, (iv) the shift was approved by two-thirds of both houses and certain other conditions are met, and (v) such a shift may not occur more than twice in any 10-year period. Proposition 1A also contained other restrictions on the State's ability to redirect property tax revenues for local governments or reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. The State may approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A also provides that if the State reduces the vehicle license fee rate below 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

### **Proposition 22**

On November 2, 2010, the voters of the State approved Proposition 22, known as "The Local Taxpayer, Public Safety, and Transportation Protection Act" ("Proposition 22"). Proposition 22, among other things, broadens the restrictions established by Proposition 1A with respect to the State government's ability to redirect moneys on which local governments depend as their revenue sources. While Proposition 1A permits the State to appropriate or borrow local property tax revenues on a temporary basis during times of severe financial hardship, Proposition 22 amends Article XIII of the State Constitution to prohibit the State from appropriating or borrowing local property tax revenues, even during times of severe financial hardship. Proposition 22 also prohibits the State from appropriating or borrowing proceeds derived from any tax levied by a local government solely for the local government's purposes.

### **Future Initiatives**

From time to time other initiative measures could be adopted, affecting the ability of the City to increase revenues and appropriations.

## **AUTHORITY**

The Authority is a joint powers authority, organized pursuant to a Joint Exercise of Powers Agreement, executed in March 1988 (the “Joint Powers Agreement”) by and between the City and the former Brea Redevelopment Agency, as now succeeded by the Successor Agency (see “CITY FINANCIAL INFORMATION – Property Taxes (Ad Valorem and Vehicle In-Lieu Fees) – *Former Redevelopment Tax Increment; Redevelopment Dissolution.*”) The Successor Agency has issued bonds with maturity dates that extend to August 2036, after the final maturity date of the 2021 Bonds. The Successor Agency is expected to remain in existence so long as bonds issued by the Successor Agency remain outstanding.

Pursuant to an Associate Membership Agreement between the Authority and the School District, the School District is an associate member of the Authority. The Joint Powers Agreement was entered into pursuant to the provisions of Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Act”). The governing body of the Authority consists of the same individuals who comprise the City Council of the City. The Authority was created for the purpose of providing financing for public capital improvements for its members through the acquisition by the Authority of such public capital improvements or the purchase by the Authority of local obligations within the meaning of the Act. Under the Act, the Authority has the power to issue bonds to finance and refinance the cost of certain public capital improvements.

## **CONCLUDING MATTERS**

### **No Litigation Affecting 2021 Bonds**

To the Authority’s and the City’s knowledge, there is no litigation pending or threatened to restrain or enjoin the issuance, execution or delivery of the 2021 Bonds, to contest the validity of the 2021 Bonds, the Indenture, the Site Lease, the Lease or any proceedings of the City or the Authority with respect thereto. In the opinion of the Authority, there is no lawsuit or claim pending against the Authority which will materially impair the Authority’s ability to enter into the Indenture or restrain or enjoin the collection of Revenues as contemplated therein. In the opinion of the City, there is no lawsuit or claim pending against the City which will materially impair the City’s ability to enter into the Lease or restrain or enjoin the payment of Lease Payments.

### **Continuing Disclosure**

The City has undertaken in a continuing disclosure certificate (the “Continuing Disclosure Certificate”) for the benefit of Owners and beneficial owners of the 2021 Bonds to provide certain financial information relating to the City and other data by not later than nine months after the close of each fiscal year (which currently would be March 31, with the fiscal year ending on each June 30), commencing with the report for the 2020-21 fiscal year (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices will be filed by the City or The Bank of New York Mellon Trust Company, as the Dissemination Agent on behalf of the City, with the Municipal Securities Rulemaking Board (the “MSRB”), via its Electronic Municipal Market Access (“EMMA”) system. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” This undertaking

has been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) (the “Rule”) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

A failure by the City to comply with the provisions of the Continuing Disclosure Certificate is not an event of default under the Indenture or the Lease (although the Owners and beneficial owners of the 2021 Bonds do have remedies at law and in equity). However, a failure to comply with the provisions of the Continuing Disclosure Certificate must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2021 Bonds. Therefore, a failure by the City to comply with the provisions of the Continuing Disclosure Certificate may adversely affect the marketability of the 2021 Bonds on the secondary market.

Before the printing of this Official Statement, an independent examination (the “Examination”) of the City’s continuing disclosure filings during the five years ending April 30, 2021, was made. The Examination disclosed that the City’s audited financial statements and certain other information pertaining to the fiscal years 2015-16, 2016-17 and 2017-18 annual reports for multiple bond issues were filed after the applicable deadlines (and unaudited financial statements and related notices of failure to file were not filed before the post-deadline filings of the audited financial statements and additional information for the annual reports). The Examination also reported that, with respect to the fiscal year 2017-18 annual reports initially filed for lease revenues bonds, a summary of the 2018-19 General Fund budget was missing and, additionally, a “Page 2” was missing from the annual report posted on EMMA. The City re-filed such 2017-18 annual reports with the inclusion of the previously missing information in 2019.

The City has taken steps to ensure future compliance with its continuing disclosure obligations in a timely manner. In 2019, the City Council adopted Resolution No. 2019-046, which among other things, approved a set of continuing disclosure procedures.

## **Legal Matters**

All of the legal proceedings in connection with the authorization and issuance of the 2021 Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, Bond Counsel. Bond Counsel’s final approving opinion with respect to the 2021 Bonds will be substantially in the form set forth in Appendix E of this Official Statement. Certain matters with respect to this Official Statement will be considered on behalf of the City by Richards, Watson & Gershon, A Professional Corporation, in its capacity as Disclosure Counsel. Certain legal matters will also be passed upon for the City by Richards, Watson & Gershon, in its capacity as City Attorney. Certain legal matters will also be passed upon for the Underwriter, by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Underwriter’s Counsel.

## **Tax Matters**

*Federal Tax Status.* In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2021 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative



minimum tax. The 2021 Bonds are "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Tax Code"), such that, in the case of certain financial institutions (within the meaning of section 265(b)(5) of the Tax Code), a deduction for federal income tax purposes is allowed for 80 percent of that portion of such financial institution's interest expense allocable to interest payable on the 2021 Bonds.

The opinions set forth in the preceding paragraph are subject to the condition that the Authority comply with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the 2021 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes, and in order for the 2021 Bonds to be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code. The Authority has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2021 Bonds, or may cause the 2021 Bonds to not be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code.

***Tax Treatment of Original Issue Discount and Premium.*** If the initial offering price to the public at which a 2021 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a 2021 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "bond premium" for purposes of federal income taxes and State of California personal income taxes.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2021 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2021 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2021 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2021 Bonds who purchase the 2021 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2021 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2021 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such 2021 Bonds is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the 2021 Bond (said term being the shorter of the 2021 Bond's maturity date or its call date). The amount of bond premium amortized each year reduces the adjusted basis of the owner of the 2021 Bond for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a 2021 Bond is amortized each year over the term to maturity of the 2021 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with

straight-line interpolations between compounding dates). Amortized 2021 Bond premium is not deductible for federal income tax purposes. Owners of premium 2021 Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2021 Bonds.

*California Tax Status.* In the further opinion of Bond Counsel, interest on the 2021 Bonds is exempt from California personal income taxes.

*Other Tax Considerations.* Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the 2021 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or cause the 2021 Bonds to not be “qualified tax-exempt obligations,” or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the 2021 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2021 Bonds, or as to the consequences of owning or receiving interest on the 2021 Bonds, as of any future date. Prospective purchasers of the 2021 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2021 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2021 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the 2021 Bonds, the ownership, sale or disposition of the 2021 Bonds, or the amount, accrual or receipt of interest on the 2021 Bonds.

## **Municipal Advisor**

The City has retained Fieldman, Rolapp & Associates, Inc., Irvine, California, as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the 2021 Bonds. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other securities public or otherwise.

## **Underwriting**

Pursuant to a Bond Purchase Agreement (the “Purchase Agreement”), Stifel, Nicolaus & Company, Incorporated, the Underwriter, has agreed, subject to certain conditions, to purchase the 2021 Bonds at a purchase price of \$\_\_\_\_\_ (which is equal to the principal amount of the 2021 Bonds, [plus/less] a [net] original issue [premium/discount] of \$\_\_\_\_\_, and less an Underwriter’s discount of \$\_\_\_\_\_). The Purchase Agreement provides that the Underwriter will purchase all of the 2021 Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the Purchase Agreement. The Underwriter intends to offer the 2021 Bonds to the public initially at the prices set forth on the inside cover of this Official Statement, which prices may subsequently change without any requirement of prior notice.

## **Rating**

S&P Global Ratings (“S&P”) has assigned a rating of “\_\_\_” to the 2021 Bonds. S&P’s rating reflects only the views of S&P and any explanation of the significance of such ratings may be obtained from S&P. There is no assurance that such rating will continue for any given period of time or that such rating will not be revised downward, suspended or withdrawn entirely, if in S&P’s judgment, circumstances so warrant. Other than as described in the Continuing Disclosure Certificate, the City takes no responsibility regarding either to bring to the attention of the Owners of the 2021 Bonds any revision, suspension or withdrawal of such rating or to oppose any such revision or withdrawal. Any such downward, suspension, revision or withdrawal of the ratings may have an adverse effect on the market price of the 2021 Bonds.

## **Miscellaneous**

All of the preceding description and summaries of the 2021 Bonds, the Indenture, the Lease, other applicable agreements, legislation and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the 2021 Bonds. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The Authority and the City have duly authorized the execution and delivery of this Official Statement by its officer.

**BREA PUBLIC FINANCING AUTHORITY**

By: \_\_\_\_\_  
Executive Director

**CITY OF BREA**

By: \_\_\_\_\_  
City Manager

## APPENDIX A

### SUPPLEMENTAL INFORMATION ABOUT CITY OF BREA

*The following information concerning the City of Brea (“City”) and the surrounding area is included only for the purpose of supplying general information regarding the community.*

#### Population

The following table shows the estimated population growth for the City, the County and the State of California for the years shown.

#### City of Brea City, County and State Population Growth<sup>(1)</sup> Calendar Years 2000, 2010 and 2016 through 2020

Calendar Year	City of Brea	% Change from Prior Period	County of Orange	% Change from Prior Period	State of California	% Change from Prior Period
2000	35,176	—	2,831,799	—	33,721,583	—
2010	39,259	11.61%	3,008,855	6.25%	37,223,900	10.39%
2016	43,414	10.58	3,162,789	5.12	39,131,307	5.12
2017	43,983	1.31	3,184,229	0.68	39,398,702	0.68
2018	43,961	-0.05	3,192,092	0.25	39,586,646	0.48
2019	44,879	2.09	3,192,987	0.03	39,695,376	0.27
2020	45,629	1.67	3,194,332	0.04	39,782,870	0.22

(1) As of January 1 of each year, with 2010 census benchmark.

Source: State of California Department of Finance.

#### Construction Activity

The table below shows the number of construction permits issued in the City and the related values for the years shown.

#### City of Brea Construction Permits Calendar Years 2016-2020

Calendar Year	No. of Permits Issued	Percent Change	Estimated Valuation	Percent Change
2016	2,117	-14.84	%126,779,527	-23.95%
2017	1,197	-43.46	145,792,928	14.99
2018	1,304	8.94	69,051,322	-52.64
2019	1,349	65.49	202,666,616	193.50
2020	1,208	-10.45	57,076,287	-71.07

Source: City of Brea Development Services Department.

The fluctuation in building permits issued often reflects large scale tract development which is cyclical and, given the City’s size (approximately 11 square miles), occurs intermittently.

## Employment

According to the State of California Employment Development Department, the [March] 2021 preliminary, estimated unemployment rates for the City, the County and the State were [5.9 percent, 6.4 percent and 8.2 percent], respectively. As discussed in the forepart of this Official Statement (see “INTRODUCTION – COVID-19 Pandemic,” “CITY FINANCIAL INFORMATION” and “BONDOWNERS’ RISKS – Effects from COVID-19 Pandemic”), the COVID-19 pandemic and the various measures taken to protect public health have caused major disruptions to the local, national and global economy. As of spring 2021, administration of vaccines to the population is on-going. As the economy re-opens, the City hopes, but cannot guarantee, that the employment statistics will improve relative to the 2020 calendar year.

**City of Brea**  
**City, County and State Employment Statistics**  
**Calendar Years 2016 through 2020<sup>(1)</sup>**

Year	City			County	State
	Labor Force	Employed	Unemployment Rate	Unemployment Rate	Unemployment Rate
2016	22,400	21,500	4.0	4.0	5.5
2017	22,500	21,800	3.3	3.5	4.8
2018	23,200	22,500	2.9	2.9	4.2
2019	23,200	22,600	2.6	2.8	4.0
2020 <sup>(2)</sup>	22,100	20,200	8.6	8.8	10.1

(1) Not seasonally adjusted. March 2020 benchmark.

(2) See “INTRODUCTION – COVID-19 Pandemic” and “BONDOWNERS’ RISKS – Effects from COVID-19 Pandemic” regarding economic disruptions caused by Covid-19 pandemic.

Source: State of California, Employment Development Department.

The following table lists the major employers within the City and their estimated number of employees:

**City of Brea  
Principal Employers  
as of June 30, 2020**

	Company	Product or Service	Estimated No. of Employees
1.	Bank of America	Financial services	3,000
2.	Mercury Insurance	Insurance services	1,440
3.	Alberton's, Inc.	Retail – grocer	1,335
4.	Beckman Coulter, Inc.	Manufacturing – biomedical instruments	837
5.	Brea Olinda Unified School District	Public agency	685
6.	Kirkhill – TA Company	Manufacturing – aircraft parts	616
7.	Nationwide (formerly Veterinary Pet Ins.)	Insurance services	460
8.	Bristol Industries	Manufacturing – machinery components	435
9.	Service Champions Plumbing, HVAC	Service for residential plumbing, HVAC	333
10.	Peterson Brothers Construction	Construction	331

Source: City of Brea Comprehensive Annual Financial Reports for fiscal year ended June 30, 2020.

### Median Household Income

The following table shows the estimated median household income for the City, the County, the State and the United States for the years shown.

**City of Brea, Orange County, California and the United States  
Estimated Median Household Income  
Calendar Years 2015 through 2019**

Year	City	County	State	U.S.
2015	\$83,717	\$76,509	\$61,818	\$53,889
2016	85,555	78,145	63,783	55,322
2017	90,214	81,851	67,169	57,652
2018	93,703	85,398	71,228	60,293
2019	94,492	90,234	75,235	62,843

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.

### Public Utilities

Electrical service is provided by Southern California Edison. Southern California Gas provides natural gas.

As discussed in the forepart of this Official Statement, water services are provided by the City's Water Department. The City's drinking water is a blend of surface water imported by the Metropolitan Water District of Southern California and ground water imported from California Domestic Water Company in Whittier. Metropolitan's imported water sources are the Colorado River and the State Water Project, which draws water from the San Francisco-San Joaquin Bay Delta. California Domestic water originates from the San Gabriel Basin.

Sewer services are provided by the City's Maintenance Services Department, which maintains over 119 miles of sewer main lines. The sewer distribution system flows into Orange County Sanitation District trunk system until it is treated at their secondary treatment facility in Fountain Valley. Trash collection services are provided by the City through Brea Disposal, a private contractor.

## **Education**

The City's students are served by the Brea Olinda Unified School District presided over by a separately elected board. The system includes six elementary schools, one junior high school, one high school and one alternative high school. Brea-Olinda High School has a professional performing arts center and complete athletic facilities. The City also has several private pre-schools, two Christian schools and a Roman Catholic school serving grades K-8. Colleges, universities and a number of technical and vocational schools are located in and around Brea. California State University, Fullerton College, Pacific Christian College, Hope University, an optometry school and a law school are located in nearby Fullerton, and the University of California at Irvine, Chapman College, and Cal Poly Pomona are within easy freeway access.

## **Community Facilities**

St. Jude Medical Center in Fullerton and Placentia-Linda Hospital in Placentia are full-service hospitals that are located within five miles of the City.

The City maintains parks and recreation facilities within its boundaries. The Brea Community Services Department coordinates park activities. The City owns Brea Creek Golf Course and the Birch Hills Golf courses, both which are operated by a management company under contract.

The City has senior and family resource center operated by the City with participation by charitable, non-profit corporations.

## **Public Safety**

Law enforcement services are provided by the Brea Police Department which provides full services to the City. Fire services are provided by the Brea Fire Services Department, which has four fire stations and one annex located throughout the City.

Street and highway maintenance is provided for under the supervision of the City's Public Works Department.

Building inspection and code enforcement services are provided by the City.



**APPENDIX B**

**CITY OF BREA COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR YEAR ENDED JUNE 30, 2020**

## **APPENDIX C**

### **SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS**

## **APPENDIX D**

### **FORM OF OPINION OF BOND COUNSEL**

*Upon issuance and delivery of the 2021 Bonds, Bond Counsel proposes to render its final approving opinion in substantially the following form:*

[Delivery Date]

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”), dated \_\_\_\_\_, 2021, is executed and delivered by the City of Brea (the “City”) in connection with the City’s issuance by the Brea Public Financing Authority of the Authority’s \$\_\_\_\_\_ (aggregate principal amount) Refunding Lease Revenue Refunding Bonds (Solar And Energy Efficiency Projects) (the “2021 Bonds”). The 2021 Bonds are being issued pursuant to an Indenture of Trust, dated as of July 1, 2021, by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Proceeds of the 2021 Bonds will be used to refund the Authority’s outstanding 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects).

The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the 2021 Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Official Statement (defined below, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean initially The Bank of New York Mellon Trust Company, N.A., or any successor Dissemination Agent designated in writing by the City and which has filed with the City and the Trustee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system located at <http://www.emma.msrb.org>, as the centralized on-line repository for municipal disclosure documents to be filed with the MSRB pursuant to the Rule, or such other successor repository site as prescribed by the MSRB.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any successor thereto.

“Official Statement” shall mean the final Official Statement, dated October 15, 2020, relating to the 2021 Bonds.

“Participating Underwriter” shall mean Stifel, Nicolaus & Company, Incorporated, as the original underwriter of the 2021 Bonds required to comply with the Rule in connection with offering of the 2021 Bonds.

“Rule” shall mean Rule 15c2 12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

Section 3. Provisions of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, no later than nine months after the close of the City’s fiscal year (which currently will be March 31 of each year based on a June 30 end of fiscal year), commencing with the report for the 2019-20 fiscal year, provide to the MSRB, via EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 15 business days prior to the date specified in subsection (a) above for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the first sentence of this subsection (b). If requested by the Dissemination Agent, the City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the City and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall in a timely manner send a notice to the MSRB, in such form as prescribed or acceptable to MSRB.

(d) The Dissemination Agent (if other than the City) shall, if and to the extent, the City has provided an Annual Report in final form to the Dissemination Agent for dissemination, file a report with the City certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the City for the most recently completed fiscal year. Such audited financial statements shall be prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, as may be further modified by applicable state law. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial

statements in a format similar to the audited financial statements customarily used by the City, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed pursuant to the preceding subsection (a) by the date required by Section 3 hereof:

- (i) the then currently outstanding principal amount of the 2021 Bonds;
- (ii) the General Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances, for the most recently completed fiscal year;
- (iii) top five General Fund revenue sources, itemized, for the most recently completed fiscal year, substantially in the format of Table 4 of the Official Statement;
- (iv) a list of then outstanding bonds, lease and other long-term obligations incurred by the City that are payable from the General Fund; and
- (v) information concerning the assessed valuation of taxable properties within the City for the most recently completed fiscal year.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

Any or all of the items listed above for inclusion in the Annual Report may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been available to the public on EMMA or filed with the SEC. The City shall clearly identify each such other document so included by reference.

#### Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given to the MSRB, via EMMA, notice of the occurrence of any of the following Listed Events with respect to the 2021 Bonds, which notice shall be given in a timely manner, not in excess of ten business days after the occurrence of such Listed Event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties; provided, it is hereby acknowledged that, at the issuance date of the 2021 Bonds, there is no debt service reserve established or required under the governing documents for the 2021 Bonds;

- (4)     Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5)     Substitution of credit or liquidity providers, or their failure to perform;
- (6)     Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2021 Bonds, or other material events affecting the tax status of the 2021 Bonds;
- (7)     Modifications to rights of Bond owners, if material;
- (8)     Bond calls, if material, and tender offers;
- (9)     Defeasances;
- (10)    Release, substitution, or sale of property securing repayment of the 2021 Bonds, if material;
- (11)    Rating changes;
- (12)    Bankruptcy, insolvency, receivership or similar event of the City;
- (13)    The consummation of a merger, consolidation, or acquisition involving the City or its Water System or the sale of all or substantially all of the assets of the City or its Water System, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14)    Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15)    Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and
- (16)    Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

(For Listed Events listed in Section 5(a)(15) and (16), “financial obligation” has such meaning as set forth in the Rule which, as of the date of this Disclosure Certificate, includes: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or

pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); provided that municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule is not a “financial obligation” for this purpose.)

(b) The Dissemination Agent shall, within one business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (1), (3), (4), (5), (6), (9), (11), (12) or (16), or (8) with respect to tender offers, inform the City of the occurrence of such event. In any case, as soon as reasonably practicable after obtaining knowledge of the occurrence of such event, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

(c) The Dissemination Agent shall, within one business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (2), (7), (10), (13), (14), (15) or (8) with respect to bond calls, inform the City of the occurrence of such event and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). So long as the Trustee also serves as the Dissemination Agent, “knowledge” means the actual knowledge at the corporate trust office of the Trustee by an officer of the Trustee with responsibility for matters related to the administration of the Indenture. The Dissemination Agent shall have no responsibility to determine the materiality of any of the listed events.

(d) Whenever the City obtains knowledge of the occurrence of any event specified in Section 5(a) (2), (7), (10), (13), (14), (15) or (8) with respect to bond calls, the City shall as soon as possible, in order to meet the ten business day deadline to file notices required under the Rule and pursuant to the following sentence, determine if such event would be material under applicable Federal securities law. If the City determines that knowledge of the occurrence of such event would be material under applicable Federal securities law, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2021 Bonds. If such termination occurs prior to the final maturity of the 2021 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b); provided, that this requirement shall be deemed satisfied by the filing of a notice of defeasance or full redemption pursuant to Section 5(b).

Section 7. Dissemination Agent. The initial Dissemination Agent shall be The Bank of New York Mellon Trust Company, N.A. From time to time, the City may appoint a different Dissemination Agent to assist it in carrying out its obligations (or designate itself as the Dissemination Agent) under this Disclosure Certificate. The Dissemination Agent may resign by providing 30 days written notice to the City and the Trustee. The City may replace the Dissemination Agent with or without cause.



Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the 2021 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver affecting the 2021 Bonds either (i) is approved by holders of the affected Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of such Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. For purposes of this paragraph, “impact” has the meaning as that word is used in the letter from the staff of the Securities and Exchange Commission to the National Association of Bond Lawyers dated June 23, 1995.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB in the same manner as for a Listed Event under Section 5(b).

No amendment to this Agreement which modifies the duties or rights of the Dissemination Agent shall be made without the prior written consent of the Dissemination Agent.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that

which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Participating Underwriter or any holder or beneficial owner of the 2021 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. So long as the Dissemination Agent is also the Trustee under the Indenture, the Dissemination Agent shall be entitled to the protections and limitations from the liability afforded to the Trustee under Article VI of the Indenture. Solely for such purpose, so long as the Dissemination Agent is also the Trustee under the Indenture, Article VI of the Indenture is incorporated in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of the disclosure of information pursuant to this Disclosure Certificate or arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent (acting in such capacity and not as Trustee or any other role) shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent (if different than the City) shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Owners, or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the City or an opinion of nationally recognized bond counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2021 Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the 2021 Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the City has caused its duly authorized officer to execute and deliver this Certificate on the date first written above.

**CITY OF BREA**

By: \_\_\_\_\_  
City Manager

The undersigned hereby agrees to act as  
Dissemination Agent pursuant to the  
foregoing Continuing Disclosure Certificate

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

## APPENDIX F

### DTC'S BOOK-ENTRY ONLY SYSTEM

*The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof. The City give no assurances that (i) DTC, the Direct and Indirect Participants or others will distribute payments of principal, premium (if any) or interest with respect to the 2021 Bonds paid to DTC or its nominee as, the registered owner, to the Beneficial Owners, (ii) such entities will distribute redemption notices or other notices, to the Beneficial Owners, or (iii) an error or delay relating thereto will not occur.*

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2021 Bonds. The 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2021 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive

written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2021 Bonds, except in the event that use of the book-entry system for the 2021 Bonds is discontinued.

To facilitate subsequent transfers, all 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2021 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMD Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any) and interest payments on the 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any) and interest payments with respect to the 2021 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC,

and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2021 Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2021 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2021 Bond certificates will be printed and delivered in accordance with the provisions of the Indenture.

\$ \_\_\_\_\_  
**BREA PUBLIC FINANCING AUTHORITY  
2021 REFUNDING LEASE REVENUE BONDS  
(SOLAR AND ENERGY EFFICIENCY PROJECTS)**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2021

Brea Public Financing Authority  
c/of City of Brea  
1 Civic Center Circle  
Brea, California 92821  
Attention: Executive Director

City of Brea  
1 Civic Center Circle  
Brea, California 92821  
Attention: City Manager

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (which, together with Exhibit A and Exhibit B, is referred to as the “Purchase Agreement”) with the Brea Public Financing Authority (the “Authority”) and the City of Brea, California (the “City”), which, upon the acceptance of the Authority and the City, will be binding upon the Authority, the City and the Underwriter. This offer is made subject to acceptance by the Authority and by the City by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., California Time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to the acceptance hereof by the Authority and the City. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture of Trust, dated as of July 1, 2021 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

**Section 1. Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the Brea Public Financing Authority 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) in the aggregate principal amount of \$ \_\_\_\_\_ (the “Bonds”). The Bonds will be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on April 1 and October 1 in each year, commencing [October 1, 2021] and will mature, bear interest and be subject to redemption prior to maturity as set forth in Exhibit A hereto. The purchase price for the Bonds shall be equal to \$ \_\_\_\_\_ (being the aggregate principal amount thereof [plus/less] [net] original issue [premium/discount] of \$ \_\_\_\_\_, less an underwriter’s discount of \$ \_\_\_\_\_).

**Section 2. The Bonds.** The Bonds shall be secured by a pledge of Revenues consisting primarily of Lease Payments (the “Lease Payments”) to be paid by the City pursuant to an Amended and Restated Lease Agreement, dated as of July 1, 2021 (the “Lease”), by and between the City and the Authority. The Authority’s right to receive the Lease Payments due under the Lease and to exercise remedies upon default under such Lease shall be assigned to the Trustee for the benefit of the owners of the Bonds pursuant to the Assignment Agreement, dated as of July 1, 2021 (the “Assignment Agreement”), by and between the Authority and the Trustee.

The Bonds shall be as described in, and shall be secured under and pursuant to the Indenture substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon by the Authority, the City and the Underwriter.

The proceeds of the Bonds shall be used to: (i) defease and refund the Authority’s outstanding 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (the “2010 Bonds”), and (ii) pay costs of issuance of the Bonds.

The Bonds, this Purchase Agreement, the Indenture, the Lease, the Amended and Restated Site Lease, dated as of July 1, 2021 (the “Site Lease”), by and between the Authority and the City, the Assignment Agreement, the Escrow Agreement dated as of July 1, 2021 (the “Escrow Agreement”), by and among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as Escrow Agent (the “Escrow Agent”), and a resolution adopted by the Board of Directors of the Authority \_\_\_\_\_, 2021 (the “Authority Resolution”) authorizing the issuance of the Bonds and the execution and delivery of the Authority Documents (hereinafter defined) are collectively referred to herein as the “Authority Documents.”

This Purchase Agreement, the Continuing Disclosure Certificate, dated \_\_\_\_\_, 2021 (the “Continuing Disclosure Certificate”), executed and delivered by the City, the Lease, the Site Lease, the Escrow Agreement and a resolution adopted by the City Council of the City on \_\_\_\_\_, 2021 (the “City Resolution”) authorizing the execution and delivery of the City Documents (hereinafter defined) are collectively referred to herein as the “City Documents.”

### **Section 3. Public Offering and Establishment of Issue Price.**

(a) The Underwriter agrees to make an initial public offering of all of the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The City and the Authority acknowledge and agree that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the City and the Authority, on one hand, and the Underwriter, on the other; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or Authority on other matters); (iv)



the Underwriter has financial and other interests that differ from those of the City and the Authority; and (v) the City and Authority have consulted their own legal, financial and other advisors to the extent they have deemed appropriate.

(b) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing (as defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. [All actions to be taken by the Authority under this section to establish the issue price of the Bonds may be taken on behalf of the Authority by the Authority’s municipal advisor, Fieldman, Rolapp & Associates, Inc. (the “Municipal Advisor”) and any notice or report to be provided to the Authority may be provided to the Authority’s Municipal Advisor.]

(c) The Authority will treat the first price at which 10% of each maturity of the Bonds (the “10% test”), identified under the column “10% Test Used” in Exhibit A, is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel. For purposes of this section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(d) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding price, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(f) The Authority and the City acknowledge that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited

to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority and the City further acknowledge that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(g) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party;

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Purchase Agreement by the City and the Underwriter.

**Section 4. The Official Statement.** By its acceptance of this proposal, the Authority and the City ratify, confirm and approve of the use and distribution by the Underwriter prior to the date hereof of the preliminary official statement relating to the Bonds dated \_\_\_\_\_, 2021 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “Preliminary Official Statement”) that authorized officers of the Authority and the City deemed “final” as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for certain information permitted to be omitted therefrom by Rule 15c2-12. The Authority and the City hereby agree to deliver or cause to be delivered to the Underwriter, within seven business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12), including the cover page, all appendices, all information incorporated therein and any amendments or

supplements as have been approved by the Authority, the City and the Underwriter (the “Official Statement”) in such quantity as the Underwriter shall reasonably request to comply with Section (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

The Underwriter hereby agrees that it will not request that payment be made by any purchaser of the Bonds prior to delivery by the Underwriter to the purchaser of a copy of the Official Statement. The Underwriter agrees: (i) to provide the Authority and the City with final pricing information on the Bonds on a timely basis; (ii) to promptly file a copy of the Official Statement, including any supplements prepared by the Authority or the City with the MSRB at <http://emma.msrb.org>; and (iii) otherwise to comply with all applicable statutes and regulations in connection with the sale of the Bonds. The Authority and the City hereby approve of the use and distribution by the Underwriter of the Preliminary Official Statement in connection with the offer and sale of the Bonds. The Authority and the City will cooperate with the Underwriter in the filing by the Underwriter of the Official Statement with the MSRB.

**Section 5. Closing.** At 8:30 a.m., California Time, on \_\_\_\_\_, 2021, or at such other time or date as the Authority and the Underwriter agree upon (the “Closing Date”), the Authority shall deliver or cause to be delivered to the Trustee, the Bonds, in definitive form, registered in the name of Cede & Co., as the nominee of The Depository Trust Company (“DTC”), so that the Bonds may be authenticated by the Trustee and credited to the account specified by the Underwriter under DTC’s FAST procedures. Concurrently with the delivery of the Bonds, the Authority and the City will deliver the documents hereinafter mentioned at the offices of Jones Hall, A Professional Law Corporation, San Francisco, California (“Bond Counsel”), or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents, is herein called the “Closing.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of five thousand dollars (\$5,000) or any integral multiple thereof. The Authority and the City acknowledge that the services of DTC will be used initially by the Underwriter in order to permit the issuance of the Bonds in book-entry form, and agree to cooperate fully with the Underwriter in employing such services.

**Section 6. Representations, Warranties and Covenants of the Authority.** The Authority represents, warrants and covenants to the Underwriter and the City that:

(a) The Authority is a public body, duly organized and existing under the laws of the State of California (the “State”), including Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “JPA Act”) and the Joint Exercise of Powers Agreement executed in March 1988 (the “JPA Agreement”), between the City and the Brea Redevelopment Agency, as amended to date.

(b) The Authority has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the Authority Documents.

(c) By all necessary official action, the Authority has duly authorized and approved the Authority Documents, has duly authorized and approved the Preliminary Official

Statement and the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in, the Authority Documents and the consummation by it of all other transactions contemplated by the Authority Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against joint powers authorities in the State. The Authority has complied, and will at the Closing be in compliance in all material respects, with the terms of the Authority Documents.

(d) The Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party which breach or default has or may have a materially adverse effect on the ability of the Authority to perform its obligations under the Authority Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the Authority Documents, if applicable, and compliance with the provisions on the Authority's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

(e) Except as described in or contemplated by the Preliminary Official Statement and the Official Statement, all material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by, the Authority of its obligations in connection with the Authority Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(f) The Authority hereby agrees that it will notify the other parties hereto if, within the period from the date of this Purchase Agreement to and including the date twenty-five (25) days following the end of the underwriting period (as defined herein), the Authority discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case, which might cause the Official Statement (as the same may have then been supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process upon the Authority having been accomplished, or threatened in writing to the Authority: (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Lease Payments with respect to the Lease or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the other Authority Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Authority or its authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) To the Authority's knowledge, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of paragraph 6(g).

(i) As of its date, the information in the Preliminary Official Statement set forth under the caption "AUTHORITY" did not, and as of the date hereof does not, contain any untrue statement of a material fact, and as of its date did not, and as of the date hereof does not, omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) As of the date hereof, the information in the Official Statement set forth under the caption "AUTHORITY" does not, and at all times thereafter up to and including the Closing will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The Authority will refrain from taking any action, or permitting any action to be taken, with regard to which the Authority may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(l) Except in a manner permitted under the Authority Documents, the Authority will refrain from taking any action, or permitting any action to be taken, to reduce the amount of the Lease Payments while the Bonds are Outstanding, and the Authority will collect the Lease Payments in accordance with the Lease.

(m) Any certificate signed by any officer of the Authority authorized to execute such certificate in connection with the execution, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Authority to the Underwriter and the City as to the statements made therein but not of the person signing such certificate.

**Section 7. Representations, Warranties and Covenants of the City.** The City represents, warrants and covenants to the Underwriter and the Authority that:

(a) The City is a general law city duly organized and existing under and by virtue of the Constitution and laws of the State.

(b) The City has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the City Documents.

(c) By all necessary official action, the City has duly authorized and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the City Documents and the consummation by it of all other transactions contemplated by the City Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the City Documents will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against municipal corporations in the State. The City has complied, and will at the Closing be in compliance in all material respects, with the terms of the City Documents.

(d) The City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party which breach or default has or may have a materially adverse effect on the ability of the City to perform its obligations under the City Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the City Documents, if applicable, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as may be provided by the City Documents.

(e) Except as described in or contemplated by the Preliminary Official Statement and the Official Statement, all material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by, the City of its obligations in connection with the City Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such

approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds;

(f) As of its date, the Preliminary Official Statement did not, and as of the date hereof, does not, contain any untrue statement of a material fact, and as of its date did not, and as of the date hereof, does not, omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include statements in the Preliminary Official Statement under the captions “AUTHORITY” and “UNDERWRITING” and information regarding DTC and its book-entry only system, as to which no view is expressed).

(g) As of the date hereof, the Official Statement does not, and at all times thereafter up to and including the Closing will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include statements in the Official Statement under the captions “AUTHORITY” and “UNDERWRITING” and information regarding DTC and its book-entry only system, CUSIP numbers, prices and yields for the Bonds and any other information provided by the Underwriter as to which no view is expressed).

(h) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(i) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process upon the City having been accomplished, or threatened in writing to the City: (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Lease Payments with respect to the Lease or of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds, or the City Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from taxation, or contesting the powers of the Authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the City; and (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) To the City’s knowledge, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of paragraph 7(i).

(k) Until the date which is twenty-five (25) days after the “end of the underwriting period” (as hereinafter defined), if any event shall occur of which the City is aware that would cause the Official Statement to contain any untrue statement of a material fact or omit to state



a material fact necessary in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading (except that this representation does not include information regarding DTC and its book entry only system, as to which no view is expressed), the City shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter's reasonable opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time and the City shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. As used herein, the term "end of the underwriting period" means the later of such time as: (i) the Authority delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the "end of the underwriting period" shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Underwriter at or prior to the Closing Date of the Bonds and shall specify a date (other than the Closing Date) to be deemed the "end of the underwriting period."

(l) Except as disclosed in the Preliminary Official Statement and the Official Statement, the City has not within the last five years failed to comply in any material respect with any continuing disclosure undertakings with regard to Rule 15c2-12, to provide annual reports or notices of material events specified in such rule.

(m) The City will refrain from taking any action, or permitting any action to be taken, with regard to which the City may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(n) The financial statements relating to the receipts, expenditures and cash balances of the City as of June 30, 2020 attached as Appendix B to the Official Statement fairly represent the receipts, expenditures and cash balances of the City as of June 30, 2020. Except as disclosed in the Official Statement, there has not been any materially adverse change in the financial condition of the City or in its operations since June 30, 2020 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(o) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Certificate and the other City Documents, to provide annual reports and notices of certain events, if material. A description of this undertaking is set forth in Appendix E to the Preliminary Official Statement and will also be set forth in the Official Statement.

(p) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the execution, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter and the Authority as to the statements made therein but not of the person signing such certificate.

**Section 8. Conditions to the Obligations of the Underwriter.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements of the officers and other officials of the Authority and of the City, as well as authorized representatives of Bond Counsel and the Trustee made in any

Bonds or other documents furnished pursuant to the provisions hereof; to the performance by the Authority and the City of their obligations to be performed hereunder at or prior to the Closing Date; and to the following additional conditions:

(a) The representations, warranties and covenants of the City and the Authority contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) At the time of Closing, the City Documents and the Authority Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the City Documents, the Authority Documents and the Official Statement shall not have been amended, modified or supplemented except pursuant to Section 6(k) hereof or otherwise as may have been agreed to in writing by the Underwriter.

(c) At the time of the Closing, no material default shall have occurred or be existing under the City Documents, Authority Documents, or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would materially adversely impact the ability of the City to pay the Lease Payments.

(d) In recognition of the desire of the Authority, the City and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the discretion of the Underwriter by notification, in writing, to the Authority and the City prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Purchase Agreement:

(i) any event shall occur which makes untrue any material statement or results in an omission to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

(ii) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state

court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority affecting the federal or State tax status of the Authority or the City, or the interest on or with respect to bonds or notes (including the Bonds); or

(iii) any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or authority of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(iv) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental authority having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(v) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any domestic governmental authority or by any domestic national securities exchange, which are material to the marketability of the Bonds; or

(vii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange; or

(viii) in the reasonable judgment of the Underwriter, the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds is materially adversely affected by (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(ix) any rating of the Bonds or the rating of any obligations of the City secured by or payable from the City's general fund shall have been downgraded or withdrawn by a national rating service, which, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) the commencement of any action, suit or proceeding described in Section 6(g) or Section 7(i).

(e) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) The Authority Resolution relating to the Bonds and authorizing the execution and delivery of the Bonds and the Authority Documents and the Official Statement signed by an authorized official of the Authority;

(ii) The City Resolution relating to the Bonds and authorizing the execution and delivery of the City Documents and the delivery of the Bonds and the Official Statement signed by an authorized official of the City;

(iii) The City Documents and the Authority Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(iv) The approving opinion of Bond Counsel dated the Closing Date and addressed to the Authority and the City, in substantially the form attached as Appendix D to the Official Statement, and a reliance letter thereon addressed to the Underwriter;

(v) A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions “INTRODUCTION,” “2021 BONDS,” “SECURITY FOR 2021 BONDS,” and “CONCLUDING MATTERS—Tax Matters,” and in Appendix C—“SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS” and Appendix D—“FORM OF OPINION OF BOND COUNSEL,” excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the City Documents, the Authority Documents and Bond Counsel’s final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects as of the Closing Date, provided that Bond Counsel need not express any opinion with respect to any financial or statistical data contained therein or with respect to the book-entry system in which the Bonds are initially delivered;

(B) The Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the City and the Authority, as applicable, and are the valid, legal and binding agreements of the City and the Authority, as applicable, enforceable in accordance with their respective terms, except that the rights and obligations under the Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion need be expressed with respect to any indemnification or contribution provisions contained therein;

(C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and

(vi) The Official Statement, executed on behalf of the Authority and the City, and the Preliminary Official Statement;

(vii) Evidence that the rating on the Bonds is in effect as described in the Official Statement;

(viii) A certificate, dated the Closing Date, signed by a duly authorized officer of the Authority satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the Authority contained in this Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the Authority, and the Authority has complied with, in all material respects, all of the terms and conditions of this Purchase Agreement required to be complied with by the Authority at or prior to the Closing Date; and (ii) no event affecting the Authority has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect;

(ix) A certificate, dated the Closing Date, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the City, and the City has complied with, in all material respects, all of the terms and conditions of the Purchase Agreement required to be complied with by the City at or prior to the Closing Date; and (ii) no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect;

(x) An opinion dated the Closing Date and addressed to the Underwriter, of Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, in its capacity as the general counsel to the Authority, to the effect that:

(A) The Authority is a joint exercise of powers agency duly organized and validly existing under the Constitution and laws of the State, including the JPA Act and the JPA Agreement;

(B) The Authority Resolution has been duly adopted at a regular meeting of the governing body of the Authority, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Authority Resolution is in full force and effect and have not been modified, amended or rescinded;

(C) Except as otherwise disclosed in the Official Statement, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority or body, pending, with service of process upon the Authority having been accomplished, or to the best knowledge of such counsel threatened in writing against the Authority,

challenging the creation, organization or existence of the Authority, or the validity of the Authority Documents or seeking to restrain or enjoin the issuance of the Bonds, the collection of Lease Payments with respect to the Lease or the repayment of the Bonds or in any way contesting or affecting the validity of the Authority Documents or contesting the authority of the Authority to enter into or perform its obligations under any of the Authority Documents;

(D) To the best of such counsel's knowledge, the execution and delivery of the Authority Documents and the issuance of the Bonds and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject, which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents; and

(E) To the best of such counsel's knowledge, no authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution and delivery of the Authority Documents or the Official Statement by the Authority or the consummation by the Authority of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriter;

(xi) an opinion dated the Closing Date and addressed to the Underwriter, of Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, in its capacity as the City Attorney of the City, to the effect that:

(A) The City is a municipal corporation and general law city duly organized and validly existing under the Constitution and the laws of the State;

(B) The City Resolution has been duly adopted at a meeting of the governing body of the City, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the City Resolution is in full force and effect and have not been modified, amended or rescinded;

(C) Except as otherwise disclosed in the Official Statement, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority or body, pending, with service of process upon the City having been accomplished, or to the best knowledge of such counsel threatened in writing against the City, challenging the creation, organization or existence of the City, or the validity of the City Documents or seeking to restrain or enjoin the issuance of the Bonds, the payment of the Lease Payments or the repayment of the Bonds or in any way contesting or affecting the validity of the City Documents or contesting the authority of the City to enter into or perform its obligations under any of the City Documents, or which, in any manner, questions the right of the City to pay the Lease Payments under the Lease;

(D) To the best of such counsel's knowledge, the execution and delivery of the City Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing

law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents; and

(E) To the best of such counsel's knowledge, no authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution and delivery of the City Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriter;

(xii) An opinion of Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California ("Disclosure Counsel"), dated the Closing Date and addressed to the Authority, the City and the Underwriter, to the effect that, based upon the information made available to them in the course of their participation in the preparation of the Preliminary Official Statement and the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Preliminary Official Statement and the Official Statement, and having made no independent investigation or verification thereof, and stated as a matter of fact and not opinion that, during the course of its representation of the Authority and the City on this matter, no facts came to the attention of the attorneys in its firm rendering legal services in connection with the Preliminary Official Statement and the Official Statement which caused them to believe that the Preliminary Official Statement as of its date and as of the date hereof, or the Official Statement as of its date and as of the Closing Date (except any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, environmental litigation, environmental matters, matters, or any basis therefor; statements relating to the treatment of the Bonds or the interest, discount or premium related thereto for tax purposes under the laws of any jurisdiction and statements contained in the Preliminary Official Statement and the Official Statement under the caption "CONCLUDING MATTERS—Tax Matters," information about the Underwriter or underwriting; information relating to The Depository Trust Company and its book-entry system, and the Appendices thereto, included or referred to therein, which shall be expressly excluded from the scope of this paragraph and as to which such firm need not express any opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that during the period from the date of the Official Statement to the Closing Date, except for such counsel's review of the certificates and opinions regarding the Official Statement delivered on the Closing Date, such counsel has not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Official Statement;;

(xiii) An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriter, in form and substance satisfactory to the Underwriter;

(xiv) An opinion of counsel to the Trustee and the Escrow Agent, addressed to the Underwriter and dated the Closing Date, in form and substance satisfactory to the Underwriter and to Bond Counsel;

(xv) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee and the Escrow Agent in form and substance satisfactory to the Underwriter;

(xvi) The preliminary and final Statement of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code and Section 8855(g) of the Government Code;

(xvii) A copy of the executed Blanket Issuer Letter of Representations by the Authority relating to DTC's book-entry system;

(xviii) Tax and nonarbitrage certifications of the Authority and the City in form and substance to the reasonable satisfaction of Bond Counsel and the Underwriter;

(xix) A certificate, dated the date of the Preliminary Official Statement, of the City, as required under Rule 15c2-12;

(xx) A certificate, dated the date of the Preliminary Official Statement, of the Authority, as required under Rule 15c2-12;

(xxi) Certified copies of the JPA Agreement and all amendments thereto and related certificates issued by the Secretary of State of the State;

(xxii) A certified copy of the general resolution of the Trustee and Escrow Agent authorizing the execution and delivery of certain documents by certain officers of the Trustee and Escrow Agent, which resolution authorizes the execution and delivery of the Indenture and the authentication and delivery of the Bonds by the Trustee;

(xxiii) A copy of a CLTA title insurance policy in an amount equal to the principal amount of the Bonds, insuring the City's leasehold interest in the Leased Property, subject only to permitted encumbrances or such other encumbrances approved in writing by the Underwriter;

(xxiv) Certificates, dated the Closing Date, regarding compliance with the insurance requirements of the Lease;

(xxv) An opinion of Bond Counsel to the effect that the 2010 Bonds have been legally defeased;

(xxvi) A copy of the Verification Report of Causey Demgen & Moore, P.C., as Verification Agent; and

(xxvii) Such additional legal opinions, certificates, proceedings, instruments or other documents as Bond Counsel or the Underwriter may reasonably request.

**Section 9. Changes in Official Statement.** Within 90 days after the Closing or within 25 days following the "end of the underwriting period," whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, the City or the Authority shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the Authority will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City and the



Authority shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB.

**Section 10. Expenses.** Subject to the last sentence of this Section, the Authority or the City will pay or cause to be paid the approved expenses incident to the performance of its obligations hereunder and certain expenses relating to the sale of the Bonds, including, but not limited to (a) the cost of the preparation and printing or other reproduction of the Authority Documents and the City Documents (other than this Purchase Agreement); (b) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Municipal Advisor and any other experts or other consultants retained by the Authority or the City; (c) the costs and fees of the credit rating agencies; (d) the cost of preparing and delivering the definitive Bonds; (e) the cost of providing immediately available funds on the Closing Date; (f) the cost of the printing or other reproduction of the Preliminary Official Statement and Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof; (g) the Underwriter's out-of-pocket expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter on behalf of the City's employees which are incidental to implementing this Purchase Agreement; and (h) the fees for counsel to the Underwriter. The Underwriter will pay the expenses of the preparation of this Purchase Agreement, including CDIA fees, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds.

**Section 11. Notices.** Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Vince Lazalde. All notices or communications hereunder by any party shall be given and served upon each other party. Any notice or communication to be given the Authority under this Purchase Agreement may be given by delivering the same in writing to the Brea Public Financing Authority, c/o City of Brea, 1 Civic Center Circle, Brea, California 92821, Attention: Executive Director. Any notice or communication to be given the City under this Purchase Agreement may be given by delivering the same in writing to the City of Brea, 11 Civic Center Circle, Brea, California 92821, Attention: City Manager.

**Section 12. Parties in Interest.** This Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Authority and the City in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

**Section 13. Severability.** In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

**Section 14. Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



**Section 15. Governing Law.** This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By: \_\_\_\_\_  
Title: Authorized Officer

Accepted as of the date first stated above:

CITY OF BREA

By: \_\_\_\_\_  
Its: City Manager

Time of Execution: \_\_\_\_\_ a.m./p.m. California Time

BREA PUBLIC FINANCING AUTHORITY

By: \_\_\_\_\_  
Its: Executive Director

Time of Execution: \_\_\_\_\_ a.m./p.m. California Time

## EXHIBIT A

\$ \_\_\_\_\_  
**BREA PUBLIC FINANCING AUTHORITY  
2021 REFUNDING LEASE REVENUE BONDS  
(SOLAR AND ENERGY EFFICIENCY PROJECTS)**

### MATURITY SCHEDULE

<i><b>Maturity Date (April 1)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>	<i><b>Initial Offering Price</b></i>	<i><b>10% Test Used</b></i>	<i><b>Hold the Offering Price Rule Used</b></i>
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<sup>T</sup> Term Bonds.

<sup>C</sup> Priced to the optional redemption date of \_\_\_\_\_ 1, 20\_\_\_\_, at \_\_\_\_\_.

### REDEMPTION

***Optional Redemption.*** The Bonds maturing on or after April 1, 20\_\_\_\_, will be subject to redemption, in whole or in part, among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after April 1, 20\_\_\_\_, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption, without premium..

***Special Mandatory Redemption From Insurance or Condemnation Proceeds.*** The Bonds will be subject to redemption as a whole, or in part by lot on a *pro rata* basis among maturities, on any date, from certain proceeds of casualty insurance, title insurance or condemnation required to be used for such purpose pursuant to the Indenture, at a redemption price equal to 100 percent of the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

***Mandatory Sinking Fund Redemption of Term Bonds.*** The Bonds maturing on April 1, 20\_\_ and April 1, 20\_\_ (the “Term Bonds”) will be subject to mandatory redemption in whole or in part by lot, from sinking fund payments, at a redemption price equal to the principal amount of such Term Bonds to be redeemed, without premium, in the aggregate respective principal amounts and on April 1 in the respective years as set forth in the following tables, plus accrued interest to the date of redemption; provided, however, that if some but not all of the Term Bonds of a maturity have been redeemed pursuant to the optional redemption provisions or the special mandatory redemption provisions described above, the total amount of all future sinking fund payments (including the principal amount of the Term Bonds coming due at the maturity thereof) will be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis as determined by the Authority:

**Term Bonds Maturing on April 1, 20\_\_**

<b><i>Redemption Date</i></b> <b><i>(April 1)</i></b>	<b><i>Principal Amount to be</i></b> <b><i>Redeemed</i></b>
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(maturity)

**Term Bonds Maturing on April 1, 20\_\_**

<b><i>Redemption Date</i></b> <b><i>(April 1)</i></b>	<b><i>Principal Amount to be</i></b> <b><i>Redeemed</i></b>
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(maturity)

## EXHIBIT B

\$ \_\_\_\_\_  
**BREA PUBLIC FINANCING AUTHORITY  
2021 REFUNDING LEASE REVENUE BONDS  
(SOLAR AND ENERGY EFFICIENCY PROJECTS)**

### FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated \_\_\_\_\_, 2021, by and among Stifel, the Issuer and the City of Brea, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Brea Public Financing Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2021.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By:\_\_\_\_\_

Name:\_\_\_\_\_

By:\_\_\_\_\_

Name:\_\_\_\_\_

Dated: \_\_\_\_\_, 2021

**SCHEDULE A**  
**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING**  
**PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

*(Attached)*



**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*

**City of Brea**

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**COUNCIL COMMUNICATION**

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

**FROM:** Bill Gallardo, City Manager

**DATE:** 05/18/2021

**SUBJECT:** Issuance of the Brea Public Finance Authority 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) to refund the Brea Public Financing Authority's outstanding 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects)

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**RECOMMENDATION**

Adopt Resolution No. A 2021-01 to authorize the issuance and sale of the Brea Public Finance Authority 2021 Refunding Lease Revenue Bonds and approve related documents and actions.

**BACKGROUND/DISCUSSION**

In 2010, the Brea Public Financing Authority (Authority) issued its 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) to finance the costs of certain renewable energy and energy efficiency improvements on at the Civic and Cultural Center and Brea Community Center properties (the "2010 Bonds"). The 2010 Bonds were issued in the original principal amount of \$2,835,000, of which \$2,760,000 is currently outstanding. The 2010 Bonds are currently callable on any interest payment date (being October 1 and April 1) without penalty.

In February/March 2021, City Staff determined in consultation with its Municipal Advisor, Fieldman, Rolapp & Associates, Inc, and its bond underwriter, Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), that current market conditions allowed for the issuance of the Brea Public Finance Authority 2021 Refunding Lease Revenue Bonds ("2021 Bonds") to generate savings in the form of lower annual debt payments by refinancing the 2010 Bonds. Therefore, on March 16, 2021, staff recommended and the Brea City Council adopted Resolution 2021-014 approving the institution of proceedings to refinance the outstanding 2010 Bonds by issuing refunding bonds

The proposed refinancing assumes that the 2010 Bonds will be called on October 1, 2021 and the proposed refunding bonds would retain the same final maturity date as the 2010 Bonds. The finance team has requested a rating for the 2021 Bonds from Standard & Poor's and expects to receive a rating at least as high as the "AA" underlying rating currently assigned to the 2010 Bonds. Based on current market conditions as of May 5, 2021, it is projected that the City could realize savings at this time by refunding these bonds with tax-exempt bonds. The projected debt service savings are estimated at \$842,097 or an average annual reduction in bond payments of \$56,194 over the next fifteen (15) years. The projected true interest cost is lower at 2.03% as compared to the effective 4.58% average interest rate on the outstanding bonds. The amount of bonds outstanding is projected to be reduced by \$445,000 from \$2.760

million down to \$2.315 million. The term of the 2021 Bonds would remain the same as the 2010 Bonds with a final maturity on April 1, 2036. 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 which includes the costs of issuing the bonds, results in a projected net present value savings of 16.02% of the outstanding bonds to be refunded.

Below is a table summarizing the 2010 Bonds to be refunded and the anticipated savings:

<b>Refunding Statistics (Estimated)</b>	
Amount of Refunded Bonds	\$2,760,000
Call Date of Refunded Bonds	10/01/2021
Refunding Type	Current, Tax-Exempt
Final Maturity	04/01/2036
Amount of Refunding Bonds	\$2,315,000
True Interest Cost	2.03%
Average Annual Savings	\$56,194
Total Gross Savings	\$842,907
Net Present Value Savings	\$463,889
% NPV Savings of Refunded Bonds	16.81%

The 2021 Bonds will be secured solely by lease payments from the City's General Fund for use and occupancy of the City's Community Center (the "Leased Property").

Approval of the attached resolutions will approve the following documents required to issue the 2021 Bonds:

- **Indenture of Trust** – contract between the Authority and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), that sets up required accounts and provides the terms and provisions relating to the 2021 Bonds.
- **Amended and Restated Site Lease** – agreement between the City as lessor and the Authority as lessee which provides for the lease of the Leased Property to the Authority.
- **Amended and Restated Lease Agreement** – agreement between the Authority as lessor and the City as lessee which allows the Authority to sublease the Leased Property back to the City in exchange for semi-annual lease payments sufficient to pay debt service due on the 2021 Bonds.
- **Assignment Agreement** – agreement between the Authority and the Trustee which allows the Authority to assign and transfer certain rights, including the right to receive the City's semi-annual lease payments, to the Trustee for the benefit of the owners of the 2021 Bonds.
- **Escrow Agreement** - among the Authority, the City and The Bank of New York Mellon

Trust Company, N.A., as escrow agent, providing the terms and provisions relating to the refunding and redemption of the 2010 Bonds.

- **Preliminary Official Statement** – offering statement used to inform the marketplace of the terms of the 2021 Bonds and contains all relevant information for the investors to decide whether to purchase the 2021 Bonds.
- **Continuing Disclosure Certificate** - requires the City to submit annual continuing disclosure reports and notice of certain listed events to the marketplace as long as the 2021 Bonds are outstanding. The Bank of New York Mellon Trust Company, N.A., as dissemination agent, will assist the City with this responsibility.
- **Bond Purchase Agreement** – contract among the Authority, the City and the Underwriter, whereby the Underwriter agrees to buy the 2021 Bonds for resale to the public.

If the refinancing is approved, it is anticipated that the 2021 Bonds will be sold in mid-June with the bond closing scheduled on July 13, 2021.

#### **FISCAL IMPACT/SUMMARY**

Based on current market conditions, the refunding of the 2010 Bonds is projected to provide gross savings of approximately \$842,907, or an average annual savings of approximately \$56,194. The 2021 Bonds have a projected 16.81% net present value savings to the City's General Fund.

The following table includes the SB 450 requirements for the 2021 Bonds. These estimates are subject to change, based upon market conditions at the time of bond sale.

<b>Requirement</b>	<b>Estimate</b>
True Interest Cost	2.03%
Total Finance Charge (Fees Paid to Third Parties)	\$157,721
Bond Proceeds Minus Finance Charge	\$2,741,819
Total Payment Amount to Maturity (4/1/2036)	\$3,212,292

#### **RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Cindy Russell, Administrative Services Director

Resolution

Indenture of Trust

Amended and restated Lease Agreement

Amended and Restated Site Lease

Assignment Agreement

Escrow Agreement

Preliminary Official Statement

Bond Purchase Agreement

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## **RESOLUTION NO. A 2021-01**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BREA PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF REFUNDING LEASE REVENUE BONDS TO REFUND OUTSTANDING 2010 LEASE REVENUE BONDS (SOLAR AND ENERGY EFFICIENCY PROJECTS) (FEDERALLY TAXABLE - BUILD AMERICA BONDS - DIRECT PAYMENT), AND APPROVING RELATED DOCUMENTS AND ACTIONS**

**WHEREAS**, the Brea Public Financing Authority (the “Authority”) has previously issued its Brea Public Financing Authority 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (Federally Taxable - Build America Bonds - Direct Payment) in the aggregate principal amount of \$2,835,000 (the “2010 Bonds”) for the purpose of providing funds to enable the City of Brea (the “City”) to finance the acquisition, construction and installation of solar and energy efficiency projects throughout the City; and

**WHEREAS**, the 2010 Bonds are secured by a pledge of lease payments which are made by the City as rental for certain property consisting generally of the land and improvements which constitute the existing Community Center of the City (the “Leased Property”), under a Lease Agreement dated as of April 1, 2010, between the City and the Authority; and

**WHEREAS**, the 2010 Bonds are subject to redemption at the option of the Authority on October 1, 2021, at a redemption price equal to 100% of the principal amount thereof together with accrued interest thereon to the redemption date, without premium; and

**WHEREAS**, the City and the Authority have determined that it is in their best interests to refund the 2010 Bonds, and in order to provide funds for that purpose the City has requested the Authority to authorize the issuance and sale of its 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) in the aggregate principal amount of not to exceed \$3,000,000 (the “Refunding Bonds”) under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, commencing with Sections 53570 and 53580 (the “Refunding Bond Law”); and

**WHEREAS**, the Authority has been organized as a joint exercise of powers authority for the purpose of providing financial assistance to the City and is authorized to issue the Refunding Bonds for the purposes set forth in this Resolution, and the Board of Directors of the Authority wishes to authorize the issuance and sale of the Refunding Bonds and to approve all related documents and proceedings to which it is a party; and

**WHEREAS**, the City Council of the City has previously approved a Debt Management Policy which complies with Government Code Section 8855 and which by its terms is also applicable to the Authority, and the Board of Directors hereby determines that the Authority is subject to such Debt Management Policy and that the issuance of the Refunding Bonds will be in compliance therewith; and

**WHEREAS**, pursuant to Government Code Section 5852.1 which became effective on January 1, 2018 by the enactment of Senate Bill 450, certain information relating to the Refunding Bonds is set forth in Appendix A attached to this Resolution, and such information is hereby disclosed and made public;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BREA PUBLIC FINANCING AUTHORITY AS FOLLOWS:**

**Section 1. Authorization of Refunding Bonds.** The Board of Directors hereby authorizes the issuance of the Refunding Bonds under the Refunding Bond Law, for the purpose of providing funds to refund the 2010 Bonds and thereby realize debt service savings to the City.

**Section 2. Approval of Related Financing Agreements.** The Board of Directors hereby approves each of the following agreements relating to the issuance and sale of the Refunding Bonds, in substantially the respective forms on file with the Secretary together with any changes therein or additions thereto deemed advisable by the Executive Director or the Assistant Treasurer (each, an “Authorized Officer”), whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to execute, and the Secretary of the Authority is hereby authorized and directed to attest to, the final form of each such agreement:

- Indenture of Trust, between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), setting forth the terms and provisions relating to the Refunding Bonds.
- Amended and Restated Site Lease, between the City as lessor and the Authority as lessee of the Leased Property, under which the City and the Authority amend and restate the site lease relating to the 2010 Bonds for the purpose of incorporating the terms and provisions relating to the Refunding Bonds;
- Amended and Restated Lease Agreement, between the Authority as lessor and the City as lessee of the Leased Property, under which the



- City and the Authority amend and restate the lease agreement relating to the 2010 Bonds for the purpose of incorporating the terms and provisions relating to the Refunding Bonds, including for the purpose of reducing the schedule of lease payments for the Leased Property to reflect the debt service savings which are realized as a result of the issuance of the Refunding Bonds and the refunding of the 2010 Bonds;
- Assignment Agreement, between the Authority and the Trustee, whereby the Authority assigns certain of its rights under the Amended and Restated Lease Agreement to the Trustee for the benefit of the owners of the Refunding Bonds, and which terminates the assignment previously made for the security of the 2010 Bonds; and
  - Escrow Agreement, among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent, providing the terms and provisions relating to the refunding and redemption of the 2010 Bonds.

**Section 3. Sale of Refunding Bonds.** In accordance with Section 53583 of the Refunding Bond Law, the Board of Directors hereby approves the sale of the Refunding Bonds by the Authority on a negotiated basis to Stifel, Nicolaus & Company, Incorporated (the “Underwriter”). The Refunding Bonds shall be sold to the Underwriter pursuant to the Bond Purchase Agreement among the Authority, the City and the Underwriter in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by an Authorized Officer, and execution of the final form of the Bond Purchase Agreement by an Authorized Officer shall be

conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized to approve an offer from the Underwriter to purchase the Refunding Bonds, provided that the amount of Underwriter's discount for the Refunding Bonds shall be not more than 1.50% of the par amount thereof, and the true interest cost of the Refunding Bonds shall not exceed 4.00% per annum. An Authorized Officer is hereby authorized and directed to execute the final form of the Bond Purchase Agreement in the name and on behalf of the Authority.

**Section 4. Official Statement.** The Board of Directors hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Refunding Bonds in the form on file with the Secretary of the Authority. An Authorized Officer is individually authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Board of Directors' determination that the Preliminary Official Statement has been deemed final within the meaning of such Rule. Distribution of the Preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of such Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The Board of Directors hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official Statement shall be executed in the name and on behalf of the Authority by an Authorized Officer.

**Section 5. Official Actions.** The Chair, the Executive Director, the Assistant Treasurer, the Secretary and all other officers of the Authority are each authorized and directed in the name and on behalf of the Authority to make any and all assignments,

certificates, requisitions, agreements, notices, consents, instruments of conveyance and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

**Section 6. Effective Date.** This Resolution shall take effect immediately upon its passage and adoption.

**PASSED AND ADOPTED** by the Board of Directors of the Brea Public Financing Authority at a regular meeting held on May 18, 2021.

\_\_\_\_\_  
Steven Vargas, 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 18<sup>th</sup> day of May, 2021, by the following vote:

AYES:            AUTHORITY MEMBERS:

NOES:           AUTHORITY MEMBERS:

ABSENT:        AUTHORITY MEMBERS:

ABSTAIN:       AUTHORITY MEMBERS:

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

\_\_\_\_\_  
Lillian Harris-Neal, City Clerk

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# INDENTURE OF TRUST

Dated as of July 1, 2021

between

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,**  
*as Trustee*

and the

**BREA PUBLIC FINANCING AUTHORITY**

*Authorizing the Issuance of*

**\$\_\_\_\_\_**

**2021 Refunding Lease Revenue Bonds  
(Solar and Energy Efficiency Projects)**

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APPENDIX A	DEFINITIONS
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## INDENTURE OF TRUST

This INDENTURE OF TRUST (this "Indenture"), dated for convenience as of July 1, 2021, is between the BREA PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in Los Angeles, California, being qualified to accept and administer the trusts hereby created (the "Trustee").

### *B A C K G R O U N D :*

1. The Authority has previously issued its Brea Public Financing Authority 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (Federally Taxable - Build America Bonds - Direct Payment) in the aggregate principal amount of \$2,835,000 (the "2010 Bonds") for the purpose of providing funds to enable the City of Brea (the "City") to finance the acquisition, construction and installation of solar and energy efficiency projects throughout the City.

2. The 2010 Bonds are secured by a pledge of lease payments which are made by the City as rental for certain property consisting generally of the land and improvements which constitute the existing Community Center of the City (the "Leased Property"), under a Lease Agreement dated as of April 1, 2010 (the "2010 Lease Agreement"), between the City and the Authority.

3. The 2010 Bonds are subject to redemption at the option of the Authority on October 1, 2021 at a redemption price equal to 100% of the principal amount thereof together with accrued interest thereon to the redemption date, without premium.

4. The City and the Authority have determined that it is in their best interests to refund the 2010 Bonds and in order to provide funds for that purpose the Authority has authorized the issuance of its 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) in the aggregate principal amount of \$\_\_\_\_\_ (the "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 Sections 53570 and 53580 of said Code (the "Bond Law").

5. In order to provide revenues which are sufficient to enable the Authority to pay debt service on the Bonds, the Authority and the City have amended and restated the 2010 Lease Agreement pursuant to an Amended and Restated Lease Agreement dated as of July 1, 2021, under which the City has agreed to pay semiannual lease payments (the "Lease Payments") as the rental for the Leased Property.

6. The Authority has assigned the Lease Payments to the Trustee for the security of the Bonds under an Assignment Agreement dated as of July 1, 2021, between the Authority as assignor and the Trustee as assignee.

7. In order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the payment of the principal thereof and interest thereon, the Authority has authorized the execution and delivery of this Indenture.

8. The Authority has found and determined, and hereby affirms, that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized.

## **A G R E E M E N T :**

In order to secure the payment of the principal of and the interest on all the Outstanding Bonds under this Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Authority and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, as follows:

## **ARTICLE I**

### **DEFINITIONS; RULES OF CONSTRUCTION**

SECTION 1.01. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms defined in Appendix A attached to this Indenture have the respective meanings specified in Appendix A when used in this Indenture.

SECTION 1.02. *Authorization.* Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Indenture, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

SECTION 1.03. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

(d) Whenever the term “may” is used herein with respect to an action by one of the parties hereto, such action shall be discretionary and the party who “may” take such action shall be under no obligation to do so.

## ARTICLE II

### THE BONDS

SECTION 2.01. *Authorization of Bonds.* The Authority has reviewed all proceedings heretofore taken and, as a result of such review, hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now duly empowered, under each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture.

The Authority hereby authorizes the issuance of Bonds under the Bond Law for the purpose of providing funds to refund the 2010 Bonds. The Bonds shall be designated the “2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects)” and shall be issued in the aggregate principal amount of \$\_\_\_\_\_. The Bonds are authorized and issued under and subject to the terms of this Indenture and the Bond Law.

#### SECTION 2.02. *Terms of the Bonds.*

(a) Payment Provisions. The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Bond has more than one maturity date. The Bonds shall mature on April 1 in each of the years and in the amounts, and bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

<u>Maturity Date</u> <u>(April 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity Date</u> <u>(April 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
--	-----------------------------------	--------------------------------	--	-----------------------------------	--------------------------------

Interest on the Bonds is payable from the Interest Payment Date next preceding the date of authentication thereof unless:

- (a) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,
- (b) a Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or
- (c) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest is payable on each Interest Payment Date to the persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than 10 days prior to such special record date.

The Trustee will pay interest on the Bonds by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee will pay interest on such Bonds on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request will remain in effect until rescinded in writing by the Owner. The Trustee will pay principal of the Bonds in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee. The provisions of this Section are subject in all respects to the provisions of Section 2.04 relating to the payment of the principal of and interest on the Bonds held in book-entry form.

#### SECTION 2.03. *Transfer and Exchange of Bonds.*

(a) Transfer. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds under this Section. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of like series, interest rate, maturity and aggregate principal amount. The Authority shall pay the cost of any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds. Prior to any transfer of the Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to

comply with any applicable tax reporting obligations, including without limitation any cost basis report obligations under Section 6045 of the Tax Code. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(b) Exchange. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds under this subsection (b). The Authority shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

(c) Limitations. The Trustee may refuse to transfer or exchange, under the provisions of this Section, any Bonds selected by the Trustee for redemption under Article IV, or any Bonds during the period established by the Trustee for the selection of Bonds for redemption.

#### SECTION 2.04. *Book-Entry System.*

(a) Original Delivery. The Bonds will be initially delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the Trustee shall register the ownership of each Bond on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, each of the Authority and the Trustee has no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Nominee holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, each of the Authority and the Trustee has no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed if the Authority elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal of or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal of and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the Authority to make payments of principal and interest under this Indenture. Upon delivery by the

Depository to the Authority of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Authority shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Authority has previously executed and delivered the Representation Letter. The execution and delivery of the Representation Letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. The Authority shall take all action reasonably necessary for all representations of the Authority and the Trustee in the Representation Letter to at all times be complied with. In addition to the execution and delivery of the Representation Letter, the Authority may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Authority determines to terminate the Depository as such, then the Authority shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Authority and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Authority fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

If the Authority determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Authority may notify the Depository System Participants of the availability of such certificated Bonds through the Depository. In such event, the Trustee will issue, transfer and exchange Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Authority shall cooperate with the Depository in taking appropriate action (i) to make available one or more separate certificates evidencing the Bonds to any Depository System Participant having Bonds credited to its account with the Depository, or (ii) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Bonds, all at the Authority's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

SECTION 2.05. *Registration Books.* The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall upon reasonable notice as agreed to by the Trustee, be open to inspection during regular business hours by the Authority; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

SECTION 2.06. *Form and Execution of Bonds.* The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Appendix B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Chairperson of the Authority shall execute, and the Secretary of the Authority shall attest each Bond. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. Any Bond may be signed and attested on behalf of the Authority by such persons as at the actual date of the execution of such Bond are the proper officers of the Authority, duly authorized to execute debt instruments on behalf of the Authority, although on the date of such Bond any such person was not an officer of the Authority.

Only those Bonds bearing a certificate of authentication in the form set forth in Appendix B, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

### **ARTICLE III**

#### **ISSUANCE OF BONDS; APPLICATION OF PROCEEDS**

SECTION 3.01. *Issuance of the Bonds.* Concurrently with the execution of this Indenture, the Authority shall execute and the Trustee shall authenticate and deliver the Bonds to the Original Purchaser, upon the Written Request of the Authority.

SECTION 3.02. *Application of Proceeds of Sale of Bonds.* On the Closing Date, the Authority shall direct the Original Purchaser to pay the purchase price of the Bonds by making the following transfers for the following purposes:

- (a) The Original Purchaser shall transfer the amount of \$\_\_\_\_\_ to the Trustee for deposit into the Costs of Issuance Fund.
- (b) The Original Purchaser shall transfer the amount of \$\_\_\_\_\_, constituting the remainder of such proceeds, to the Escrow Agent for application pursuant to the Escrow Agreement.

SECTION 3.03. *Establishment and Application of Costs of Issuance Fund.* The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund" into which the Trustee shall deposit a portion of the proceeds of sale of the Bonds under Section 3.02(a). The Trustee shall disburse amounts in the Costs of Issuance Fund from time to time to pay the Costs of Issuance of the Bonds upon submission of Written Requisitions of the Authority stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against the Costs of Issuance Fund. The Trustee may conclusively rely on such Written Requisitions and shall be fully protected in relying thereon. On October 1, 2021, or upon the earlier Written Request of the Authority, the Trustee shall transfer all amounts remaining in the Costs of Issuance Fund to the Interest Account and shall thereupon close the Costs of Issuance Fund.

SECTION 3.04. *Refunding of 2010 Bonds.* The Authority shall cause the proceeds of the Bonds to be applied to the payment and redemption of the 2010 Bonds in full in accordance with the provisions of the Escrow Agreement. From and after the Closing Date, the 2010 Bonds shall be fully discharged and satisfied and shall no longer be secured by a pledge of or lien on the Revenues, or any portion thereof.

SECTION 3.05. *Validity of Bonds.* The recital contained in the Bonds that the same are issued under the Constitution and laws of the State of California shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

## **ARTICLE IV**

### **REDEMPTION OF BONDS**

SECTION 4.01. *Optional Redemption.* The Bonds maturing on or before April 1, 20\_\_, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after April 1, 20\_\_, are subject to redemption in whole, or in part at the Written Request of the Authority among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after April 1, 20\_\_, from any available source of funds, at a redemption price of the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption, without premium. The Authority shall give the Trustee written notice of its intention to redeem the Bonds under this Section, and the manner of selecting such Bonds for redemption from among the maturities thereof, at least 45 days (or such shorter period as may be acceptable to the Trustee) prior to the proposed redemption date.

SECTION 4.02. *Mandatory Sinking Fund Redemption of Term Bonds.* The Term Bonds are subject to mandatory redemption in whole, or in part by lot, from sinking fund payments made under Section 5.02(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest to the date of redemption, in the aggregate respective principal amounts and on April 1 in the years as set forth in the following table:



**Bonds Maturing April 1, 20\_\_**  
**Mandatory Sinking Fund Redemption**

Payment Date (April 1)	Payment Amount
---------------------------	-------------------

If some but not all of the Term Bonds have been redeemed under Sections 4.01 or 4.03, the total amount of all future sinking fund payments (including the principal amount of the Term Bonds coming due at the maturity thereof) will be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis as determined by the Authority, which shall notify the Trustee in writing of such determination.

SECTION 4.03. *Special Mandatory Redemption From Insurance or Condemnation Proceeds.* The Bonds are subject to redemption as a whole, or in part by lot on a pro rata basis among maturities, on any date, from any Net Proceeds required to be used for such purpose as provided in Section 5.06, at a redemption price equal to 100% of the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

SECTION 4.04. *Selection of Bonds for Redemption.* Whenever provision is made in this Indenture for the redemption of less than all of the Bonds of a single maturity, the Trustee shall select the Bonds of that maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee shall treat each Bond as consisting of separate \$5,000 portions and each such portion shall be subject to redemption as if such portion were a separate Bond.

SECTION 4.05. *Right to Rescind Notice of Optional Redemption.* The Authority has the right to rescind any notice of the optional redemption of Bonds under Section 4.01 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Authority and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall cause notice of such rescission to be given to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Registration Books, and to the Municipal Securities Rulemaking Board.

SECTION 4.06. *Notice of Redemption.* The Trustee shall give notice of redemption of the Bonds not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books. In addition, the Trustee shall file a copy of each redemption notice electronically with the Municipal Securities Rulemaking Board in accordance with the Continuing Disclosure Certificate. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers

and (in the event that not all Bonds within a maturity are called for redemption) Bond numbers of the Bonds to be redeemed and the maturity or maturities of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority. As provided in Section 4.05, the notice of redemption of Bonds under Section 4.01 may be made conditional upon the receipt of funds for that purpose and may provide that notice of such redemption may be cancelled in the event funds for the redemption of the Bonds are not available.

SECTION 4.07. *Partial Redemption of Bonds.* Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered.

SECTION 4.08. *Effect of Redemption.* Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed under the provisions of this Article shall be canceled by the Trustee upon surrender thereof and destroyed in accordance with the retention policy of the Trustee then in effect.

## ARTICLE V

### REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

#### SECTION 5.01. *Security for the Bonds; Bond Fund.*

(a) Pledge of Revenues and Other Amounts. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues and all amounts (including proceeds of the sale of the Bonds) held in any fund or account established under this Indenture are hereby pledged to secure the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of this Indenture. Said pledge constitutes a lien on and security interest in the Revenues and such amounts and shall attach, be perfected and be valid and binding from and after the Closing Date, without the need for any physical delivery thereof or further act.

(b) Assignment to Trustee. Under the Assignment Agreement, the Authority has transferred to the Trustee all of the rights of the Authority in the Lease Agreement (other than the rights of the Authority under Sections 4.4, 5.10, 7.3 and 8.4 thereof). The Trustee shall be entitled to collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee is also entitled to and shall, subject to the provisions of Article VIII, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the City under the Lease Agreement.

(c) Deposit of Revenues in Bond Fund. All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Bond Fund" which the Trustee shall establish, maintain and hold in trust; except that all moneys received by the Trustee and required hereunder or under the Lease Agreement to be deposited in the Insurance and Condemnation Fund or the Redemption Fund shall be promptly deposited in such funds. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture. Any surplus remaining in the Bond Fund, after payment in full of (i) the principal of and interest on the Bonds, or provision therefore under Article X, and (ii) any applicable fees and expenses to the Trustee, shall be withdrawn by the Trustee and remitted to the City.

SECTION 5.02. *Allocation of Revenues.* On or before each Interest Payment Date, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Bond Fund), the following amounts in the following order of priority:

- (a) Deposit to Interest Account. The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding.

- (b) Deposit to Principal Account. The Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such Interest Payment Date, including the principal amount of any Term Bonds which are subject to mandatory sinking fund redemption on such Interest Payment Date under Section 4.02.

SECTION 5.03. *Interest Account.* All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it comes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

SECTION 5.04. *Principal Account.* All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at their respective maturity dates, including the principal amount of any Term Bonds which are subject to mandatory sinking fund redemption under Section 4.02.

SECTION 5.05. *Redemption Fund.* Upon the receipt of any funds which are required to be applied to the redemption of Bonds under Sections 4.01 or 4.03, the Trustee shall establish and maintain the Redemption Fund, into which the Trustee shall deposit such funds, in accordance with a Written Request of the Authority. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds to be redeemed under Section 4.01 and under Section 4.03.

SECTION 5.06. *Insurance and Condemnation Fund.*

(a) Establishment of Fund. Upon the receipt of the Net Proceeds of insurance or eminent domain with respect to the Leased Property, the Trustee shall establish and maintain the Insurance and Condemnation Fund, to be held and applied as hereinafter set forth in this Section.

(b) Application of Insurance Proceeds. Any Net Proceeds of insurance against accident to or destruction of the Leased Property collected by the City or the Authority in the event of any such accident or destruction shall be paid to the Trustee under Section 6.3 of the Lease Agreement and deposited by the Trustee promptly upon receipt thereof in the Insurance and Condemnation Fund. If the City fails to determine and notify the Trustee in writing of its determination, within 120 days following the date of such deposit, to apply such Net Proceeds to replace, repair, restore, modify or improve the Leased Property which has been damaged or destroyed, then such Net Proceeds shall be promptly transferred by the Trustee to the Redemption Fund and applied to the redemption of Bonds on the next available redemption date under Section 4.03. Notwithstanding the foregoing sentence, however, if the Leased Property is damaged or destroyed in full, the Net Proceeds of such insurance shall be used by the City to rebuild or replace the Leased Property if such proceeds are not sufficient to defease Outstanding Bonds.

Any Net Proceeds of title insurance with respect to the Leased Property collected by the City or the Authority shall be paid to the Trustee under Section 5.6 of the Lease Agreement and deposited by the Trustee promptly upon receipt thereof in the Insurance and Condemnation Fund. If the City fails to determine and notify the Trustee in writing of

its determination, within 120 days following the date of such deposit, to apply such Net Proceeds to replace the Leased Property or cure the title defect which gave rise to such Net Proceeds, then such Net Proceeds shall be promptly transferred by the Trustee to the Redemption Fund and applied to the redemption of Bonds on the next available redemption date under Section 4.03.

All proceeds deposited in the Insurance and Condemnation Fund and not so applied to redeem the Outstanding Bonds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Leased Property by the City, or to the replacement of the Leased Property or the curing of any title defect in the Leased Property in the case of Net Proceeds received under Section 5.6 of the Lease Agreement, upon receipt of a Written Request of the City which: (i) states with respect to each payment to be made (A) the requisition number, (B) the name and address of the person to whom payment is due, (C) the amount to be paid and (D) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund and has not been the basis of any previous withdrawal; and (ii) specifies in reasonable detail the nature of the obligation. Each such Written Request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Any balance of the proceeds remaining after such work has been completed as certified by the City under a Written Certificate to the Trustee shall be paid to the City. The Trustee shall be entitled to conclusively rely on any Written Request or Written Certificate received under this subsection (b) of this Section and in each case, shall be fully protected in relying thereon.

(c) Application of Eminent Domain Proceeds. If all or any part of the Leased Property is taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Authority shall deposit or cause to be deposited with the Trustee the Net Proceeds therefrom, which the Trustee shall deposit in the Insurance and Condemnation Fund, to be applied and disbursed by the Trustee as follows:

- (i) If the City has not given written notice to the Trustee, within 120 days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for the replacement of the Leased Property or such portion thereof, the Trustee shall deposit such Net Proceeds in the Redemption Fund, to be applied to redeem Outstanding Bonds under Section 4.03.
- (ii) If the City has given written notice to the Trustee, within 120 days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for replacement of the Leased Property or such portion thereof, the Trustee shall pay to the City, or to its order, from said proceeds such amounts as the City may expend for such replacement, upon the filing of Written Requisitions of the City as agent for the Authority.

In each case, the Trustee may conclusively rely upon any notice received under this subsection (c)(ii) of this Section and is protected in relying thereon.

(d) Reliance on Independent Advice. In making any such determination whether to repair, replace or rehabilitate the Leased Property under this Section, the City may obtain, but is not required to obtain, at its expense, the report of an independent engineer or other independent professional consultant. Any such determination by the City shall be final.

SECTION 5.07. *Investments.* All moneys in any of the funds or accounts established with the Trustee under this Indenture shall be invested by the Trustee solely in Permitted Investments. Such investments shall be directed by the Authority in a Written Request of the Authority filed with the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such directions from the Authority, the Trustee shall hold such funds uninvested. Permitted Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. To the extent Permitted Investments are registrable, such Permitted Investments shall be registered in the name of the Trustee.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the Bond Fund. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee or any of its affiliates may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made under this Section.

The Trustee may make any investments hereunder through its own bond or investment department or trust investment department, or those of its parent or any affiliate. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or is dealing as a principal for its own account.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Authority a periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

SECTION 5.08. *Valuation and Disposition of Investments.*

(a) Except as otherwise provided in subsection (b) of this Section, the Authority covenants that all investments of amounts deposited in any fund or account created by or under this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued at the Fair Market Value thereof as such term is defined in subsection (d) below. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Authority in any Written Request of the Authority.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code shall be valued at cost thereof, (consisting of present value thereof within the meaning of Section 148 of the Tax Code); provided that the Authority shall inform the Trustee which funds are subject to a yield restriction.

(c) Except for funds or accounts described in subsection (b), for the purpose of determining the amount in any fund or account established hereunder, the value of Permitted Investments credited to such fund shall be valued by the Trustee at least annually on or before March 15 of each year. The Trustee may sell or present for redemption, any Permitted Investment so purchased by the Trustee whenever it is necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from any such Permitted Investment.

(d) For purposes of this Section, the term "Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security -- State and Local Government Series which is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

(e) To the extent of any valuations made by the Trustee hereunder, the Trustee may utilize and rely upon computerized securities pricing services that may be available to it, including those available through its regular accounting system.

## ARTICLE VI

### COVENANTS OF THE AUTHORITY

SECTION 6.01. *Punctual Payment.* The Authority shall punctually pay or cause to be paid the principal of and interest on all the Bonds in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of the Revenues and other amounts pledged for such payment as provided in this Indenture.

SECTION 6.02. *Extension of Payment of Bonds.* The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which have not been so extended. Nothing in this Section limits the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance does not constitute an extension of maturity of the Bonds.

SECTION 6.03. *Against Encumbrances.* The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

SECTION 6.04. *Power to Issue Bonds and Make Pledge and Assignment.* The Authority is duly authorized under law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other amounts purported to be pledged and assigned, respectively, under this Indenture and under the Assignment Agreement in the manner and to the extent provided in this Indenture and the Assignment Agreement. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

SECTION 6.05. *Accounting Records.* The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds and all funds and accounts established under this Indenture. The Trustee shall make such books of record and account available for inspection by the Authority and the City, during business hours, upon reasonable notice, and under reasonable circumstances.



SECTION 6.06. *Limitation on Additional Obligations.* The Authority covenants that no additional bonds, notes or other indebtedness shall be issued or incurred which are payable out of the Revenues in whole or in part.

SECTION 6.07. *Tax Covenants.*

(a) Private Business Use Limitation. The Authority shall assure that the proceeds of the Bonds are not used in a manner which would cause the Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The Authority may not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The Authority may not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds or of any other obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Tax Code.

(d) Maintenance of Tax Exemption. The Authority shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The Authority shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, at the times and in the manner required under the Tax Code. The Authority shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, such payments to be made from amounts paid by the City for that purpose under Section 4.4(d) of the Lease Agreement. The Authority shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Bonds, records of the determinations made under this subsection (e).

SECTION 6.08. *Enforcement of Lease Agreement.* The Trustee shall promptly collect all amounts (to the extent any such amounts are available for collection) due from the City under the Lease Agreement. Subject to the provisions of Article VIII, the Trustee shall enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Authority and for the enforcement of all of the obligations of the City under the Lease Agreement.

SECTION 6.09. *Waiver of Laws.* The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of

any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

SECTION 6.10. *Further Assurances.* The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

## **ARTICLE VII**

### **EVENTS OF DEFAULT AND REMEDIES**

SECTION 7.01. *Events of Default.* The following events constitute Events of Default hereunder:

- (a) Failure to pay any installment of the principal of any Bonds when due, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.
- (b) Failure to pay any installment of interest on the Bonds when due.
- (c) Failure by the Authority to observe and perform any of the other covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, if such failure has continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the Authority by the Trustee; provided, however, if in the reasonable opinion of the Authority the failure stated in the notice can be corrected, but not within such 30-day period, such failure shall not constitute an Event of Default if the Authority institutes corrective action within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.
- (d) The commencement by the Authority of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.
- (e) The occurrence and continuation of an event of default under and as defined in the Lease Agreement.

SECTION 7.02. *Application of Revenues and Other Funds After Default.* If an Event of Default occurs and is continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee in the following order of priority:

- (a) To the payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its legal counsel including outside counsel and the allocated costs of internal attorneys) incurred in and about the performance of its powers and duties under this Indenture;

- (b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of this Indenture, as follows:

*First:* To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

*Second:* To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

SECTION 7.03. *Trustee to Represent Bond Owners.* The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, this Indenture and applicable provisions of any law. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

SECTION 7.04. *Limitation on Bond Owners' Right to Sue.* Notwithstanding any other provision hereof, no Owner of any Bonds has the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Lease Agreement or any other applicable law with respect to such Bonds, unless (a) such Owner has given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee has failed to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee; and (e) no direction inconsistent with such written request has been given to the

Trustee during such 60-day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Lease Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

SECTION 7.05. *Absolute Obligation of Authority.* Nothing herein or in the Bonds contained affects or impairs the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon acceleration or call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

SECTION 7.06. *Termination of Proceedings.* In case any proceedings taken by the Trustee or by any one or more Bond Owners on account of any Event of Default have been discontinued or abandoned for any reason or have been determined adversely to the Trustee or the Bond Owners, then in every such case the Authority, the Trustee and the Bond Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee and the Bond Owners shall continue as though no such proceedings had been taken.

SECTION 7.07. *Remedies Not Exclusive.* No remedy herein conferred upon or reserved to the Trustee, to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.08. *No Waiver of Default.* No delay or omission of the Trustee or any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient by the Trustee or the Bond Owners.

SECTION 7.09. *Notice to Bond Owners of Default.* Immediately upon becoming aware of the occurrence of an Event of Default, but in no event later than five Business Days following becoming aware of such occurrence, the Trustee shall promptly give written notice thereof by first class mail, postage prepaid, to the Owner of each Outstanding Bond, unless such Event of Default has been cured before the giving of such notice; *provided, however* that except in the case of an Event of Default described in

Sections 7.01(a) or 7.01(b), the Trustee may elect not to give such notice to the Bond Owners if and so long as the Trustee in good faith determines that it is in the best interests of the Bond Owners not to give such notice.

## **ARTICLE VIII**

### **THE TRUSTEE**

SECTION 8.01. *Appointment of Trustee.* The Bank of New York Mellon Trust Company, N.A. is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this Article, so long as any Bonds are Outstanding.

SECTION 8.02. *Acceptance of Trusts; Removal and Resignation of Trustee.* The Trustee hereby accepts the express trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

- (a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture and no implied duties or covenants shall be read into this Indenture against the Trustee.
- (b) The Authority, with thirty days' prior notice, may remove the Trustee at any time, unless an Event of Default has occurred and is then continuing, and shall remove the Trustee (a) if at any time requested to do so by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (b) if at any time the Trustee ceases to be eligible in accordance with Section 8.02, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.
- (c) The Trustee may at any time resign by giving written notice of such resignation to the Authority and the City, and by giving the Bond Owners notice of such resignation by mail at the addresses shown on the Registration Books.
- (d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. In the event of the removal or resignation of the Trustee under subsections (b) or (d), respectively, the Authority shall promptly appoint a successor Trustee.

If no successor Trustee has been appointed and accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such appointment by executing and delivering to the Authority, to its predecessor Trustee a written acceptance thereof, and after payment by the Authority of all unpaid fees and expenses of the predecessor Trustee, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to the Leased Property held by such predecessor Trustee under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall promptly mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to the Rating Agency and to the Bond Owners at the addresses shown on the Registration Books. If the Authority fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

- (e) Any Trustee appointed under this Indenture shall be a corporation or association organized and doing business under the laws of any state or the United States of America or the District of Columbia, shall be authorized under such laws to exercise corporate trust powers, shall have (or, in the case of a corporation or association that is a member of a bank holding company system, the related bank holding company has) a combined capital and surplus of at least \$50,000,000, and shall be subject to supervision or examination by a federal or state agency, so long as any Bonds are Outstanding. If such corporation or association publishes a report of condition at least annually under law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection (e), the combined capital and surplus of such corporation

or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If the Trustee at any time ceases to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

SECTION 8.03. *Merger or Consolidation.* Any bank, federal savings association, or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank, national banking association, federal savings association, or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association, federal savings association, or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association, federal savings association, or trust company shall be eligible under subsection (e) of Section 8.02 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 8.04. *Liability of Trustee.*

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Bonds or the Lease Agreement (including any right to receive moneys thereunder or the value of or title to the premises upon which the Leased Property is located), nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations of Trustee herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee is not liable for any error of judgment made by a responsible officer, unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts or engaged in intentional misconduct.

(c) The Trustee is not liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture or assigned to it under the Assignment Agreement.

(d) The Trustee is not liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder, or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until it shall have actual knowledge thereof, or a corporate trust officer shall have received written notice thereof at its Office from the City, the Authority or the Owners of at least 25% in aggregate principal amount of the Outstanding Bonds. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the Authority or the City of any of the terms, conditions, covenants or agreements herein, under the Lease Agreement or the Bonds or of any of the documents executed in connection with the Bonds, or as to the existence of a default or an Event of Default or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default. The Trustee is not responsible for the validity, effectiveness or priority of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be required to ascertain or inquire as to the performance or observance by the City or the Authority of the terms, conditions, covenants or agreements set forth in the Lease Agreement, other than the covenants of the City to make Lease Payments to the Trustee when due and to file with the Trustee when due, such reports and certifications as the City is required to file with the Trustee thereunder.

(f) No provision of this Indenture requires the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, receivers or attorneys.

(h) The Trustee has no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of the Bond Owners under this Indenture, unless such Owners have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities (including but not limited to fees and expenses of its attorneys) which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(i) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of Section 8.02(a), this Section and Section 8.05, and shall be applicable to the assignment of any rights under the Lease Agreement to the Trustee under the Assignment Agreement.

(j) The Trustee is not accountable to anyone for the subsequent use or application of any moneys which are released or withdrawn in accordance with the provisions hereof.

(k) The Trustee makes no representation or warranty, expressed or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or the City of the Leased Property. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Lease Agreement or this Indenture for the existence, furnishing or use of the Leased Property.



(l) The Trustee has no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(m) The Trustee is authorized and directed to execute the Assignment Agreement in its capacity as Trustee hereunder.

SECTION 8.05. *Right to Rely on Documents.* The Trustee shall be protected and shall incur no liability in acting or refraining from acting in reliance upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Trustee is under no duty to make any investigation or inquiry as to any statements contained or matter referred to in any paper or document but may accept and conclusively rely upon the same as conclusive evidence of the truth and accuracy of any such statement or matter and shall be fully protected in relying thereon. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate, Written Request or Written Requisition of the Authority or the City, and such Written Certificate, Written Request or Written Requisition shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such Written Certificate, Written Request or Written Requisition, and the Trustee shall be fully protected in relying thereon, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

SECTION 8.06. *Preservation and Inspection of Documents.* All documents received by the Trustee under the provisions of this Indenture shall be retained in its respective possession and in accordance with its retention policy then in effect and shall, upon reasonable notice to Trustee, be subject to the inspection of the Authority, the City and any Bond Owner, and their agents and representatives duly authorized in writing, during business hours and under reasonable conditions as agreed to by the Trustee.

SECTION 8.07. *Compensation and Indemnification.* The Authority shall pay to the Trustee from time to time, on demand, the compensation for all services rendered under this Indenture and also all reasonable expenses, advances (including any interest on advances), charges, legal (including outside counsel and the allocated costs of internal attorneys) and consulting fees and other disbursements, incurred in and about the performance of its powers and duties under this Indenture.

The Authority shall indemnify the Trustee, its officers, directors, employees and agents against any cost, loss, liability or expense whatsoever (including but not limited to fees and expenses of its attorneys) incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust and this Indenture, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder or under the Assignment Agreement or the Lease Agreement. As security for the performance of the obligations of the Authority under this Section and the obligation of the Authority to make Additional Rental Payments to the Trustee, the Trustee shall have a lien prior to the lien of the Bonds upon all property and funds held or collected by the Trustee as such. The rights of the Trustee and the obligations of the Authority under this Section shall survive the resignation or removal of the Trustee or the discharge of the Bonds and this Indenture and the Lease Agreement.

## **ARTICLE IX**

### **MODIFICATION OR AMENDMENT HEREOF**

#### **SECTION 9.01. *Amendments Permitted.***

(a) Amendments With Bond Owner Consent. This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by Supplemental Indenture, which the Authority and the Trustee may enter into when the written consents of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding are filed with the Trustee. No such modification or amendment may (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It is not necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it is sufficient if such consent approves the substance thereof.

(b) Amendments Without Owner Consent. This Indenture and the rights and obligations of the Authority, of the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners, if the Trustee has been furnished an opinion of counsel that the provisions of such Supplemental Indenture do not materially adversely affect the interests of the Bond Owners, including, without limitation, for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or

any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

- (ii) to cure any ambiguity, inconsistency or omission, or to cure or correct any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority deems necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners, in the opinion of Bond Counsel filed with the Trustee;
- (iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;
- (iv) to modify, amend or supplement this Indenture in such manner as to assure that the interest on the Bonds remains excluded from gross income under the Tax Code;
- (v) to facilitate the issuance of additional obligations of the City under the Lease Agreement as provided in Section 7.5(b)(v) thereof; or
- (vi) to facilitate the substitution or release of property under Sections 3.3 or 3.4, respectively, of the Lease Agreement.

(c) Limitation. The Trustee is not obligated to enter into any Supplemental Indenture authorized by subsections (a) or (b) of this Section which materially adversely affects the Trustee's rights, duties or immunities hereunder or otherwise.

(d) Bond Counsel Opinion. Prior to the Trustee entering into any Supplemental Indenture hereunder, the Authority shall deliver to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of this Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion from gross income for purposes of federal income taxes of interest on the Bonds.

(e) Notice of Amendments. The Authority shall deliver or cause to be delivered a draft of any Supplemental Indenture to the Rating Agency, at least 10 days prior to the effective date of such Supplemental Indenture under this Section.

SECTION 9.02. *Effect of Supplemental Indenture*. Upon the execution of any Supplemental Indenture under this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.03. *Amendment of Particular Bonds.* The provisions of this Article do not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Owner.

## **ARTICLE X**

### **DEFEASANCE**

SECTION 10.01. *Discharge of Indenture.* Any or all of the Outstanding Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority:

- (a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;
- (b) by depositing with the Trustee or an escrow agent, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem such Bonds; or
- (c) by delivering all of such Bonds to the Trustee for cancellation.

If the Authority also pays or causes to be paid all other sums payable hereunder by the Authority, then and in that case, at the election of the Authority (evidenced by a Written Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Indenture), and notwithstanding that any of such Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture with respect to such Bonds and all covenants, agreements and other obligations of the Authority under this Indenture with respect to such Bonds shall cease, terminate, become void and be completely discharged and satisfied, subject to Section 10.02. In such event, upon the Written Request of the Authority, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the City all moneys or securities or other property held by it under this Indenture which are not required for the payment or redemption of any of such Bonds not theretofore surrendered for such payment or redemption. The Trustee is entitled to conclusively rely on any such Written Certificate or Written Request and, in each case, is fully protected in relying thereon.

SECTION 10.02. *Discharge of Liability on Bonds.* Upon the deposit with the Trustee or with an escrow agent, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay any Outstanding Bonds (upon the maturity of such Bonds), then all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee or such escrow agent as aforesaid for their payment, subject, however, to the provisions of Section 10.04.

The Authority may at any time surrender to the Trustee, for cancellation by Trustee, any Bonds previously issued and delivered, which the Authority may have acquired in any

manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

SECTION 10.03. *Deposit of Money or Securities with Trustee.* Whenever in this Indenture it is provided or permitted that there be deposited with or held by the Trustee or an escrow agent money or securities in the necessary amount to pay any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established under this Indenture and shall be:

- (a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity; or
- (b) non-callable Defeasance Securities, the principal of and interest on which when due (together with any uninvested cash on deposit with the Trustee or such escrow agent) will, in the written opinion of an Independent Accountant filed with the City, the Authority and the Trustee, provide money sufficient to pay the principal of and interest on the Bonds to be paid, as such principal and interest become due;

provided, in each case, that (i) the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Written Request of the Authority) to apply such money to the payment of such principal and interest with respect to such Bonds, and (ii) the Authority shall have delivered to the Trustee an opinion of Bond Counsel to the effect that such Bonds have been discharged in accordance with this Indenture (which opinion may rely upon and assume the accuracy of the Independent Accountant's opinion referred to above). The Trustee shall be entitled to conclusively rely on such Written Request or opinion and shall be fully protected, in each case, in relying thereon.

SECTION 10.04. *Unclaimed Funds.* Notwithstanding any provisions of this Indenture, any moneys held by the Trustee for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the Authority free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the Authority as aforesaid, the Trustee shall (at the cost of the Authority) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

## ARTICLE XI

### MISCELLANEOUS

SECTION 11.01. *Liability of Authority Limited to Revenues.* Notwithstanding anything in this Indenture or in the Bonds contained, the Authority is not required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Authority may, but is not required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

SECTION 11.02. *Limitation of Rights to Parties and Bond Owners.* Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the City and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the City and the Owners of the Bonds.

SECTION 11.03. *Funds and Accounts.* Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish such funds and accounts as it deems necessary or appropriate to perform its obligations under this Indenture.

SECTION 11.04. *Waiver of Notice; Requirement of Mailed Notice.* Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice is required to be given by mail, such requirement may be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

SECTION 11.05. *Destruction of Bonds.* Whenever in this Indenture provision is made for the cancellation by the Trustee, and the delivery to the Authority, of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law, and at the written request of the Authority the Trustee shall deliver a certificate of such destruction to the Authority.

SECTION 11.06. *Severability of Invalid Provisions.* If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture,

and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 11.07. *Notices.* All notices or communications to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, confirmed by telephone, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

*If to the City:* City of Brea  
1 Civic Center Circle  
Brea, California 92821  
Attention: City Manager

*If to the Authority:* Brea Public Financing Authority  
1 Civic Center Circle  
Brea, California 92821  
Attention: Executive Director

*If to the Trustee:* The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, Suite 500  
Los Angeles, California 90071  
Attention: Corporate Trust Administration

SECTION 11.08. *Evidence of Rights of Bond Owners.* Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Section.

The ownership of Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

SECTION 11.09. *Disqualified Bonds.* In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request,

direction, consent or waiver under this Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Authority or the City, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds. In case of a dispute as to such right, the Trustee shall be entitled to rely upon the advice of counsel in any decision by Trustee and shall be fully protected in relying thereon.

Upon request, the Authority shall specify to the Trustee those Bonds disqualified under this Section.

SECTION 11.10. *Money Held for Particular Bonds.* The money held by the Trustee for the payment of the interest or principal due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, *subject, however,* to the provisions of Section 10.04 but without any liability for interest thereon.

SECTION 11.11. *Waiver of Personal Liability.* No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

SECTION 11.12. *Successor Is Deemed Included in All References to Predecessor.* Whenever in this Indenture either the Authority, the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority, the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.13. *Execution in Several Counterparts.* This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.14. *Payment on Non-Business Day.* In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and with the same effect as if made on such preceding non-Business Day.

SECTION 11.15. *Governing Law.* This Indenture shall be governed by and construed in accordance with the laws of the State of California.



**IN WITNESS WHEREOF**, the BREA PUBLIC FINANCING AUTHORITY has caused this Indenture to be signed in its name by its Executive Director and attested to by its Secretary, and The Bank of New York Mellon Trust Company, N.A., in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**BREA PUBLIC FINANCING AUTHORITY**

By \_\_\_\_\_  
Executive Director

Attest:

\_\_\_\_\_  
Secretary

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee**

By \_\_\_\_\_  
Authorized Officer

## **APPENDIX A**

### **DEFINITIONS**

“Additional Rental Payments” means the amounts of additional rental for the Leased Property which are payable by the City pursuant to Section 4.4 of the Lease Agreement.

“Assignment Agreement” means the Assignment Agreement dated as of July 1, 2021, between the Authority as assignor and the Trustee as assignee, as originally executed or as thereafter amended.

“Authority” means the Brea Public Financing Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California.

“Authorized Representative” means: (a) with respect to the Authority, its Chair, Vice Chair, Executive Director, Treasurer, Assistant Treasurer or any other person designated as an Authorized Representative of the Authority by a Written Certificate of the Authority signed by its Chair, Vice Chair, Executive Director, Treasurer or Assistant Treasurer and filed with the City and the Trustee; and (b) with respect to the City, its Mayor, City Manager, Administrative Services Director or any other person designated as an Authorized Representative of the City by a Written Certificate of the City signed by its Mayor, City Manager or Administrative Services Director and filed with the Trustee.

“Bond Counsel” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

“Bond Fund” means the fund by that name established and held by the Trustee under Section 5.01.

“Bond Law” means Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53570 and 53580 of said Code.

“Bond Year” means each twelve-month period extending from April 2 in one calendar year to April 1 of the succeeding calendar year, both dates inclusive; except that the first Bond Year commences on the Closing Date and extends to and including April 1, 2022.

“Bonds” means the \$\_\_\_\_\_ aggregate principal amount of 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) authorized by and at any time Outstanding under this Indenture.

“Business Day” means a day (other than a Saturday or a Sunday) on which banks are not required or authorized to remain closed in the state in which the Office of the Trustee is located.

“City” means the City of Brea, a municipal corporation organized and existing under the laws of the State of California.

“Closing Date” means July \_\_, 2021, being the date of delivery of the Bonds to the Original Purchaser.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City relating to the authorization, issuance, sale and delivery of the Bonds and the refunding of the 2010 Bonds, including but not limited to: printing expenses; Rating Agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee, the Escrow Agent and their respective counsel, including the Trustee’s first annual administrative fee; fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals; fees and charges for title insurance; fees and charges for preparation, execution and safekeeping of the Bonds; and any other cost, charge or fee in connection with the original issuance of the Bonds and the refunding of the 2010 Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee under Section 3.03.

“Defeasance Securities” means: (a) any direct general non-callable obligations of the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America; (b) any obligations the timely payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America or which are secured by obligations described in the preceding clause (a); (c) the interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form; (d) pre-refunded municipal bonds rated in the highest rating category by any Rating Agency; and (e) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies: (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S. Maritime Administration; (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development; and (vi) obligations of the Federal Home Loan Bank (FHLB).

“Depository” means (a) initially, DTC, and (b) any other Securities Depositories acting as Depository under Section 2.04.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Escrow Agent” means The Bank of New York Mellon Trust Company, N.A., its successors and assigns, as trustee for the 2010 Bonds and as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated as of July 1, 2021, among the Authority, the City and the Escrow Agent, relating to the refunding and defeasance of the 2010 Bonds in full.

“Event of Default” means any of the events specified in Section 7.01.

“Excess Investment Earnings” means an amount required to be rebated to the United States of America under Section 148(f) of the Tax Code due to investment of gross proceeds of the Bonds at a yield in excess of the yield on the Bonds.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

“Indenture” means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture under the provisions hereof.

“Independent Accountant” means any certified public accountant or firm of certified public accountants appointed and paid by the Authority or the City, and who, or each of whom (a) is in fact independent and not under domination of the Authority or the City; (b) does not have any substantial interest, direct or indirect, in the Authority or the City; and (c) is not connected with the Authority or the City as an officer or employee of the Authority or the City but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the City.

“Insurance and Condemnation Fund” means the fund by that name established and held by the Trustee under Section 5.06.

“Interest Account” means the account by that name established and held by the Trustee in the Bond Fund under Section 5.02.

“Interest Payment Date” means each April 1 and October 1, commencing October 1, 2021, so long as any Bonds remain unpaid.

“Lease Agreement” means the Amended and Restated Lease Agreement dated as of July 1, 2021, between the Authority as lessor and the City as lessee of the Leased Property, as amended from time to time in accordance with its terms.

“Lease Payment Date” means, with respect to any Interest Payment Date, the fifth Business Day immediately preceding such Interest Payment Date.

“Lease Payments” means the amounts payable by the City under Section 4.2(a) of the Lease Agreement, including any early payment thereof and including any amounts payable upon a delinquency in the payment thereof.

“Leased Property” means the real property described in Appendix A to the Lease Agreement, together with all improvements and facilities at any time situated thereon, consisting generally of the land and improvements which constitute the existing Community Center of the City.

"Net Proceeds" means amounts derived from any policy of casualty insurance or title insurance with respect to the Leased Property, or the proceeds of any taking of the Leased Property or any portion thereof in eminent domain proceedings (including sale under threat of such proceedings), to the extent remaining after payment therefrom of all expenses incurred in the collection and administration thereof.

"Nominee" means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated under Section 2.04(a).

"Office" means such office or offices as the Trustee may designate in writing to the Authority from time to time as the corporate trust office for purposes of the Indenture.

"Original Purchaser" means Stifel, Nicolaus & Company, Incorporated, as original purchaser of the Bonds on the Closing Date.

"Outstanding", when used as of any particular time with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Section 11.09; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee under this Indenture.

"Owner", whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Registration Books.

"Permitted Encumbrances" means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may permit to remain unpaid under Article V of the Lease Agreement; (b) the Site Lease, the Lease Agreement and the Assignment Agreement; (c) any right or claim of any mechanic, laborer, material man, supplier or vendor not filed or perfected in the manner prescribed by law; (d) the exceptions disclosed in the title insurance policy with respect to the Leased Property issued as of the Closing Date by Stewart Title Guaranty Company; and (e) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the City certifies in writing will not materially impair the use of the Leased Property for its intended purposes.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

- (a) Defeasance Securities;
- (b) Any direct or indirect obligations of an agency or department of the United States of America whose obligations represent the full faith and credit of the United States of America, or which are rated A or better by any Rating Agency.

- (c) Bank deposit products, demand deposits, time deposits, trust funds, trust accounts, overnight bank deposits, other deposit products, interest-bearing deposit accounts (including certificates of deposit), including interest-bearing money market accounts, certificates of deposit (including those placed by a third party pursuant to an agreement between the Trustee and the City), or bankers acceptances of depository institutions, including the Trustee or any of its affiliates, in federal or State chartered savings and loan associations or in federal or State of California banks (including the Trustee and its affiliates), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by any Rating Agency at the time of purchase; (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation; or (iii) such deposits are collateralized by Defeasance Securities in the amount exceeding FDIC insurance.
- (d) Commercial paper rated in the highest short-term rating category by any Rating Agency at the time of purchase.
- (e) Federal funds or bankers acceptances with a maximum term of one year of any bank which an unsecured, uninsured and unguaranteed obligation rating in the highest rating category of any Rating Agency.
- (f) Money market mutual funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Defeasance Securities Act of 1933, and having a rating in the highest rating category of any Rating Agency (such funds may include funds for which the Trustee, its affiliates, parent or subsidiaries receive and retain a fee for services provided to the fund whether as a custodian, transfer agent, investment advisor or otherwise).
- (g) Obligations the interest on which is excludable from gross income pursuant to Section 103 of the Tax Code and which are either (a) rated A or better by any Rating Agency, or (b) fully secured as to the payment of principal and interest by Defeasance Securities.
- (h) Bonds or notes issued by any state or municipality which are rated by any Rating Agency in one of the two highest rating categories assigned by such Rating Agency.
- (i) Any investment agreement with, or guaranteed by, a financial institution the long-term unsecured obligations or the claims paying ability of which are rated A or better by any Rating Agency at the time of initial investment.
- (j) the Local Agency Investment Fund of the State of California, created under Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

For purposes of this definition, the ratings of any Permitted Investments shall be determined at the time of purchase of thereof and without regard to rating subcategories; and the Trustee shall have no responsibility (a) to monitor the ratings of Permitted Investments after the initial purchase thereof or (b) to validate the ratings of Permitted Investments prior to the initial purchase.

“Principal Account” means the account by that name established and held by the Trustee in the Bond Fund under Section 5.02.

“Rating Agency” means Standard & Poor’s Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, of New York, New York, and its successors.

“Record Date” means, with respect to any Interest Payment Date, the 15<sup>th</sup> calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established and held by the Trustee under Section 5.05.

“Registration Books” means the records maintained by the Trustee under Section 2.05 for the registration and transfer of ownership of the Bonds.

“Rental Period” means each period during the Term of the Lease Agreement commencing on and including April 2 in each year and extending to and including the next succeeding April 1, except that the first Rental Period begins on the Closing Date and ends on April 1, 2022.

“Representation Letter” means the blanket letter of representation of the Authority to DTC, or any similar letter to a substitute Depository.

“Revenues” means: (a) all amounts received by the Authority or the Trustee under or with respect to the Lease Agreement, including, without limiting the generality of the foregoing, all of the Lease Payments (including both timely and delinquent payments, any late charges, and whether paid from any source), but excluding the Additional Rental Payments and any additional lease payments described in Section 7.5(b)(v) of the Lease Agreement; and (b) all interest, profits or other income derived from the investment of amounts in any fund or account established under this Indenture.

“Securities Depositories” means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the Authority designates in written notice filed with the Trustee.

“Site Lease” means the Amended and Restated Site Lease dated as of July 1, 2021, between the City as lessor and the Authority as lessee, as amended from time to time in accordance with its terms.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, of New York, New York, its successors and assigns.

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or

amending this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

“Term” means, with reference to the Lease Agreement, the time during which the Lease Agreement is in effect, as provided in Section 4.1 thereof.

“Term Bonds” means the Bonds maturing on April 1 20\_\_.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of United States of America, or its successor or successors, as Trustee hereunder as provided in Article VIII.

“2010 Bonds” means the Brea Public Financing Authority 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (Federally Taxable - Build America Bonds - Direct Payment) issued by the Authority in the aggregate original principal amount of \$2,835,000.

“Written Certificate,” “Written Request” and “Written Requisition” of the Authority or the City mean, respectively, a written certificate, request or requisition signed in the name of the Authority or the City by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.



## APPENDIX B

### BOND FORM

NO. R-\_\_\_\_\_

\*\*\*\$\_\_\_\_\_\*\*\*

UNITED STATES OF AMERICA  
STATE OF CALIFORNIA

#### BREA PUBLIC FINANCING AUTHORITY

#### 2021 REFUNDING LEASE REVENUE BOND (Solar and Energy Efficiency Projects)

INTEREST RATE: \_\_\_\_\_%      MATURITY DATE: \_\_\_\_\_ 1, \_\_\_\_\_      ORIGINAL ISSUE DATE: July \_\_, 2021      CUSIP: \_\_\_\_\_

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \*\*\*

\*\*\*

The Brea Public Financing Authority, a public body corporate and politic duly organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15<sup>th</sup> day of the month preceding such interest payment date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before September 15, 2021, in which event it shall bear interest from the Original Issue Date specified above, or (iii) interest on this Bond is in default as of the date of authentication hereof, in which event interest hereon shall be payable from the date to which interest has been paid in full. Interest on this Bond shall accrue at the Interest Rate per annum specified above, and shall be payable semiannually on April 1 and October 1 in each year, commencing October 1, 2021 (the "Interest Payment Dates"), calculated on the basis of a 360-day year composed of twelve 30-day months.

Principal hereof is payable upon presentation and surrender hereof at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., in Los Angeles, California (the "Trust Office"), as trustee (the "Trustee"). Interest hereon is payable by check of the Trustee mailed to the Registered Owner hereof at the Registered

Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each Interest Payment Date (a "Record Date"), or, upon written request filed with the Trustee as of such Record Date by a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account in the United States designated by such registered owner in such written request.

This Bond is not a debt of the City of Brea (the "City"), the County of Orange, the State of California, or any of its political subdivisions, and neither the City, said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties of the Authority other than the Revenues.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Brea Public Financing Authority 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) (the "Bonds"), in an aggregate principal amount of \$\_\_\_\_\_, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates) and all issued 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 Sections 53570 and 53580 of said Code, and under an Indenture of Trust dated as of July 1, 2021, between the Authority and the Trustee (the "Indenture") and a resolution of the Authority adopted on May 18, 2021, authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Authority to refinance certain outstanding obligations of the Authority. This Bond and the interest hereon are special obligations of the Authority, payable from the Revenues, and secured by a charge and lien on the Revenues as defined in the Indenture, consisting principally of lease payments made by the City under an Amended and Restated Lease Agreement dated as of July 1, 2021 (the "Lease Agreement"), between the Authority as lessor and the City as lessee. As and to the extent set forth in the Indenture, all of the Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest on the Bonds.

The rights and obligations of the Authority and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each Bond so affected.

The Bonds maturing on or before April 1, 20\_\_\_\_, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after April 1, 20\_\_\_\_, are subject to redemption in whole, or in part at the written request of the Authority among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after April 1, 20\_\_\_\_, from any

available source of funds, at a redemption price of the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption, without premium.

The Bonds maturing on April 1, 20\_\_, are subject to mandatory sinking fund redemption in whole or in part by lot, at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest to the date of redemption, in the aggregate respective principal amounts and on April 1 in the years as set forth in the following table:

**Bonds Maturing April 1, 2-\_\_**  
**Mandatory Sinking Fund Redemption**

Payment Date <u>(April 1)</u>	Payment <u>Amount</u>
----------------------------------	--------------------------

The Bonds are subject to redemption as a whole, or in part by lot, on any date, from the net proceeds or eminent domain or insurance award with respect to the property which is leased under the Lease Agreement and which are required to be used for such purpose under the Indenture, at a redemption price equal to 100% of the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

As provided in the Indenture, notice of redemption will be given by the Trustee as provided in the Indenture not less than 20 nor more than 60 days prior to the redemption date to the respective owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice shall affect the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Trust Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. This Bond may be exchanged at the Trust Office for Bonds of the same tenor, aggregate principal amount, interest rate and maturity, of other authorized denominations.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Authority or the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified by the Authority that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chairperson and attested to by the facsimile signature of its Secretary, all as of the Original Issue Date specified above.

By \_\_\_\_\_  
Chairperson

Attest:

\_\_\_\_\_  
Secretary

## CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated:

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Trustee**

By \_\_\_\_\_  
Authorized Signatory

### ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ whose address and social security or other tax identifying number is \_\_\_\_\_, the within-mentioned Bond and hereby irrevocably \_\_\_\_\_ constitute(s) \_\_\_\_\_ and \_\_\_\_\_ appoint(s) \_\_\_\_\_ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

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

Signature Guaranteed:

\_\_\_\_\_  
Note: Signature(s) shall be guaranteed by an eligible guarantor institution.

\_\_\_\_\_  
Note: The signature(s) on this Assignment shall correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

RECORDING REQUESTED BY:  
Stewart Title Guaranty Company  
Commercial Services San Francisco

AND WHEN RECORDED

RETURN TO:

Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Charles F. Adams, Esq.

## **AMENDED AND RESTATED LEASE AGREEMENT**

This AMENDED AND RESTATED LEASE AGREEMENT (this "Lease Agreement"), dated for convenience as of July 1, 2021, is between the BREA PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California, as lessor (the "Authority"), and the CITY OF BREA, a municipal corporation duly organized and existing under the laws of the State of California, as lessee (the "City").

### **B A C K G R O U N D :**

1. The Authority has previously issued its Brea Public Financing Authority 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (Federally Taxable - Build America Bonds - Direct Payment) in the aggregate principal amount of \$2,835,000 (the "2010 Bonds") for the purpose of providing funds to enable the City to finance the acquisition, construction and installation of solar and energy efficiency projects throughout the City.

2. The 2010 Bonds are secured by a pledge of lease payments which are made by the City as rental for certain property consisting generally of the land and improvements which constitute the existing Community Center of the City, as described more fully in Appendix A which is attached hereto and by this reference incorporated herein (the "Leased Property"), under a Lease Agreement dated as of April 1, 2010, which was recorded on May 6, 2010, as Document No. 2010000213512 in the Office of the Orange County Recorder (the "2010 Lease Agreement"), between the City and the Authority.

3. The 2010 Bonds are subject to redemption at the option of the Authority on October 1, 2021 at a redemption price equal to 100% of the principal amount thereof together with accrued interest thereon to the redemption date, without premium.

4. The City and the Authority have determined that it is in their best interests to refund the 2010 Bonds and in order to provide funds for that purpose the Authority has authorized the issuance of its 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds"), under an unrecorded Indenture of Trust dated as of July 1, 2021 (the "Indenture"), between the

Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

5. The City and the Authority wish to amend and restate the 2010 Lease Agreement pursuant to this Lease Agreement for the purpose of providing for the payment of lease payments by the City (the "Lease Payments") which have been assigned by the Authority to the Trustee for the security of the Bonds under an Assignment Agreement dated as of July 1, 2021 (the "Assignment Agreement"), which has been recorded concurrently herewith, between the Authority as assignor and the Trustee as assignee.

6. The Authority has been organized for the purpose of providing financial assistance to the City and is authorized to enter into financing documents for that purpose.

#### **A G R E E M E N T :**

*In consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:*

### **ARTICLE I**

#### **DEFINITIONS; RULES OF INTERPRETATION**

SECTION 1.1. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Lease Agreement have the respective meanings given them in the Indenture.

#### *SECTION 1.2. Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular includes the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and includes the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Lease Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section or subdivision hereof.

(d) Whenever the term "may" is used herein with respect to an action by one of the parties hereto, such action shall be discretionary and the party who "may" take such action shall be under no obligation to do so.

## ARTICLE II

### COVENANTS, REPRESENTATIONS AND WARRANTIES

SECTION 2.1. *Covenants, Representations and Warranties of the City.* The City makes the following covenants, representations and warranties to the Authority and the Trustee as of the date of the execution and delivery of this Lease Agreement:

- (a) Due Organization and Existence. The City is a municipal corporation duly organized and validly existing under the laws of the State of California, has full legal right, power and authority under the laws of the State of California to enter into the Site Lease, the Escrow Agreement and this Lease Agreement and to carry out and consummate all transactions contemplated hereby, and by proper action the City has duly authorized the execution and delivery of the Site Lease, the Escrow Agreement and this Lease Agreement.
- (b) Due Execution. The representatives of the City executing the Site Lease, the Escrow Agreement and this Lease Agreement have been fully authorized to execute the same under a resolution duly adopted by the City Council of the City.
- (c) No Conflicts. The execution and delivery of the Site Lease, the Escrow Agreement and this Lease Agreement, the consummation of the transactions therein and herein contemplated and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the City is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, the Escrow Agreement and this Lease Agreement or the financial condition, assets, properties or operations of the City.
- (d) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the City or of the voters of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of the Site Lease, the Escrow Agreement and this Lease Agreement, or the consummation of any transaction therein and herein contemplated, except as have been obtained or made and as are in full force and effect.



- (e) No Litigation. The City has no knowledge of any action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority, or pending or threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon either (i) the consummation of the transactions contemplated by or the validity of the Site Lease, the Escrow Agreement and this Lease Agreement, or (ii) the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, the Escrow Agreement and this Lease Agreement or the financial conditions, assets, properties or operations of the City.

SECTION 2.2. *Covenants, Representations and Warranties of the Authority.* The Authority makes the following covenants, representations and warranties to the City and the Trustee as of the date of the execution and delivery of this Lease Agreement:

- (a) Due Organization and Existence. The Authority is a joint exercise of powers authority duly organized and existing under a joint powers agreement and the laws of the State of California; has power to enter into this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement and the Indenture; is possessed of full power to own and hold, improve and equip real and personal property, and to lease the same; and has duly authorized the execution and delivery of each of the aforesaid agreements and such agreements constitute the legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms.
- (b) Due Execution. The representatives of the Authority executing this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement and the Indenture are fully authorized to execute the same pursuant to official action taken by the governing body of the Authority.
- (c) No Conflicts. The execution and delivery of this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement and the Indenture, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Authority is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or

encumbrance of any nature whatsoever upon any of the property or assets of the Authority, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement and the Indenture or the financial condition, assets, properties or operations of the Authority.

- (d) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement or the Indenture, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.
- (e) No Litigation. The Authority has no knowledge of any action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon either (i) the consummation of the transactions contemplated by or the validity of this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement or the Indenture, or (ii) the financial condition, assets, properties or operations of the Authority, and the Authority is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement, the Site Lease, the Escrow Agreement, the Assignment Agreement or the Indenture or the financial conditions, assets, properties or operations of the Authority.

### **ARTICLE III**

#### **LEASE TO THE CITY; ISSUANCE OF BONDS AND APPLICATION OF PROCEEDS; SUBSTITUTION AND RELEASE OF LEASED PROPERTY**

SECTION 3.1. *Lease of Leased Property*. This Lease Agreement constitutes an amendment and restatement in full of the 2010 Lease Agreement. From and after the Closing Date, the 2010 Lease Agreement, in the form heretofore executed and delivered by the City and the Authority, shall be of no further force and effect and shall be deemed to be restated in full hereby. The Authority continues to and does hereby lease the Leased Property to the City, and the City continues to and does hereby lease the Leased Property from the Authority, upon the terms and conditions set forth in this Lease Agreement,

without interruption by virtue of the amendment and restatement of the 2010 Lease Agreement hereby.

SECTION 3.2. *Issuance of Bonds; Application of Proceeds.* In consideration for the agreement by the City to amend and restate the 2010 Lease Agreement as provided herein, the Authority hereby agrees to issue the Bonds under the Bond Law for the purpose of providing funds to refund the 2010 Bonds in full. The proceeds received by the Authority from the sale of the Bonds to the Original Purchaser shall be applied on the Closing Date in the amounts and for the purposes set forth in Section 3.02 of the Indenture.

SECTION 3.3. *Substitution of Property.* The City has the option at any time and from time to time to substitute other real property (the "Substitute Property") for the Leased Property or any portion thereof (the "Former Property"), upon satisfaction of all of the following requirements which are hereby declared to be conditions precedent to such substitution:

- (a) No Event of Default has occurred and is continuing.
- (b) The City has filed with the Authority and the Trustee, and caused to be recorded in the office of the Orange County Recorder sufficient memorialization of, an amendment hereof and an amendment of the Site Lease which removes the Former Property from this Lease Agreement and the Site Lease and which adds the Substitute Property to this Lease and the Site Lease.
- (c) The City has obtained a CLTA policy of title insurance insuring the City's leasehold estate hereunder in the Substitute Property, subject only to Permitted Encumbrances, in an amount at least equal to the estimated value thereof.
- (d) The City has certified in writing to the Authority and the Trustee that the Substitute Property serves the municipal purposes of the City and constitutes property which the City is permitted to lease under the laws of the State of California, and has been determined to serve a governmental function of the City.
- (e) The Substitute Property does not cause the City to violate any of its covenants, representations and warranties made herein.
- (f) The City and the Authority have filed a written certificate with the Trustee stating that (a) based on the estimated value of the Substitute Property, the remaining Lease Payments constitute fair rental value for the use and occupancy of the Substitute Property, taking into consideration the factors set forth in Section 4.2(d), and (b) the useful life of the Substitute Property at least extends to the date which is ten years following the final maturity of the Bonds.
- (g) The City has mailed written notice of such substitution to the Rating Agency.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement and the term of the Site Lease will thereupon end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property herein and therein will apply with full force and effect to the Substitute Property. The City shall not be entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of any substitution of property under this Section. The Authority and the City shall execute, deliver and cause to be recorded all documents required to discharge the Site Lease, this Lease Agreement and the Assignment Agreement of record against the Former Property and to cause the Substitute Property to become subject to all of the terms and conditions of the Site Lease, this Lease Agreement and the Assignment Agreement.

SECTION 3.4. *Release of Property.* The City has the option at any time and from time to time to release any portion of the Leased Property from this Lease Agreement and the Site Lease (the "Released Property"), upon satisfaction of all of the following requirements which are hereby declared to be conditions precedent to such release:

- (a) No Event of Default has occurred and is continuing.
- (b) The City has filed with the Authority and the Trustee, and caused to be recorded in the office of the Orange County Recorder sufficient memorialization of, an amendment hereof and an amendment of the Site Lease which removes the Released Property from this Lease Agreement and the Site Lease.
- (c) The City and the Authority have filed with the Trustee a written certificate stating that based on the estimated value of the property which remains subject to this Lease Agreement following such release, the remaining Lease Payments constitute fair rental value for the use and occupancy of such property, taking into consideration the factors set forth in Section 4.2(d).
- (d) The City has mailed written notice of such release to the Rating Agency.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement and the term of the Site Lease will thereupon end as to the Released Property. The City shall not be entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Authority and the City shall execute, deliver and cause to be recorded all documents required to discharge the Site Lease, this Lease Agreement and the Assignment Agreement of record against the Released Property.

SECTION 3.5. *No Merger.* It is the express intention of the Authority and the City that this Lease Agreement and the obligations of the parties hereunder shall be and remain separate and distinct from the Site Lease and the obligations of the parties thereunder, and that during the term of the Site Lease and this Lease Agreement no merger of title or interest shall occur or be deemed to occur as a result of the respective positions of the Authority and the City thereunder and hereunder.

## ARTICLE IV

### TERM OF THIS LEASE AGREEMENT; LEASE PAYMENTS

SECTION 4.1. *Term.* The Term of this Lease Agreement shall commence on the Closing Date and end on the date on which the Indenture is discharged in accordance with Section 10.01 thereof, unless such term is extended as hereinafter provided. If on April 1, 2036, the Indenture shall not be discharged by its terms, or if the Lease Payments payable hereunder shall have been abated at any time and for any reason, then the Term of this Lease Agreement shall be extended until the Indenture shall be discharged by its terms, but not to exceed April 1, 2046.

#### SECTION 4.2. *Lease Payments.*

(a) Obligation to Pay. Subject to the provisions of Sections 6.2 and 6.3, the City agrees to pay to the Authority, its successors and assigns, the Lease Payments in the respective amounts specified in Appendix B attached to this Lease Agreement, to be due and payable in immediately available funds on the Interest Payment Dates immediately following each of the respective Lease Payment Dates specified in Appendix B, and to be deposited by the City with the Trustee on each of the Lease Payment Dates specified in Appendix B. Any amount held in the Bond Fund, the Interest Account and the Principal Account on any Lease Payment Date (other than amounts required for payment of past due principal or interest on any Bonds not presented for payment) will be credited towards the Lease Payment then required to be paid hereunder. The City shall not be required to deposit any Lease Payment with the Trustee on any Lease Payment Date if the amounts then held in the Bond Fund, the Interest Account and the Principal Account are at least equal to the Lease Payment then required to be deposited with the Trustee.

(b) Effect of Prepayment. If the City prepays all Lease Payments in full under Sections 9.2 or 9.3, the City's obligations under this Section will thereupon cease and terminate. If the City prepays the Lease Payments in part but not in whole under Sections 9.2 or 9.3, the principal and interest components of the remaining Lease Payments will be reduced to correspond to the payments of principal of and interest on the Bonds coming due and payable following the resulting redemption of the Bonds under the Indenture.

(c) Rate on Overdue Payments. If the City fails to make any of the payments required in this Section, the payment in default will continue as an obligation of the City until the amount in default has been fully paid, and the City agrees to pay the same with interest thereon, from the date of default to the date of payment at the rate borne by the respective Outstanding Bonds.

(d) Fair Rental Value. The aggregate amount of the Lease Payments and Additional Rental Payments coming due and payable during each Rental Period shall constitute the total rental for the Leased Property for such Rental Period, and shall be payable by the City in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Property during such Rental Period. The parties hereto have agreed and determined that the total Lease Payments represent the fair rental value of the Leased Property. In making that determination, consideration has been given to the estimated value of the Leased Property, other obligations of the City and the Authority under this Lease Agreement, the

uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the City and the general public.

(e) Assignment. The City understands and agrees that all Lease Payments have been assigned by the Authority to the Trustee in trust under the Assignment Agreement, for the benefit of the Owners of the Bonds, and the City hereby assents to such assignment. The Authority hereby directs the City, and the City hereby agrees, to pay all amounts due under this Section to the Trustee at its Office.

SECTION 4.3. *Source of Payments; Covenant to Budget and Appropriate*. The Lease Payments shall be payable from any source of available funds of the City, subject to the provisions of Sections 6.2 and 6.3. The City covenants to take all actions required to include the Lease Payments in each of its budgets during the Term of this Lease Agreement and to make the necessary appropriations for all Lease Payments and Additional Rental Payments. The foregoing covenant of the City contained constitutes a duty imposed by law and each and every public official of the City is required to take all actions required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the City.

SECTION 4.4. *Additional Rental Payments*. In addition to the Lease Payments, the City shall pay when due the following amounts of Additional Rental Payments in consideration of the lease of the Leased Property by the City from the Authority hereunder:

- (a) all fees and expenses incurred by the Authority in connection with or by reason of its leasehold estate in the Leased Property, when due;
- (b) compensation to the Trustee for its services rendered under the Indenture and for all expenses, charges, costs, liabilities, legal fees and other disbursements incurred by the Trustee in and about the performance of its powers and duties under the Indenture;
- (c) all fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Lease Agreement or the Indenture;
- (d) all amounts coming due and payable as Excess Investment Earnings in accordance with Section 7.6(e); and
- (e) all out-of-pocket expenses of the Authority in connection with the execution and delivery of this Lease Agreement or the Indenture, or in connection with the issuance of the Bonds, including but not limited to any and all expenses incurred in connection with the authorization, sale and delivery of the Bonds, or incurred by the Authority in connection with any litigation which may at any time be instituted involving this Lease Agreement, the Bonds, the Indenture or any of the other documents contemplated hereby or thereby, or otherwise incurred in connection with the administration of this Lease Agreement.

SECTION 4.5. *Quiet Enjoyment.* Throughout the Term of this Lease Agreement, the Authority shall provide the City with quiet use and enjoyment of the Leased Property and the City will peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble or hindrance from the Authority, except as expressly set forth in this Lease Agreement. The Authority will, at the request of the City and at the City's cost, join in any legal action in which the City asserts its right to such possession and enjoyment to the extent the Authority may lawfully do so. Notwithstanding the foregoing, the Authority has the right to inspect the Leased Property as provided in Section 7.2.

SECTION 4.6. *Title.* Upon the termination of this Lease Agreement (other than as a result of the occurrence of an Event of Default under Article VIII), all right, title and interest of the Authority in and to the Leased Property shall transfer to and vest in the City. The Authority shall take any and all steps and execute and record any and all documents reasonably required by the City to consummate any such transfer of title.

## **ARTICLE V**

### **MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS**

SECTION 5.1. *Maintenance, Utilities, Taxes and Assessments.* Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Leased Property, all improvement, repair and maintenance of the Leased Property shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of all utility services supplied to the Leased Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and will pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the City or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Authority agrees to provide only the Leased Property. The City waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the City under the terms of this Lease Agreement.

The City shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the City affecting the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall pay only such installments as are required to be paid during the Term of this Lease Agreement as and when the same become due.

Notwithstanding the foregoing, the City may, at its expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority notifies the City that, in its reasonable opinion, by nonpayment of any such items the interest of the Authority in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Authority with

full security against any loss which may result from nonpayment, in form satisfactory to the Authority and the Trustee.

SECTION 5.2. *Modification of Leased Property.* The City has the right, at its own expense, to make additions, modifications and improvements to the Leased Property or any portion thereof. All additions, modifications and improvements to the Leased Property will thereafter comprise part of the Leased Property and become subject to the provisions of this Lease Agreement. Such additions, modifications and improvements may not in any way damage the Leased Property, or cause the Leased Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Property, upon completion of any additions, modifications and improvements made thereto under this Section, shall be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements. The City will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the City under this Section; except that the City may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Authority with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Authority. The Authority will cooperate fully in any such contest, upon the request and at the expense of the City.

SECTION 5.3. *Liability Insurance.* The City shall maintain or cause to be maintained throughout the Term of this Lease Agreement, but only if and to the extent available from reputable insurers at reasonable cost in the opinion of the City, a standard commercial general liability insurance policy or policies in protection of the Authority, the City, and their respective members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such policy or policies shall provide coverage in such liability limits and be subject to such deductibles as the City deems adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City, subject to the provisions of Section 5.7, or in the form of the participation by the City in a joint powers agency or other program providing pooled insurance. The proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which it has been paid.

SECTION 5.4. *Casualty Insurance.* The City shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, casualty insurance against loss or damage to all buildings situated on the Leased Property, in an amount at least equal to the lesser of (a) 100% of the replacement value of the insured buildings, or (b) 100% of the aggregate principal amount of the Outstanding Bonds. Such insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance; provided that earthquake insurance shall not be required under any circumstances. Such insurance may be subject to such deductibles as the City deems adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or



in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained by the City in the form of self-insurance. The Net Proceeds of such insurance shall be applied as provided in Section 6.1.

SECTION 5.5. *Rental Interruption Insurance.* The City shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any portion of the Leased Property constituting buildings or other improvements as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum such Lease Payments coming due and payable during any consecutive two Fiscal Years. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained by the City in the form of self-insurance. The proceeds of such insurance, if any, shall be paid to the Trustee and deposited in the Bond Fund, to be applied as a credit towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

SECTION 5.6. *Recordation Hereof; Title Insurance.* On or before the Closing Date the City shall (a) cause the Site Lease, the Assignment Agreement and this Lease Agreement, or a memorandum hereof or thereof in form and substance approved by Bond Counsel, to be recorded in the office of the Orange County Recorder, and (b) obtain a CLTA title insurance policy insuring the City's leasehold estate hereunder in the Leased Property, subject only to Permitted Encumbrances, in an amount at least equal to the aggregate principal amount of the Bonds. All Net Proceeds received under any such title insurance policy shall be deposited with the Trustee and applied in accordance with the provisions of the Indenture.

SECTION 5.7. *Insurance Net Proceeds; Form of Policies.* Each policy of insurance maintained under Sections 5.4, 5.5 and 5.6 shall name the Trustee as loss payee so as to provide that all proceeds thereunder are payable to the Trustee. The City shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease Agreement. All such policies shall provide that the Trustee is given 30 days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby. The City shall file with the Trustee, upon the written request of the Trustee, a certificate of the City stating that all policies of insurance required hereunder are then in full force and effect. The Trustee has no responsibility for the sufficiency, adequacy or amount of any insurance or self-insurance herein required and is fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss.

If any insurance maintained under Section 5.3 is provided in the form of self-insurance, the City shall file with the Trustee annually, within 90 days following the close of each Fiscal Year, a statement of the risk manager of the City or an independent insurance adviser engaged by the City identifying the extent of such self-insurance and stating the determination that the City maintains sufficient reserves with respect thereto. If any such insurance is provided in the form of self-insurance by the City, the City has no obligation to make any payment with respect to any insured event except from those reserves.

SECTION 5.8. *Installation of City's Personal Property.* The City may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Leased Property. All such items shall remain the sole property of the City, in which neither the Authority nor the Trustee has any interest, and may be modified or removed by the City at any time, provided that the City shall repair all damage to the Leased Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement prevents the City from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, so long as no such lien or security interest attaches to any part of the Leased Property.

SECTION 5.9. *Liens.* The City may not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, other than as herein contemplated and except for such encumbrances as the City certifies in writing to the Trustee do not materially and adversely affect the leasehold estate of the City in the Leased Property hereunder. If any such mortgage, pledge, lien, charge, encumbrance or claim does materially and adversely affect the leasehold estate of the City in the Leased Property hereunder, the City will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible; provided that the City is not required to do so prior to the time when such mortgage, pledge, lien, charge, encumbrance or claim actually causes such material adverse effect. The City will reimburse the Authority for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

SECTION 5.10. *Advances.* If the City fails to perform any of its obligations under this Article, the Authority may take such action as it deems necessary to cure such failure, including the advancement of money, and the City shall repay all such advances as Additional Rental Payments hereunder, with interest at the rate set forth in Section 4.2(c).

## ARTICLE VI

### **DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS**

SECTION 6.1. *Application of Net Proceeds.* The Trustee, as assignee of the Authority under the Assignment Agreement, shall have the right to receive all Net Proceeds. As provided in the Indenture, the Trustee shall deposit all Net Proceeds in the Insurance and Condemnation Fund to be applied as set forth in Section 5.05 of the Indenture.

SECTION 6.2. *Termination or Abatement Due to Eminent Domain.* If the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of this Lease Agreement thereupon ceases as of the day possession is taken. If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, then:

- (a) this Lease Agreement shall continue in full force and effect with respect thereto and does not terminate by virtue of such taking, and the parties waive the benefit of any law to the contrary; and
- (b) the Lease Payments are subject to abatement in an amount determined by the City such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property.

SECTION 6.3. *Abatement Due to Damage or Destruction.* The Lease Payments are subject to abatement during any period in which by reason of damage or destruction (other than by eminent domain which is hereinbefore provided for) there is substantial interference with the use and occupancy by the City of the Leased Property or any portion thereof. The Lease Payments are subject to abatement in an amount determined by the City such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property not damaged or destroyed. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. Notwithstanding the foregoing provisions of this Section, the Lease Payments may be paid with proceeds of rental interruption insurance during any period in which the Lease Payments would otherwise be subject to abatement, it being hereby declared that such proceeds constitute a special fund for the payment of the Lease Payments. In the event of any such damage or destruction, this Lease Agreement continues in full force and effect and the City waives any right to terminate this Lease Agreement by virtue of any such damage and destruction.

## ARTICLE VII

### OTHER COVENANTS OF THE CITY

SECTION 7.1. *Disclaimer of Warranties.* THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE LEASED PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION THEREOF. THE CITY ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF ANY PORTION OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE CITY LEASES THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE CITY. The Authority has no liability for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease Agreement for the existence, furnishing, functioning or use of the Leased Property by the City.

SECTION 7.2. *Access to the Leased Property.* The City agrees that the Authority and any Authorized Representative of the Authority, and the Authority's successors or assigns, have the right at all reasonable times to enter upon and to examine and inspect the Leased Property or any part thereof. The City further agrees that the Authority, any Authority Representative and the Authority's successors or assigns may have such rights of access to the Leased Property or any component thereof as reasonably necessary to cause the proper maintenance of the Leased Property if the City fails to perform its obligations hereunder; *provided, however*, that neither the Authority nor any of its assigns has any obligation to cause such proper maintenance.

SECTION 7.3. *Release and Indemnification Covenants.* The City agrees to indemnify the Authority, the Trustee and their respective officers, agents, successors and assigns, against all claims, losses and damages, including legal fees and expenses, arising out of any of the following:

- (a) the use, maintenance, condition or management of, or from any work or thing done on the Leased Property by the City,
- (b) any breach or default on the part of the City in the performance of any of its obligations under this Lease Agreement,
- (c) any negligence or willful misconduct of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Property,
- (d) any intentional misconduct or negligence of any sublessee of the City with respect to the Leased Property,
- (e) the acquisition, construction, improvement and equipping of the Leased Property, or the authorization of payment of the costs thereof, or

- (f) the acceptance and performance of the duties of the Trustee under the Indenture and under this Lease Agreement.

No indemnification is made under this Section or elsewhere in this Lease Agreement for willful misconduct or negligence under this Lease Agreement by the Authority, the Trustee or their respective officers, agents, employees, successors or assigns.

SECTION 7.4. *Assignment and Subleasing by the City.* The City may sublease the Leased Property, or any portion thereof, subject to all of the following conditions:

- (a) this Lease Agreement and the obligation of the City to make Lease Payments hereunder shall remain obligations of the City;
- (b) the City shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of such sublease;
- (c) no such sublease by the City may cause the Leased Property to be used for a purpose which is not authorized under the provisions of the laws of the State of California; and
- (d) the City shall furnish to the Authority and the Trustee a written opinion of Bond Counsel stating that such sublease does not cause the interest components of the Lease Payments to become included in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State of California.

SECTION 7.5. *Amendment Hereof.* The Authority and the City may at any time amend or modify any of the provisions of this Lease Agreement, but only: (a) with the prior written consents of the Owners of a majority in aggregate principal amount of the Outstanding Bonds; or (b) without the consent of the Trustee or any of the Bond Owners, but only if such amendment or modification is for any one or more of the following purposes:

- (i) To add to the covenants and agreements of the City contained in this Lease Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the City.
- (ii) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein, to conform to the original intention of the City and the Authority.
- (iii) To modify, amend or supplement this Lease Agreement in such manner as to assure that the interest on the Bonds remains excluded from gross income under the Tax Code.
- (iv) To amend the description of the Leased Property to reflect accurately the property originally intended to be included therein, or in

connection with any substitution or release of property under Sections 3.3 or 3.4.

- (v) To obligate the City to pay additional amounts of rental for the use and occupancy of the Leased Property, but only if (A) such additional rent payments are pledged or assigned for the payment of any bonds, notes or other obligations the proceeds of which are applied to finance or refinance the acquisition or construction of any real or personal property for which the City is authorized to expend funds subject to its control, (B) the City has filed with the Trustee a Written Certificate of the City stating that the estimated value of the Leased Property is, or following the completion of the acquisition and construction of any improvements to be financed from the proceeds of such bonds, notes or other obligations will be, at least equal to the aggregate original principal amount of the Bonds and all such other bonds, notes or other obligations, and (C) the City has filed with the Trustee written evidence that the amendments made under this clause (v) will not of themselves cause a reduction or withdrawal of any rating then assigned to the Bonds. Any amounts of such additional rental will not constitute Revenues which are pledged to the payment of the Bonds.
- (vi) In any other respect whatsoever as the Authority and the City deem necessary or desirable, if in the opinion of Bond Counsel such modifications or amendments do not materially adversely affect the interests of the Owners of the Bonds.

No such modification or amendment shall (a) extend or have the effect of extending any Lease Payment Date or reducing any Lease Payment, without the express consent of the Owners of the affected Bonds, or (b) modify any of the rights or obligations of the Trustee without its written assent thereto.

#### SECTION 7.6. *Tax Covenants*

(a) Private Business Use Limitation. The City shall assure that the proceeds of the Bonds are not used in a manner which would cause the Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The City shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds or of any other obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code.

(d) Maintenance of Tax Exemption. The City shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the

Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The City shall calculate or cause to be calculated the Excess Investment Earnings in all respects at the times and in the manner required under the Tax Code. The City shall pay the full amount of Excess Investment Earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code. Such payments shall be made by the City from any source of legally available funds of the City, and shall constitute Additional Rental Payments hereunder.

The City shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Bonds, records of the determinations made under this subsection (e). In order to provide for the administration of this subsection (e), the City may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the City may deem appropriate. The Trustee has no duty or obligation to monitor or enforce compliance by the City of any of the requirements under this subsection (e).

SECTION 7.7. *Continuing Disclosure.* The City shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed by the City as of the Closing Date, as originally executed and as it may be amended from time to time in accordance with its terms. Notwithstanding any other provision of this Lease Agreement, failure of the City to comply with such Continuing Disclosure Certificate will not constitute an Event of Default, although any Participating Underwriter (as that term is defined in such Continuing Disclosure Certificate) or any Owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the City of its obligations under this Section, including seeking mandate or specific performance by court order.

## **ARTICLE VIII**

### **EVENTS OF DEFAULT AND REMEDIES**

SECTION 8.1. *Events of Default Defined.* Any one or more of the following events constitute an Event of Default hereunder:

- (a) Failure by the City to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein.
- (b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in the preceding subsection (a), for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority or the Trustee. If in the reasonable opinion of the City the failure stated in the notice can be corrected, but not within such 30-day period, the failure will not constitute an Event of Default if the City commences to cure the failure within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.

- (c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

SECTION 8.2. *Remedies on Default.* Whenever any Event of Default has happened and is continuing, the Authority may exercise any and all remedies available under law or granted under this Lease Agreement. Notwithstanding anything herein or in the Indenture to the contrary, neither the Authority nor the Trustee may accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each covenant hereof to be kept and performed by the City is expressly made a condition and upon the breach thereof the Authority may exercise any and all rights granted hereunder; except that no termination of this Lease Agreement may be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Authority may exercise each and every one of the following remedies, subject in all respects to the limitations set forth in Section 8.3.

- (a) Enforcement of Payments Without Termination. If the Authority does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (b) hereof, the City agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Authority for any deficiency arising out of the re-leasing of the Leased Property, or, if the Authority is unable to re-lease the Leased Property, then for the full amount of all Lease Payments to the end of the Term of this Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Authority or any suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Leased Property or the exercise of any other remedy by the Authority. The City hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the City to enter upon and re-lease the Leased Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Leased Property, to place the Leased Property in storage or other suitable place in the County of Orange for the account of and at the expense of the City, and the City hereby exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Leased Property and the removal and storage of the Leased Property by the Authority or its duly authorized agents in accordance with the provisions herein contained. The City agrees that the terms of this Lease Agreement constitute full and sufficient



notice of the right of the Authority to re-lease the Leased Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Authority in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the City the right to terminate this Lease Agreement shall vest in the Authority to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof. The City agrees to surrender and quit possession of the Leased Property upon demand of the Authority for the purpose of enabling the Leased Property to be re-let under this paragraph. Any rental obtained by the Authority in excess of the Lease Payments, to the extent remaining after paying reasonable expenses incurred in the collection of such rental, shall be applied to pay or redeem the Outstanding Bonds.

- (b) Termination of Lease. If an Event of Default occurs and is continuing hereunder, the Authority at its option may terminate this Lease Agreement and re-lease all or any portion of the Leased Property. Any surplus received by the Authority from such re-leasing shall be deposited in the Bond Fund. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Authority shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the City shall be or become effective by operation of law, or otherwise, unless and until the Authority shall have given written notice to the City of the election on the part of the Authority to terminate this Lease Agreement. The City covenants and agrees that no surrender of the Leased Property, or of the remainder of the Term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.
- (c) Proceedings at Law or In Equity. If an Event of Default occurs and continues hereunder, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

SECTION 8.3. *No Remedy Exclusive.* No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy is cumulative and in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default impairs any such right or power or operates as a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article it is not necessary to give any notice, other than as expressly required in this Article or by law.

SECTION 8.4. *Agreement to Pay Attorneys' Fees and Expenses.* If the Authority or the City defaults under any of the provisions of this Lease Agreement and the non-defaulting party employs attorneys or incurs other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party.

SECTION 8.5. *No Additional Waiver Implied by One Waiver.* If the Authority or the City breaches any agreement in this Lease Agreement and thereafter the other party waives the breach, such waiver is limited to the particular breach so waived and does not operate to waive any other breach hereunder.

SECTION 8.6. *Application of Proceeds.* All net proceeds received from the re-lease of the Leased Property under this Article, and all other amounts derived by the Authority or the Trustee as a result of the occurrence of an Event of Default, shall be paid to and applied by the Trustee in accordance with Section 7.03 of the Indenture.

SECTION 8.7. *Trustee and Bond Owners to Exercise Rights.* Such rights and remedies as are given to the Authority under this Article have been assigned by the Authority to the Trustee under the Assignment Agreement for the benefit of the Bond Owners. The Trustee and the Bond Owners shall exercise such rights and remedies in accordance with the Indenture.

## **ARTICLE IX**

### **PREPAYMENT OF LEASE PAYMENTS**

SECTION 9.1. *Security Deposit.* Notwithstanding any other provision of this Lease Agreement, the City may on any date secure the payment of the Lease Payments allocable to the Leased Property in whole or in part by depositing with the Trustee or an escrow agent an amount of cash which, together with other available amounts on deposit in the funds and accounts established under the Indenture, is either:

- (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Appendix B, or
- (b) invested in whole or in part in non-callable Defeasance Securities in such amount as will, in the opinion of an independent certified public accountant, (which opinion must be addressed and delivered to the Trustee), together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay such Lease Payments when due under Section 4.2(a), as the City instructs at the time of said deposit.

If the City makes a security deposit under this Section with respect to all unpaid Lease Payments, and notwithstanding the provisions of Section 4.2, (a) the Term of this Lease Agreement will continue, (b) all obligations of the City under this Lease Agreement, and all security provided by this Lease Agreement for said Lease Payments, will thereupon

cease and terminate, excepting only the obligation of the City to make, or cause to be made all of said Lease Payments from such security deposit, and (c) under Section 4.6, title to the Leased Property will vest in the City on the date of said deposit automatically and without further action by the City or the Authority. Said security deposit constitutes a special fund for the payment of Lease Payments in accordance with the provisions of this Lease Agreement.

SECTION 9.2. *Optional Prepayment.* The City has the option to prepay the principal components of the Lease Payments in whole, or in part in any integral multiple of \$5,000, from any source of legally available funds, on any date on or after April 1, 20\_\_, at a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with the interest component of the Lease Payment required to be paid on such Interest Payment Date, and together with a prepayment premium equal to the premium (if any) required to be paid on the resulting redemption of Bonds under Section 4.01 of the Indenture. Such prepayment price shall be deposited by the Trustee in the Redemption Fund to be applied to the redemption of Bonds under Section 4.01 of the Indenture. The City shall give written notice to the Trustee of its intention to prepay the Lease Payments under this Section at least 45 days prior to the date fixed for such prepayment.

SECTION 9.3. *Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain.* The City shall prepay the principal components of the Lease Payments in whole or in part on any date, from and to the extent of any Net Proceeds of insurance award or eminent domain award with respect to the Leased Property which is required to be used for that purpose under Article VI and Sections 5.05 and 5.06 of the Indenture. Such Net Proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be deposited by the Trustee in the Redemption Fund to be applied to the corresponding redemption of Bonds under Section 4.03 of the Indenture.

SECTION 9.4. *Credit for Amounts on Deposit.* If the principal components of the Lease Payments are prepaid in full under Sections 9.2 or 9.3, such that the Indenture is discharged by its terms as a result of such prepayment, at the written election of the City filed with the Trustee any or all amounts then on deposit in the Bond Fund (and the accounts therein) and in the Insurance and Condemnation Fund, will be credited towards the amounts then required to be so prepaid.

## ARTICLE X

### MISCELLANEOUS

SECTION 10.1. *Notices.* Any notice, request, complaint, demand or other communication under this Lease Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the City or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

*If to the City:* City of Brea  
1 Civic Center Circle  
Brea, California 92821  
Attention: City Manager

*If to the Authority:* Brea Public Financing Authority  
1 Civic Center Circle  
Brea, California 92821  
Attention: Executive Director

*If to the Trustee:* The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, Suite 500  
Los Angeles, California 90071  
Attention: Corporate Trust Administration

SECTION 10.2. *Binding Effect.* This Lease Agreement inures to the benefit of and binds the Authority, the City and their respective successors and assigns.

SECTION 10.3. *Severability.* If any provision of this Lease Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

SECTION 10.4. *Net-net-net Lease.* This Lease Agreement shall be deemed and construed to be a "net-net-net lease" and the City hereby agrees that the Lease Payments are an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 10.5. *Third Party Beneficiary.* The Trustee is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

SECTION 10.6. *Further Assurances and Corrective Instruments.* The Authority and the City shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease Agreement.

SECTION 10.7. *Execution in Counterparts.* This Lease Agreement may be executed in several counterparts, each of which is an original and all of which constitute but one and the same instrument.

SECTION 10.8. *Applicable Law.* This Lease Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 10.9. *Authority and City Representatives.* Whenever under the provisions of this Lease Agreement the approval of the Authority or the City is required, or the Authority or the City is required to take some action at the request of the other, such approval or such request shall be given for the Authority and for the City by an Authorized Representative thereof, and any party hereto may conclusively rely upon any such approval or request.

SECTION 10.10. *Captions.* The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Lease Agreement.

IN WITNESS WHEREOF, the Authority and the City have caused this Lease Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

**BREA PUBLIC FINANCING AUTHORITY,**  
*as lessor*

By \_\_\_\_\_  
Executive Director

Attest:

\_\_\_\_\_  
Secretary

**CITY OF BREA, as lessee**

By \_\_\_\_\_  
City Manager

Attest:

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

## **APPENDIX A**

### **DESCRIPTION OF THE LEASED PROPERTY**

The Leased Property consists of that certain real property situated in the City of Brea, County of Orange, which is more particularly described as follows:

Parcel 1 of Parcel Map No. 91-133, in the City of Brea, in the County of Orange, State of California, as per Parcel Map recorded in Book 279 Page(s) 35 to 38 all inclusive of Parcel Maps, in the Office of the County Recorder of said County.

Excepting all oil, minerals, gas and other hydrocarbon substances below a depth of 500 feet, without the right of surface entry as reserved in deeds recorded in Book 13441 Page 1901 and Instrument No's 86-645775 and 86-645776, all of Official Records of said County.

Reserving all oil, mineral, gas and other hydrocarbon substances below a depth of 500 feet under the real property described herein, without the right of surface entry.

## APPENDIX B

### SCHEDULE OF LEASE PAYMENTS

<u>Lease Payment Date*</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Aggregate Lease Payment</u>
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\* Lease Payment Dates are the 5<sup>th</sup> Business Day immediately preceding each date listed in the schedule

RECORDING REQUESTED BY:  
Stewart Title Guaranty Company  
Commercial Services San Francisco

AND WHEN RECORDED

RETURN TO:

Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Charles F. Adams, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX UNDER SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES UNDER SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

## **AMENDED AND RESTATED SITE LEASE**

This AMENDED AND RESTATED SITE LEASE (this "Site Lease"), dated for convenience as of July 1, 2021, is between the CITY OF BREA, a municipal corporation duly organized and existing under the laws of the State of California, as lessor (the "City"), and the BREA PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California, as lessee (the "Authority").

### ***B A C K G R O U N D :***

1. The Authority has previously issued its Brea Public Financing Authority 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (Federally Taxable - Build America Bonds - Direct Payment) in the aggregate principal amount of \$2,835,000 (the "2010 Bonds") for the purpose of providing funds to enable the City to finance the acquisition, construction and installation of solar and energy efficiency projects throughout the City.

2. In order to secure the payment of the 2010 Bonds, the City has previously leased certain property, consisting generally of the land and improvements which constitute the existing Community Center of the City, as described more fully in Appendix A which is attached hereto and by this reference incorporated herein (the "Leased Property"), to the Authority under a Site Lease dated as of April 1, 2010, which was recorded on May 6, 2010, as Document No. 2010000213511 in the Office of the Orange County Recorder (the "2010 Site Lease"); and the Authority has leased the Leased Property back to the City under a Lease Agreement dated as of April 1, 2010, which was recorded on May 6, 2010, as Document No. 2010000213512 in the Office of the Orange County Recorder (the "2010 Lease Agreement").



3. The 2010 Bonds are subject to redemption at the option of the Authority on October 1, 2021 at a redemption price equal to 100% of the principal amount thereof together with accrued interest thereon to the redemption date, without premium.

4. The City and the Authority have determined that it is in their best interests to refund the 2010 Bonds and in order to provide funds for that purpose the Authority has authorized the issuance of its 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds"), under an unrecorded Indenture of Trust dated as of July 1, 2021 (the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

5. The City and the Authority have amended and restated the 2010 Lease Agreement pursuant to an Amended and Restated Lease Agreement dated as of July 1, 2021, which has been recorded concurrently herewith (the "Lease Agreement"), for the purpose of providing for the payment of lease payments by the City (the "Lease Payments") which have been pledged for the security of the Bonds and which have been assigned by the Authority to the Trustee for the security of the Bonds under an Assignment Agreement dated as of July 1, 2021, which has been recorded concurrently herewith, between the Authority as assignor and the Trustee as assignee.

6. The Authority and the City have agreed to amend and restate the 2010 Site Lease as provided herein, for the purpose of incorporating provisions relating to the Bonds.

7. The Authority has been organized for the purpose of providing financial assistance to the City and is authorized to enter into financing documents for that purpose.

#### A G R E E M E N T :

*In consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:*

SECTION 1. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Site Lease have the respective meanings given them in the Indenture.

SECTION 2. *Restatement of 2010 Site Lease.* This Site Lease constitutes an amendment and restatement in full of the 2010 Site Lease. From and after the Closing Date the 2010 Site Lease, in the form heretofore executed and delivered by the City and the Authority, will be of no further force and effect and will be deemed to be restated in full hereby. The City continues to and does hereby lease the Leased Property to the Authority, and the Authority continues to and does hereby lease the Leased Property from the City, upon the terms and conditions set forth in this Site Lease, without interruption by virtue of the amendment and restatement of the 2010 Site Lease hereby.

SECTION 3. *Term; Possession.* The term of this Site Lease shall commence on the Closing Date. This Site Lease shall end, and the right of the Authority hereunder to

possession of the Leased Property shall thereupon cease, on April 1, 2036 (unless the term of the Lease Agreement has been extended under the provisions thereof), or such earlier or later date on which the Lease Payments are paid in full or provisions made for such payment, but in any event not later than April 1, 2046.

SECTION 4. *Consideration.* In consideration for the agreement by the City to amend and restate the 2010 Site Lease as provided herein, the Authority hereby agrees to issue the Bonds and to apply the proceeds as set forth in Section 3.02 of the Indenture for the purpose of providing funds to refund the 2010 Bonds in full. No other amounts of rental shall be due and payable by the Authority for the use and occupancy of the Leased Property under this Site Lease.

SECTION 5. *Assignments and Subleases.* Unless the City shall be in default under the Lease Agreement, the Authority may not assign its rights under this Site Lease or sublet all or any portion of the Leased Property, except as provided in the Lease Agreement, without the prior written consent of the City.

SECTION 6. *Substitution or Release of Property.* If the City exercises its option under Section 3.3 of the Lease Agreement to substitute property for the Leased Property in whole or in part, such substitution shall also operate to substitute property for the Leased Property which is leased hereunder. If the City exercises its option under Section 3.4 of the Lease Agreement to release a portion of the Leased Property from the Lease Agreement, such substitution shall also operate to release such portion of the Leased Property hereunder. The description of the Leased Property which is leased hereunder shall conform at all times to the description of the Leased Property which is leased under the Lease Agreement.

SECTION 7. *Right of Entry.* The City reserves the right for any of its duly authorized representatives to enter upon the Leased Property, or any portion thereof, at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. *Termination.* The Authority agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property in the same good order and condition as the Leased Property was in at the time of commencement of the term hereof, reasonable wear and tear excepted, and agrees that all buildings, improvements and structures then existing upon the Leased Property shall remain thereon and all right, title and interest of the Authority thereto shall vest thereupon in the City for no additional consideration.

SECTION 9. *Default.* In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Authority, the City may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease Agreement shall be deemed to occur as a result thereof; *provided, however*, that so long as the Lease Agreement remains in effect, the Lease Payments payable by the City under the Lease Agreement shall continue to be paid to the Trustee.

SECTION 10. *Quiet Enjoyment.* The Authority at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Leased Property,

subject to the provisions of the Lease Agreement and subject only to Permitted Encumbrances.

SECTION 11. *Waiver of Personal Liability.* All liabilities under this Site Lease on the part of the Authority are solely liabilities of the Authority, and the City hereby releases each and every member and officer of the Authority of and from any personal or individual liability under this Site Lease. No member or officer of the Authority or its governing board shall at any time or under any circumstances be individually or personally liable under this Site Lease for anything done or omitted to be done by the Authority hereunder.

SECTION 12. *Taxes.* The City covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property and any improvements thereon.

SECTION 13. *Eminent Domain.* In the event the whole or any part of the Leased Property or any improvements thereon shall be taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid principal components of the Lease Payments payable under the Lease Agreement and the balance of the award, if any, shall be paid to the City.

SECTION 14. *Partial Invalidity.* If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 15. *Notices.* Any notice, request, complaint, demand or other communication under this Site Lease shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopy, telex or other form of electronic or telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The City and the Authority may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

*If to the City:* City of Brea  
1 Civic Center Circle  
Brea, California 92821  
Attention: City Manager

*If to the Authority:* Brea Public Financing Authority  
1 Civic Center Circle  
Brea, California 92821  
Attention: Executive Director

*If to the Trustee:* The Bank of New York Mellon Trust Company, N.A.  
400 South Hope Street, Suite 500  
Los Angeles, California 90071  
Attention: Corporate Trust Administration

SECTION 16. *Amendment of this Site Lease.* The Authority and the City may at any time amend or modify any of the provisions of this Site Lease, but only (a) with the prior written consent of the Owners of a majority in aggregate principal amount of the Outstanding Bonds; or (b) without the consent of any of the Bond Owners, but only if such amendment or modification is for any one or more of the following purposes:

- (i) to make cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, or in any other respect whatsoever as the Authority and the City may deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments do not materially adversely affect the interests of the Owners of the Bonds;
- (ii) to amend any provision hereof relating to the Tax Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest on the Bonds under the Tax Code, in the opinion of Bond Counsel;
- (iii) to conform to any amendment of the Indenture which is made thereto in accordance with applicable provisions of the Indenture; or
- (iv) to amend the description of the Leased Property to reflect accurately the property originally intended to be included therein, or in connection with any substitution or release of property under Section 6.

SECTION 17. *Governing Law.* This Site Lease shall be construed in accordance with and governed by the Constitution and laws of the State of California.

SECTION 18. *Third Party Beneficiary.* The Trustee is hereby made a third party beneficiary under this Site Lease with all rights of a third party beneficiary.

SECTION 19. *Binding Effect.* This Site Lease inures to the benefit of and is binding upon the Authority, the City and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 20. *Section Headings.* All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

SECTION 21. *Execution in Counterparts.* This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Site Lease may be separately executed by the Authority and the City, all with the same force and effect as though the same counterpart had been executed by both the Authority and the City.

IN WITNESS WHEREOF, the City and the Authority have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

**CITY OF BREa**, *as lessor*

By \_\_\_\_\_  
City Manager

Attest:

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

**BREA PUBLIC FINANCING AUTHORITY**,  
*as lessee*

By \_\_\_\_\_  
Executive Director

Attest:

\_\_\_\_\_  
Secretary

## **APPENDIX A**

### **DESCRIPTION OF THE LEASED PROPERTY**

The Leased Property consists of that certain real property situated in the City of Brea, County of Orange, which is more particularly described as follows:

Parcel 1 of Parcel Map No. 91-133, in the City of Brea, in the County of Orange, State of California, as per Parcel Map recorded in Book 279 Page(s) 35 to 38 all inclusive of Parcel Maps, in the Office of the County Recorder of said County.

Excepting all oil, minerals, gas and other hydrocarbon substances below a depth of 500 feet, without the right of surface entry as reserved in deeds recorded in Book 13441 Page 1901 and Instrument No's 86-645775 and 86-645776, all of Official Records of said County.

Reserving all oil, mineral, gas and other hydrocarbon substances below a depth of 500 feet under the real property described herein, without the right of surface entry.

RECORDING REQUESTED BY:  
Stewart Title Guaranty Company  
Commercial Services San Francisco

AND WHEN RECORDED  
RETURN TO:  
Jones Hall, A Professional Law Corporation  
475 Sansome Street, Suite 1700  
San Francisco, California 94111  
Attention: Charles F. Adams, Esq.

THIS TRANSACTION IS EXEMPT FROM DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE AND EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 6103 OF THE CALIFORNIA GOVERNMENT CODE.

## **ASSIGNMENT AGREEMENT**

This ASSIGNMENT AGREEMENT (this "Assignment Agreement"), dated for convenience as of July 1, 2021, is between the BREa PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as Trustee (the "Trustee").

### ***B A C K G R O U N D :***

1. The Authority has previously issued its Brea Public Financing Authority 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (Federally Taxable - Build America Bonds - Direct Payment) in the aggregate principal amount of \$2,835,000 (the "2010 Bonds") for the purpose of providing funds to enable the City of Brea (the "City") to finance the acquisition, construction and installation of solar and energy efficiency projects throughout the City.

2. In order to secure the payment of the 2010 Bonds, the City has previously leased certain property, consisting generally of the land and improvements which constitute the existing Community Center of the City, as described more fully in Appendix A which is attached hereto and by this reference incorporated herein (the "Leased Property"), to the Authority under a Site Lease dated as of April 1, 2010, which was recorded on May 6, 2010, as Document No. 2010000213511 in the Office of the Orange County Recorder (the "2010 Site Lease"); and the Authority has leased the Leased Property back to the City under a Lease Agreement dated as of April 1, 2010, which was recorded on May 6, 2010, as Document No. 2010000213512 in the Office of the Orange County Recorder (the "2010 Lease Agreement").

3. The 2010 Bonds are subject to redemption at the option of the Authority on October 1, 2021 at a redemption price equal to 100% of the principal amount thereof together with accrued interest thereon to the redemption date, without premium.

4. The City and the Authority have determined that it is in their best interests to refund the 2010 Bonds and in order to provide funds for that purpose the Authority has authorized the issuance of its 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds"), under an unrecorded Indenture of Trust dated as of July 1, 2021 (the "Indenture"), between the Authority and the Trustee.

5. The City and the Authority have amended and restated the 2010 Lease Agreement pursuant to an Amended and Restated Lease Agreement dated as of July 1, 2021, which has been recorded concurrently herewith (the "Lease Agreement"), for the purpose of providing for the payment of lease payments by the City (the "Lease Payments") which have been pledged for the security of the Bonds.

6. The Authority has requested the Trustee to enter into this Assignment Agreement for the purpose of assigning certain of its rights under the Lease Agreement to the Trustee for the benefit of the Bond owners.

#### A G R E E M E N T :

In consideration of the material covenants contained in this Assignment Agreement, the parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Defined Terms.* All capitalized terms not otherwise defined herein have the respective meanings given those terms in the Indenture.

SECTION 2. *Assignment.* The Authority hereby assigns to the Trustee, for the benefit of the Owners of all Bonds which are issued and Outstanding under the Indenture, all of the Authority's rights under the Lease Agreement (excepting only the Authority's rights under Sections 4.4, 5.10, 7.3 and 8.4 of the Lease Agreement), including but not limited to:

- (a) the right to receive and collect all of the Lease Payments from the City under the Lease Agreement;
- (b) the right to receive and collect any proceeds of any insurance maintained thereunder with respect to the Leased Property, or any eminent domain award (or proceeds of sale under threat of eminent domain) paid with respect to the Leased Property; and
- (c) the right to exercise such rights and remedies conferred on the Authority under the Lease Agreement as may be necessary or convenient (i) to enforce payment of the Lease Payments and any amounts required to be deposited in the Insurance and Condemnation Fund established under Section 5.06 of the Indenture,



or (ii) otherwise to protect the interests of the Bond Owners in the event of a default by the City under the Lease Agreement.

The Trustee shall administer all of the rights assigned to it by the Authority under this Assignment Agreement in accordance with the provisions of the Indenture, for the benefit of the Owners of Bonds. The assignment made under this Section is absolute and irrevocable, and without recourse to the Authority.

SECTION 3. *Acceptance.* The Trustee hereby accepts the assignments made herein for the purpose of securing the payments due under the Lease Agreement and Indenture to, and the rights under the Lease Agreement and Indenture of, the Owners of the Bonds, all subject to the provisions of the Indenture. The recitals contained herein are those of the Authority and not of the Trustee, and the Trustee assumes no responsibility for the correctness thereof.

SECTION 4. *Termination of Prior Assignment Agreement.* The Authority and the Trustee hereby terminate that certain Assignment Agreement dated as of April 1, 2010, which was recorded on May 6, 2010, as Document No. 2010000213513 in the Office of the Orange County Recorder.

SECTION 5. *Conditions.* This Assignment Agreement confers no rights and imposes no duties upon the Trustee beyond those expressly provided in the Indenture. The assignment hereunder to the Trustee is solely in its capacity as Trustee under the Indenture.

SECTION 6. *Execution in Counterparts.* This Assignment Agreement may be executed in any number of counterparts, each of which is an original and all together constitute one and the same agreement. Separate counterparts of this Assignment Agreement may be separately executed by the Trustee and the Authority, both with the same force and effect as though the same counterpart had been executed by the Trustee and the Authority.

SECTION 7. *Binding Effect.* This Assignment Agreement inures to the benefit of and binds the Authority and the Trustee, and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 8. *Governing Law.* This Assignment Agreement shall be governed by the Constitution and laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

**BREA PUBLIC FINANCING AUTHORITY**

By \_\_\_\_\_  
Executive Director

Attest:

\_\_\_\_\_  
Secretary

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as *Trustee***

By \_\_\_\_\_  
Authorized Signatory

## **APPENDIX A**

### **DESCRIPTION OF THE LEASED PROPERTY**

The Leased Property consists of that certain real property situated in the City of Brea, County of Orange, which is more particularly described as follows:

Parcel 1 of Parcel Map No. 91-133, in the City of Brea, in the County of Orange, State of California, as per Parcel Map recorded in Book 279 Page(s) 35 to 38 all inclusive of Parcel Maps, in the Office of the County Recorder of said County.

Excepting all oil, minerals, gas and other hydrocarbon substances below a depth of 500 feet, without the right of surface entry as reserved in deeds recorded in Book 13441 Page 1901 and Instrument No's 86-645775 and 86-645776, all of Official Records of said County.

Reserving all oil, mineral, gas and other hydrocarbon substances below a depth of 500 feet under the real property described herein, without the right of surface entry.

## **ESCROW AGREEMENT**

**Relating to**

**\$2,835,000**

**Brea Public Financing Authority**

**2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects)  
(Federally Taxable - Build America Bonds - Direct Payment)**

This ESCROW AGREEMENT (this "Agreement"), dated as of July 1, 2021, is among the BREA PUBLIC FINANCING AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), the CITY OF BREA, a municipal corporation duly organized and existing under the laws of the State of California (the "City"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as escrow agent (the "Escrow Agent") and as trustee for the 2010 Bonds described below.

### ***B A C K G R O U N D :***

1. The Authority has previously issued its Brea Public Financing Authority 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (Federally Taxable - Build America Bonds - Direct Payment) in the aggregate principal amount of \$2,835,000 (the "2010 Bonds") under an Indenture of Trust dated as of April 1, 2010 (the "2010 Bond Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A. as trustee (the "2010 Bond Trustee"), for the purpose of providing funds to enable the City to finance the acquisition, construction and installation of solar and energy efficiency projects throughout the City.

2. The Authority has the right under the 2010 Bond Indenture, at its option, to redeem the 2010 Bonds on October 1, 2021 (the "Redemption Date"), from any available source of funds, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the Redemption Date, without premium.

3. In order to provide funds to pay and redeem the 2010 Bonds in full on the Redemption Date, the Authority has issued its Brea Public Financing Authority 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) in the aggregate principal amount of \$\_\_\_\_\_ (the "2021 Bonds") under an Indenture of Trust dated as of July 1, 2021 (the "2021 Bond Indenture"), between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "2021 Bond Trustee").

4. The Authority and the City wish to appoint the Escrow Agent for the purpose of establishing an irrevocable escrow fund to be funded, invested, held and administered as set forth herein for the purpose of providing for payment and redemption of the 2010 Bonds in full on the Redemption Date.

## A G R E E M E N T :

In consideration of the premises and the material covenants contained herein, the City and the Escrow Agent hereby agree as follows:

SECTION 1. *Appointment of Escrow Agent; Establishment of Escrow Fund.* The Authority and the City hereby appoint the Escrow Agent to act as escrow agent for purpose of administering the funds required for the refunding of the 2010 Bonds as provided herein. The Escrow Agent is hereby directed to establish an escrow fund (the "Escrow Fund") to be held by the Escrow Agent as an irrevocable escrow. If at any time the Escrow Agent receives actual knowledge that the cash in the Escrow Fund will not be sufficient to make any payment required by Section 4, the Escrow Agent shall notify the City of such fact and the City shall immediately cure such deficiency from any source of legally available funds. The Escrow Agent has no liability for any such insufficiency.

SECTION 2. *Deposit of Amounts in Escrow Fund.* On July \_\_, 2021 (the "Closing Date"), the Authority and the City shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of \$\_\_\_\_\_ in immediately available funds. Such amount shall be derived from the following sources:

- (a) from the proceeds of the 2021 Bonds in the amount of \$\_\_\_\_\_;
- (b) from amounts held by the 2010 Bond Trustee in the Reserve Fund which has been established under Section 5.02 of the 2010 Bond Indenture, in the amount of \$\_\_\_\_\_; and
- (c) from amounts held by the 2010 Bond Trustee in the Bond Fund which has been established under Section 5.01 of the 2010 Bond Indenture, in the amount of \$\_\_\_\_\_.

SECTION 3. *Investment of Amounts in Escrow Fund.* On the Closing Date, the Escrow Agent shall invest the amount of \$\_\_\_\_\_ held by it in the Escrow Fund in a United States Treasury Security, State and Local Government Series, maturing on October 1, 2021, bearing interest at the rate of \_\_\_\_% per annum. The Escrow Agent shall hold the remaining amount of \$\_\_\_\_\_ in the Escrow Fund in cash, uninvested.

SECTION 4. *Application of Amounts in Escrow Fund.* The Escrow Agent shall transfer amounts in the Escrow Fund to the 2010 Bond Trustee to pay and redeem all of the outstanding 2010 Bonds in accordance with the following schedule:

<u>Date</u>	<u>Interest Payment</u>	<u>Redeemed Principal</u>	<u>Total Payment</u>
October 1, 2021			

Following the payment and redemption of the 2010 Bonds in full on the Redemption Date, the Escrow Agent shall transfer any amounts remaining on deposit in the Escrow Fund to the 2021 Bond Trustee to be deposited into the Interest Account established under Section 5.02(a) of the 2021 Bond Indenture and applied to pay interest next coming due and payable on the 2021 Bonds.

SECTION 5. *Irrevocable Election; Filing of Notices.* The Authority hereby irrevocably elects to redeem the 2010 Bonds in full on the Redemption Date in accordance with Section 4.01 of the 2010 Bond Indenture. The 2010 Bond Trustee shall give notice of redemption of the 2010 Bonds in accordance with Section 4.03 of the 2010 Bond Indenture, at the expense of the Authority and the City.

The Authority and the City hereby authorize and direct the Escrow Agent to file a notice of the defeasance of the 2010 Bonds in substantially the form set forth in Appendix D attached hereto, on the Electronic Municipal Market Access system which is maintained by the Municipal Securities Rulemaking Board. Such notice shall be filed promptly following the deposit of funds into the Escrow Fund under Section 2.

SECTION 6. *Resignation of Escrow Agent.* The Escrow Agent may at any time resign by giving written notice of such resignation to the Authority and the City, and the Authority and the City shall promptly appoint a successor Escrow Agent by the resignation date. Resignation of the Escrow Agent will be effective only upon acceptance of appointment by a successor Escrow Agent. If the Authority and the City do not appoint a successor, the Escrow Agent may at the expense of the Authority and the City petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent. After receiving a notice of resignation of Escrow Agent, the Authority and the City may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the Authority and the City appoint a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the Authority and the City, shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

SECTION 7. *Compensation to Escrow Agent.* The City shall pay the Escrow Agent full compensation for its services under this Agreement, including out-of-pocket costs such as publication costs, prepayment expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes. The Escrow Agent has no lien upon or right of set off against the cash at any time on deposit in the Escrow Fund.

The City shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from, claims against the Escrow Agent by reason of its participation in the transactions contemplated hereby, except to the extent caused by the Escrow Agent's gross negligence or willful misconduct. The provisions of this Section shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

SECTION 8. *Immunities and Liability of Escrow Agent.* The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not have any liability hereunder except to the extent of its gross negligence or willful misconduct. In no event shall the Escrow Agent

be liable for any special, indirect or consequential damages. The Escrow Agent shall not be permitted to make any investments of amounts held by it in the Escrow Fund. The Escrow Agent may consult with counsel, which may be Bond Counsel or legal counsel to the City, and in such case the Escrow Agent shall not be liable for any action taken or not taken by it in good faith in reliance upon the opinion or advice of such counsel. The Escrow Agent shall not be liable for the recitals or representations contained in this Agreement and shall not be responsible for the validity of this Agreement, the sufficiency of the Escrow Fund or the moneys for the purposes set forth in this Agreement.

Whenever in the administration of this Agreement the Escrow Agent deems it necessary or desirable that a matter be proved or established prior to taking or not taking any action, such matter may be deemed to be conclusively proved and established by a certificate of an authorized representative of the Authority and the City and shall be full protection for any action taken or not taken by the Escrow Agent in good faith reliance thereon.

The Escrow Agent may conclusively rely as to the truth and accuracy of the statements and correctness of any opinions or calculations provided to it in connection with this Agreement and shall be protected in acting, or refraining from acting, upon any notice, instruction, request, certificate, document, opinion or other writing furnished to the Escrow Agent in connection with this Agreement and believed by the Escrow Agent to be signed by the proper party, and it need not investigate any fact or matter stated therein.

None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care. The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

SECTION 9. *Furnishing of Statements.* The Escrow Agent shall furnish the Authority and the City periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the Authority and the City. Upon the Authority's and the City's election, such statements will be delivered via the Escrow Agent's online service and upon electing such service, paper statements will be provided only upon request. The Authority and the City waive the right

to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The Authority and the City further understands that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost.

SECTION 10. *Electronic Communications.* The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means. For purposes of this paragraph, the term "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder). The Authority and the City shall provide to the Escrow Agent an incumbency certificate listing officers with the Authority and the City to provide such Instructions (the "Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate may be amended by the City from time to time. If the Authority and the City elect to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's reasonable understanding of such Instructions shall be deemed controlling. The Authority and the City understand and agree that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The Authority and the City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the Authority, the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority and the City. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reasonable reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

The Escrow Agent shall not be liable under this Section, except for its negligence or misconduct; provided, however, that the Trustee's reliance on Instructions delivered in accordance with this Section using Electronic Means shall not, in and of itself, be construed as negligence.

SECTION 11. *Termination of Agreement.* Upon payment and redemption in full of the 2010 Bonds, and upon payment of all fees, expenses and charges of the Escrow Agent



as described above, this Agreement shall terminate and the Escrow Agent shall be discharged from any further obligation or responsibility hereunder.

SECTION 12. *Execution in Counterparts.* This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 13. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

**BREA PUBLIC FINANCING AUTHORITY**

By \_\_\_\_\_  
Executive Director

**CITY OF BREA**

By \_\_\_\_\_  
City Manager

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Escrow Agent**

By \_\_\_\_\_  
Authorized Officer

## APPENDIX A

### NOTICE OF DEFEASANCE OF

**\$2,835,000**  
**Brea Public Financing Authority**  
**2010 Lease Revenue Bonds**  
**(Solar and Energy Efficiency Projects)**  
**(Federally Taxable - Build America Bonds - Direct Payment)**

NOTICE IS HEREBY GIVEN by the Brea Public Financing Authority (the "Authority") that on July \_\_, 2021, the Authority has established an irrevocable escrow for the discharge and defeasance of the outstanding Brea Public Financing Authority 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (Federally Taxable - Build America Bonds - Direct Payment) which have been issued by the Authority in the aggregate original principal amount of \$2,835,000 (the "2010 Bonds"). The 2010 Bonds which have been defeased are described as set forth below and are herein referred to as the "Defeased Bonds":

\$1,260,000 6.734% Term Bond due April 1, 2030 CUSIP<sup>†</sup> 106283 DA9  
\$1,500,000 6.884% Term Bond due April 1, 2036 CUSIP<sup>†</sup> 106283 DG6

*† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. The Authority takes no responsibility for the accuracy of the CUSIP data.*

Funds for the payment and defeasance of the Defeased Bonds have been set aside in an irrevocable Escrow Fund established with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent"), for the purpose of paying the principal of and interest on the Defeased Bonds to and including October 1, 2021 (the "Redemption Date"), and for the purpose of paying the redemption price of the Defeased Bonds on the Redemption Date. Amounts set aside in the Escrow Fund have been invested in certain Federal Securities as defined in the Indenture of Trust under which the 2010 Bonds have been issued (the "2010 Bond Indenture"). The sufficiency of the funds and securities for the purpose of paying the principal and redemption price of, and the interest on, the Defeased Bonds has been verified by Causey, Demgen & Moore, Inc., certified public accountants.

As a result of such deposit and investment of funds, the Defeased Bonds have been discharged and defeased in accordance with the provisions of the 2010 Bond Indenture, and are payable solely from the amounts held therefore by the Escrow Agent in the Escrow Fund.

THIS IS NOT A NOTICE OF REDEMPTION. THIS NOTICE IS FOR INFORMATION PURPOSES ONLY, AND DOES NOT REQUIRE OR SOLICIT THE PRESENT SURRENDER OR EXCHANGE OF THE DESCRIBED DEFEASED BONDS.

**Dated: July \_\_, 2021**

**The Bank of New York Mellon Trust  
Company, N.A., as Escrow Agent**

NEW ISSUE – BOOK ENTRY ONLY

Rating: S&amp;P: “\_\_\_”

See “CONCLUDING MATTERS – Rating.”

*In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2021 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See “CONCLUDING MATTERS – Tax Matters.”*

\$ \_\_\_\_\_ \*

**BREA PUBLIC FINANCING AUTHORITY  
2021 REFUNDING LEASE REVENUE BONDS  
(SOLAR AND ENERGY EFFICIENCY PROJECTS)**

Dated: Date of Delivery

Due: April 1, as shown on the inside front cover

The Brea Public Financing Authority (the “Authority”) will issue its 2021 Refunding Lease Revenue Refunding Bonds (Solar And Energy Efficiency Projects) (the “2021 Bonds”) pursuant to an Indenture of Trust, dated as of July 1, 2021 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Proceeds from the sale of the 2021 Bonds will be used to: (i) defease and refund the Authority’s outstanding 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects), and (ii) pay costs of issuance of the 2021 Bonds.

The 2021 Bonds will be payable from Revenues, which primarily consist of lease payments (“Lease Payments”) to be made by the City for the leasing of certain real property as described in this Official Statement (the “Leased Property”), pursuant to an Amended and Restated Lease Agreement, dated as of July 1 2021 (the “Lease”), by and between the Authority and the City. Such Lease Payments will be payable from any source of funds legally available to the City (subject to abatement under certain circumstances described in the Lease) as more fully described herein. See “LEASED PROPERTY” and “SECURITY FOR 2021 BONDS.”

The 2021 Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2021 Bonds. Individual purchases of the 2021 Bonds may be made in book-entry form only, in integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the 2021 Bonds purchased. Principal of and interest on the 2021 Bonds will be paid directly to DTC by the Trustee. Principal of the 2021 Bonds will be payable on the maturity dates set forth on the inside cover of this Official Statement. Interest on the 2021 Bonds will be payable on April 1 and October 1 of each year, commencing October 1, 2021. Upon its receipt of payment of principal and interest, DTC in turn will be obligated to remit such principal and interest to DTC participants for subsequent disbursement to the beneficial owners of the 2021 Bonds.

The 2021 Bonds will be subject to optional redemption and mandatory sinking fund redemption prior to maturity as described in this Official Statement.\* The 2021 Bonds will be subject to special mandatory redemption prior to maturity from certain insurance or condemnation proceeds as described in this Official Statement.

THE 2021 BONDS WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY SECURED SOLELY BY THE PLEDGE OF REVENUES AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE WILL NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION OR FULL FAITH AND CREDIT. NEITHER THE 2021 BONDS NOR THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE CONSTITUTES AN INDEBTEDNESS OF THE CITY, STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS.

*See the section of this Official Statement entitled “BONDOWNERS’ RISKS” for a discussion of certain of the risk factors that should be considered, in addition to other matters set forth in the Official Statement, in evaluating the investment quality of the 2021 Bonds. This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.*

The 2021 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will be passed upon for the City by Richards, Watson & Gershon, A Professional Corporation, as Disclosure Counsel and as City Attorney, and for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. It is anticipated that the 2021 Bonds will be available for delivery in book-entry form through the facilities of DTC on or about \_\_\_\_\_, 2021.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the dated date of the Official Statement in its final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

\* Preliminary; subject to change.

STIFEL

Dated: \_\_\_\_\_, 2021.

\$ \_\_\_\_\_ \*

**BREA PUBLIC FINANCING AUTHORITY  
2021 REFUNDING LEASE REVENUE BONDS  
(SOLAR AND ENERGY EFFICIENCY PROJECTS)**

**MATURITY SCHEDULE**

<u>Maturity Date (April 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield<sup>†</sup></u>	<u>Price</u>	<u>CUSIP<sup>††</sup> (Base:     )</u>
------------------------------------	-----------------------------	--------------------------	--------------------------	--------------	--

\$ \_\_\_\_\_ % Term Bond due April 1, 20 \_\_, Yield \_\_\_\_\_ %, Price: \_\_\_\_\_; CUSIP<sup>†</sup>: \_\_\_\_\_

\$ \_\_\_\_\_ % Term Bond due April 1, 20 \_\_, Yield \_\_\_\_\_ %, Price: \_\_\_\_\_; CUSIP<sup>†</sup>: \_\_\_\_\_

\* Preliminary; subject to change.

† Reoffering price/yields furnished by the Underwriter. The Authority and the City take no responsibility for the accuracy thereof.

†† CUSIP is a registered trademark of the American Bankers Association. CUSIP data in this Official Statement is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP alphanumeric designations ("CUSIP Numbers") are assigned by an independent company not affiliated with the Authority, the City or the Underwriter. CUSIP © 2021 CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP Numbers are provided for convenience of reference only. None of the Authority, the City nor the Underwriter takes any responsibility for the accuracy of such numbers. The CUSIP Number for any particular maturity is subject to change after delivery of the 2021 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors applicable to all or a portion of the 2021 Bonds.

**BREA PUBLIC FINANCING AUTHORITY**  
**CITY OF BREA**  
Orange County, California

**City Council/Authority Board of Directors**

Steven Vargas, *Mayor/Chair*  
Cecilia Hupp, *Mayor Pro Tem/Vice Chair*  
Christine Marick, *Council Member/Director*  
Glenn Parker, *Council Member/Director*  
Marty Simonoff, *Council Member/Director*

**OTHER ELECTED OFFICIAL**

Denise Eby, *City Treasurer*

**CITY STAFF**

William Gallardo, *City Manager*  
Chris Emeterio, *Assistant City Manager*  
Lillian Harris-Neal, *City Clerk*  
Cynthia Russell, *Administrative Services Director*  
Faith Madrazo, *Revenue and Budget Manager*

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**SPECIAL SERVICES**

**Bond Counsel**

Jones Hall, A Professional Law Corporation  
San Francisco, California

**Disclosure Counsel**

Richards, Watson & Gershon, A Professional Corporation  
Los Angeles, California

**Municipal Advisor**

Fieldman Rolapp & Associates, Inc.  
Irvine, California

**Trustee**

The Bank of New York Mellon Trust Company, N.A.  
Los Angeles, California

**Verification Agent**

Causey Demgen & Moore, P.C.  
Denver, Colorado

## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

*Use of Official Statement.* This Official Statement is submitted in connection with the offer and sale of the 2021 Bonds and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2021 Bonds.

*Estimates and Forecasts.* Certain statements included or incorporated by reference in this Official Statement and in any continuing disclosure by the City or the Authority, any press release and in any oral statement made with the approval of an authorized officer of the City, the Authority or any other entity described or referenced in this Official Statement, constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “anticipate,” “estimate,” “budget” or other similar words and include, but are not limited to, statements under the captions “PLAN OF REFUNDING,” “CITY” and “CITY FINANCIAL INFORMATION.” The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. While the City has undertaken to provide certain on-going financial and other data pursuant to a continuing disclosure certificate (see “CONCLUDING MATTERS – Continuing Disclosure” and APPENDIX E), the City and the Authority do not plan to issue any updates or revisions to those forward-looking statements if or when there are changes to their expectations or events, conditions or circumstances on which such statements are based.

*Preparation of this Official Statement.* The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness. Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

*Limit of Offering.* No dealer, broker, salesperson or other person has been authorized by the City or the Authority to give any information or to make any representations in connection with the offer or sale of the 2021 Bonds other than those contained in this Official Statement and if given or made, such other information or representation must not be relied upon as having been authorized by the City, the Authority or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2021 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

*Information as of Dated Date of Official Statement.* The information and expressions of opinions in this Official Statement are subject to change without notice and neither delivery of this Official Statement nor any sale made of the 2021 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the City, the Authority or any other entity described or referenced in this Official Statement since the dated date shown on the front cover. All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

*Stabilization of Prices.* In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of the 2021 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the 2021 Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside front cover and such public offering prices may be changed from time to time by the Underwriter.

*No Incorporation of Websites.* References to internet websites in this Official Statement are shown for reference and convenience only, and none of their content (including, but not limited to, the content of the City’s website) is incorporated by reference. None of the Authority, the City nor the Underwriter makes no representation regarding the accuracy or completeness of information presented on such websites.

THE 2021 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE 2021 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAW OF ANY STATE.

[insert map]



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**BREA PUBLIC FINANCING AUTHORITY  
2021 REFUNDING LEASE REVENUE BONDS  
(SOLAR AND ENERGY EFFICIENCY PROJECTS)**

**INTRODUCTION**

*This Introduction does not purport to be complete, and reference is made to the body of this Official Statement, appendices and the documents referred to for more complete information with respect to matters concerning the 2021 Bonds. Potential investors are encouraged to read the entire Official Statement. Capitalized terms used but not defined in the forepart of this Official Statement have the meanings set forth in the Indenture, or if not in the Indenture, the Lease. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS.”*

**General**

This Official Statement, including the cover page, the inside front cover and appendices, is provided to furnish information in connection with the sale by the Brea Public Financing Authority (the “Authority”) of its 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) (the “2021 Bonds”), in the aggregate principal amount of \$ \_\_\_\_\_. The 2021 Bonds will be issued pursuant to: (i) Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53570 and 53580, respectively, (ii) a resolution adopted by the Board of Directors of the Authority on \_\_\_\_\_, 2021, (iii) a resolution adopted by the City Council of the City of Brea (the “City”) on \_\_\_\_\_, 2021, and (iv) the Indenture of Trust, dated as of July 1, 2021 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Proceeds from the sale of the 2021 Bonds will be used to: (a) defease and refund the Authority’s outstanding 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (the “2010 Bonds”), and (b) pay costs of issuance of the 2021 Bonds.

Interest on the 2021 Bonds will be payable semiannually on April 1 and October 1 of each year, commencing October 1, 2021. The 2021 Bonds will mature in the amounts and on the dates and bear interest at the rates shown on the inside front cover of this Official Statement.

The 2021 Bonds will be subject to optional redemption and mandatory sinking fund redemption prior to maturity as described in this Official Statement.\* The 2021 Bonds will also be subject to special mandatory redemption prior to maturity from certain insurance or condemnation proceeds as described in this Official Statement. See “2021 BONDS – Redemption.”

The 2021 Bonds will be initially delivered as one fully registered certificate for each maturity (unless there are different interest rates within such maturity, then one certificate for each interest rate within such maturity) and, when issued and delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as the depository for the 2021 Bonds and all payments due on the 2021 Bonds will

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\* Preliminary; subject to change.

be made to Cede & Co. Ownership interests in the 2021 Bonds may be purchased only in book-entry form. So long as the 2021 Bonds are registered in the name of Cede & Co., or any other nominee of DTC, references in this Official Statement to the registered owners, or just “Owners” of the 2021 Bonds shall mean Cede & Co. or such other nominee of DTC and shall not mean the beneficial owners of the 2021 Bonds. See “2021 BONDS – Book-Entry Only System” and “APPENDIX F – DTC’S BOOK-ENTRY ONLY SYSTEM.”

## **Security for 2021 Bonds**

The 2021 Bonds will be payable solely from and secured by a pledge of Revenues (defined below, see “SECURITY FOR 2021 BONDS”) and moneys in certain funds and accounts held under the Indenture. Revenues consist primarily of certain lease payments (“Lease Payments”) made by the City to the Authority pursuant to an Amended and Restated Lease Agreement, dated as of July 1, 2021 (the “Lease”), by and between the Authority and the City with respect to certain real property (the “Leased Property”).

Pursuant to an Assignment Agreement, dated as of July 1, 2021 (the “Assignment Agreement”), by and between the Authority and the Trustee, the Authority will assign to the Trustee for the benefit of the Owners of the 2021 Bonds, certain of its rights under the Lease, including its rights to receive Lease Payments for the purpose of securing the payment of debt service on the 2021 Bonds. The City will covenant under the Lease to take such action as necessary to include the Lease Payments and Additional Rental Payments (as defined in the Indenture and subject to the terms of the Lease; consisting of fees and expenses of the Authority incurred in connection with the 2021 Bonds and the Leased Property, including compensation to Trustee and other consultants engaged by the Authority) in its annual budget and to make all necessary appropriations therefor (subject to abatement under certain circumstances described in the Lease).

No debt service reserve fund for the 2021 Bonds has been established under the Indenture.

***The 2021 Bonds will be limited obligations of the Authority secured solely by the pledge of Revenues and certain funds and accounts held under the Indenture. The Authority has no taxing power. The obligation of the City to make Lease Payments under the Lease will not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation or full faith and credit. Neither the 2021 Bonds nor the obligation of the City to make Lease Payments under the Lease constitutes an indebtedness of the City, State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitations.***

See “SECURITY FOR 2021 BONDS” and “BONDOWNERS’ RISKS.”

## **City**

The City encompasses approximately 12 square miles and is located at the northern end of Orange County (the “County”), California (the “State”), just south of the Los Angeles County line. The City’s population was [45,629] as of January 1, [2020], according to State of California Department of Finance estimates. The City Council is composed of five members elected at large every two years to four-year alternating terms. On June 20, 2019, the City Council adopted

Resolution No. 2019-049, declaring the intent to transition to district-based elections after receipt of the 2020 Census results (which results are currently expected to be released by the U.S. Census Bureau in late spring 2021). The City Council appoints the City Manager, who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. See “CITY,” “CITY FINANCIAL INFORMATION” and “APPENDIX A – SUPPLEMENTAL INFORMATION ABOUT CITY OF BREA.”

## **COVID-19 Pandemic**

A coronavirus disease, known as COVID-19 (“COVID-19”), is an infectious disease caused by a novel strain of the coronavirus known as severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The disease was first identified in China in late 2019, and then spread around the globe. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic. In the State (including in the City and County), other parts of the United States and many nations, protective measures (including mandatory and voluntary closing or partial closing of non-essential businesses and public venues, and imposition of social distancing measures, limitation of social gatherings of certain sizes) were imposed. There have been major disruptions in the economy, at the local, state, national and international levels.

The pandemic has affected the City’s finances in fiscal years 2019-20 and fiscal year 2020-21. Revenues from sales tax, transient occupancy tax and community services have decreased, compared to prior years. However, revenues from property tax have remained strong. The City has been able to use reserves saved from prior years to maintain service levels and avoid significant reductions.

By the end of first quarter of 2021, United States Food and Drug Administration has approved the emergency use of several different COVID-19 vaccines. Vaccine administration is on-going in many places, including the State. In the United States, the overall new COVID-19 infection rate in April 2021 was significantly lower compared to the peak in December 2020 and January 2021. However, the trends continued to vary in different countries. It is unknown how long the pandemic will continue to affect the global economy and individuals’ daily lives. Furthermore, as economies re-open, it is unknown if there will be lingering effects from the changes that have been brought by the pandemic. The City will continue to monitor the situation closely and make adjustments. The City’s current reserves are at amounts above the City policy level of 25 percent of the annual General Fund expenditures.

On March 11, 2021, United States President Biden signed into law the American Rescue Plan Act of 2021 (“ARPA”), a \$1.9 trillion federal stimulus bill to support the nation’s relief and economic recovery. ARPA includes a total of \$350 billion to help state, local and tribal governments. The City currently expects to be allocated approximately \$8 million from ARPA. The use of such moneys will be limited for the purposes and within the timeline permitted by ARPA.

See “CITY FINANCIAL INFORMATION” and “BONDOWNERS’ RISKS – Effects from COVID-19 Pandemic.”

## **Continuing Disclosure**

In connection with the sale of the 2021 Bonds, the City will execute a Continuing Disclosure Certificate, covenanting to prepare and deliver an annual report and certain other information to the Municipal Securities Rulemaking Board (“MSRB”), via its Electronic Municipal Market Access (“EMMA”) system. See “CONCLUDING MATTERS – Continuing Disclosure” and “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

## **Other Information**

This Official Statement contains brief descriptions of the 2021 Bonds, the Indenture, the Lease, various other documents and legislation. The descriptions and summaries do not purport to be comprehensive or definitive, and reference is made to each such document or law for the complete details of all terms and conditions. All statements in this Official Statement are qualified in their entirety by reference to each such document and legislation and, with respect to certain rights and remedies, to laws and principles of equity relating to or affecting creditors’ rights generally. Capitalized terms that are used but not defined in this Official Statement shall have the meanings set forth in the Indenture.

This Official Statement speaks only as of its date as set forth on the cover, and the information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made with respect to the 2021 Bonds shall under any circumstances create any implication that there has been no change in the affairs of the Authority or the City since the date of this Official Statement.

Unless otherwise expressly noted, references to internet websites in this Official Statement are shown for reference and convenience only, and none of their content (including the City’s website) is incorporated by reference. Each of the Authority, the City and the Underwriter makes no representation to potential investors of the 2021 Bonds regarding the accuracy or completeness of the information presented on such websites.

## **PLAN OF REFUNDING**

### **Refunding of 2010 Bonds**

The 2021 Bonds will be issued to refund and defease all of the outstanding 2010 Bonds, in the principal amount of \$2,760,000. The 2010 Bonds were issued pursuant to an Indenture of Trust, dated as of April 1, 2010 (the “2010 Indenture”), by and between Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “2010 Trustee”), in the original principal amount of \$2,835,000. The 2010 Bonds were issued to finance the costs of certain renewable energy and energy efficiency improvements on City properties.

In connection with the issuance of the 2021 Bonds, the City, the Authority and 2010 Trustee will enter into an Escrow Agreement (the “Escrow Agreement”). As described below under “Sources and Uses of Funds,” a portion of the proceeds of the 2021 Bonds, together with certain moneys released from funds held under the 2010 Indenture, will be deposited into an Escrow Fund to be established under the Escrow Agreement. A portion of the moneys deposited

in the Escrow Fund will be invested in escrow securities (comprising of non-callable direct obligations of the United States of America, or other non-callable obligations the payment of principal and interest of which are unconditionally and fully guaranteed by the United States of America), with the remaining to be held uninvested in cash. The refunded 2010 Bonds will be redeemed in full on October 1, 2021 (the “Redemption Date”). The escrow securities will bear interest rates such that, upon their maturity, the principal and interest paid on the escrow securities, together with the uninvested cash in the Escrow Fund, will provide sufficient funds to: (i) pay scheduled interest payment coming due on the 2010 Bonds on the Redemption Date, and (ii) redeem the refunded 2010 Bonds in full on the Redemption Date. Moneys in the Escrow Fund will be held solely for the benefit of the holders of the refunded 2010 Bonds and will not serve as security nor be available for payment on any of the 2021 Bonds.

Causey Demgen & Moore, P.C., certified public accountants (the “Verification Agent”), will verify the mathematical accuracy of certain computations included in the schedules provided on behalf of the City relating to the computation of forecasted receipts of principal and interest earnings (if any) on the moneys and escrow securities deposited in the Escrow Funds and the forecasted payments of principal and interest in connection with the defeasance of the 2010 Bonds. The report of the Verification Agent will include the statement that the scope of its engagement was limited to verifying the mathematical accuracy of computations contained in the schedules provided to the Verification Agent and the Verification Agent has no obligation to update its report because of events occurring, or data or information coming to the Verification Agent’s attention, subsequent to the date of its report.

## Sources and Uses of Funds

The following table provides a summary of the anticipated sources and uses of the proceeds of the 2021 Bonds and other moneys to be released from funds related to 2010 Bonds:

### Sources:

Principal amount	\$	*
Plus: Original issue premium		
Less: Underwriter’s discount		
Moneys from funds held under 2010 Indenture		
<b>Total Sources</b>		

### Uses:

Escrow Fund <sup>(1)</sup>		
Costs of Issuance Fund <sup>(2)</sup>		
<b>Total Uses</b>		

(1) Escrow Fund will be established under the Escrow Agreement. See “Refunding of 2010 Bonds” above.

(2) Moneys in the Costs of Issuance Fund will be used to pay fees and expenses of Bond Counsel, Disclosure Counsel, Trustee, Municipal Advisor, rating fee, costs of posting and printing this Official Statement, and other costs of issuance.

\* Preliminary; subject to change.

## 2021 BONDS

### Description

The 2021 Bonds will be issued in fully registered form, and will bear interest at the rates, and mature on April 1 in the years and in the amounts all as set forth on the inside front cover of this Official Statement. The 2021 Bonds will be issued in integral multiples of \$5,000 and will be dated their date of delivery.

Interest on the 2021 Bonds will be payable semiannually on April 1 and October 1 of each year, commencing October 1, 2021 (each, an “Interest Payment Date”), and will be calculated on the basis of a 360-day year composed of twelve 30-day months. Each 2021 Bond will accrue interest from the Interest Payment Date next preceding the date of authentication of such 2021 Bond, unless: (i) such 2021 Bond is authenticated on or before an Interest Payment Date but after the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date (a “Record Date”) and, in which event it will bear interest from such Interest Payment Date; (ii) such 2021 Bond is authenticated on or before September 15, 2021, in which event it will bear interest from the date of delivery; or (iii) interest on any 2021 Bond is in default as of the date of authentication, in which event interest will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

The 2021 Bonds will be initially delivered as one fully registered certificate for each maturity (unless the 2021 Bonds of such maturity bear different interest rates, then one certificate for each interest rate among such maturity) and will be delivered by means of the book-entry system of DTC. While the 2021 Bonds are held in DTC’s book-entry only system, all such payments will be made to Cede & Co., as the registered owner of the 2021 Bonds. See “Book-Entry-Only System” below.

### Redemption

Optional Redemption.\* The 2021 Bonds maturing on or after April 1, 20\_\_, will be subject to redemption, in whole or in part, among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after April 1, 20\_\_, from any available source of funds, at a redemption price equal to the principal amount of the 2021 Bonds to be redeemed plus accrued interest to the date of redemption, without premium.

Special Mandatory Redemption from Insurance or Condemnation Proceeds. The 2021 Bonds will be subject to redemption as a whole, or in part by lot on a *pro rata* basis among maturities, on any date, from certain proceeds of casualty insurance, title insurance or condemnation required to be used for such purpose pursuant to the Indenture (see “SECURITY FOR 2021 BONDS – Insurance; Condemnation), at a redemption price equal to 100 percent of the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

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\* Preliminary; subject to change.

*Mandatory Sinking Fund Redemption.\** The 2021 Bonds maturing on April 1, 20\_\_ and April 1, 20\_\_ (the “Term Bonds”) will be subject to mandatory redemption in whole or in part by lot, from sinking fund payments, at a redemption price equal to the principal amount of such Term Bonds to be redeemed, without premium, in the aggregate respective principal amounts and on April 1 in the respective years as set forth in the following tables, plus accrued interest to the date of redemption; provided, however, that if some but not all of the Term Bonds of a maturity have been redeemed pursuant to the optional redemption provisions or the special mandatory redemption provisions described above, the total amount of all future sinking fund payments (including the principal amount of the Term Bonds coming due at the maturity thereof) will be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis as determined by the Authority.

Term Bonds Maturing on April 1, 20\_\_

Redemption Date (April 1)	Principal Amount to be Redeemed
†	
<hr/>	
† maturity.	

Term Bonds Maturing on April 1, 20\_\_

Redemption Date (April 1)	Principal Amount to be Redeemed
†	
<hr/>	
† maturity.	

*Notice of Redemption.* The Trustee, on behalf of the Authority, will give notice not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any 2021 Bonds designated for redemption at their addresses appearing on the registration books kept by the Trustee. In addition, the Trustee will file a copy of each redemption notice electronically with the Municipal Securities Rulemaking Board in accordance with the Continuing Disclosure Certificate. Any notice of the optional redemption of the 2021 Bonds may be made conditional. The notice of optional redemption of 2021 Bonds may be made conditional upon the receipt of funds for that purpose and may provide that notice of such redemption may be cancelled in the event funds for the redemption of the 2021 Bonds are not available. Notwithstanding the foregoing, neither the failure to receive any notice nor any defect in the notice will affect the sufficiency of the proceedings for the redemption or the cessation of accrual of interest with respect to the related 2021 Bonds from and after the redemption date.

*Right to Rescind Notice of Optional Redemption.* The Authority has the right to rescind any notice of the optional redemption of 2021 Bonds by written notice to the Trustee on or prior



to the dated fixed for redemption. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2021 Bonds then called for redemption, and such cancellation will not constitute an Event of Default under the Indenture. The Authority and the Trustee will have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will cause notice of such rescission to be sent to the respective Owners of any 2021 Bonds designated for redemption, at their addresses appearing on the registration books of the Trustee, and to the Municipal Securities Rulemaking Board.

*Selection of Bonds for Redemption.* Whenever less than all of the 2021 Bonds of a single maturity will be redeemed, the Trustee will select the 2021 Bonds of such maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee will treat each 2021 Bond as consisting of separate \$5,000 portions and each such portion shall be subject to redemption as if such portion were a separate 2021 Bond.

*Effect of Redemption.* Upon the time when notice of redemption will have been duly given pursuant to the Indenture, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on the 2021 Bonds (or portions thereof) so called for redemption will be held by the Trustee, on the redemption date designated in such notice, the 2021 Bonds (or portions thereof) so called for redemption will become due and payable, interest on the 2021 Bonds called for redemption will cease to accrue, such 2021 Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Owners of such 2021 Bonds will have no rights in respect of such 2021 Bonds except to receive payment of the redemption price of such 2021 Bonds.

### **Book-Entry Only System**

The 2021 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the 2021 Bonds. Individual purchases of the 2021 Bonds may be made in book-entry form only in integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the 2021 Bonds purchased. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the 2021 Bonds as described in this Official Statement. So long as DTC's book-entry system is in effect with respect to the 2021 Bonds, notices to Owners by the Authority or the Trustee will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the 2021 Bonds, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. So long as the 2021 Bonds are registered in the name of Cede & Co., or any other nominee of DTC, references in this Official Statement to the registered owners or use of the capitalized term "Owners" means Cede & Co. or such other nominee of DTC, and do not mean the beneficial owners of the 2021 Bonds. See "APPENDIX F – DTC'S BOOK-ENTRY ONLY SYSTEM." In the event that such book-entry system is discontinued with respect to the 2021 Bonds, the Authority will execute and deliver replacements in the form of registered certificates and, thereafter, the 2021 Bonds will be transferable and exchangeable on the terms and conditions provided in the Indenture.

## Annual Debt Service

The following table shows the annualized debt service on the 2021 Bonds, without regard to any optional or special mandatory redemption.

<b>Bond Year Ending April 1</b>	<b>Principal*</b>	<b>Interest*</b>	<b>Annual Debt Service<sup>*(1)</sup></b>
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
Total <sup>(1)</sup>			

\* Preliminary; subject to change.

(1) Total may not equal to sum due to rounding.

Source: Stifel, Nicolaus & Company, Incorporated.

## **LEASED PROPERTY**

The City is the fee owner of the Leased Property. In connection with the issuance of the 2021 Bonds, the Authority and the City will enter into an Amended and Restated Site Lease, dated as of July 1, 2021 (the “Site Lease”). Under the Site Lease, the Authority will lease the Leased Property from the City. Then, under and pursuant to the term of the Lease, the City subleases the Leased Property from the Authority. See “SECURITY FOR 2021 BONDS” and “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS” for a summary of certain provisions of the Lease.

The Leased Property consists of approximately seven acres of land housing the City’s approximately 51,000-square-foot Community Center. The Community Center was constructed in 1996 and is centrally located within the City at 695 E. Madison Way. It is adjacent to the Brea Mall and serves all residents as well as the business community. The Community Center has a gymnasium, arts and crafts facilities, community meeting rooms, teen activities center and child care. The balance of the property includes perimeter landscaping, a parking area, outdoor patios, and an enclosed children’s play yard. Under the City’s current insurance coverage, the insured value of the Community Center is significantly higher than the principal amount of the 2021 Bonds.

## **SECURITY FOR 2021 BONDS**

### **Pledge of Revenues Under Indenture**

*The 2021 Bonds will be limited obligations of the Authority secured solely by the pledge of Revenues and certain funds and accounts held under the Indenture. The Authority has no taxing power. The obligation of the City to make Lease Payments under the Lease will not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation or full faith and credit. Neither the 2021 Bonds nor the obligation of the City to make Lease Payments under the Lease constitutes an indebtedness of the City, State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitations.*

The 2021 Bonds will be payable from and secured by a pledge of Revenues and certain funds and accounts established and held by the Trustee. Revenues, as defined in the Indenture, will mean: (a) all amounts received by the Authority or the Trustee under or with respect to the Lease, including, without limiting the generality of the foregoing, all of the Lease Payments (including both timely and delinquent payments, any late charges, and whether paid from any source), but excluding the Additional Rental Payments and any additional lease payments to be pledged or assigned for payment of any bonds, notes or other obligations (other than the 2021 Bonds), the proceeds of which will be applied to finance or refinance the acquisition or construction of any real or personal property for which the City is authorized to expend funds subject to its control; (b) all interest, profits or other income derived from the investment of amounts in any fund or account established under the Indenture. See “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Definitions.”

As security for the 2021 Bonds, the Authority will assign to the Trustee for the payment of the 2021 Bonds the Authority's rights, title and interest in the Lease (with certain exceptions), including the right to receive Lease Payments to be made by the City under the Lease.

No Reserve Fund will be established for the 2021 Bonds under the Indenture.

### **Bond Fund**

All Revenues deposited with the Trustee will be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. Under the Indenture, Revenues will be deposited by the Trustee in a special fund designated as the "Bond Fund," which the Trustee will establish, maintain and hold in trust; except that all moneys received by the Trustee and required to be deposited in the Insurance and Condemnation Fund (see "Insurance; Condemnation") or the Redemption Fund (for payment of principal of 2021 Bonds called for optional redemption or special mandatory redemption, see "2021 BONDS – Redemption") will be promptly deposited in such funds.

See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Indenture – Revenues; Flow of Funds."

### **Lease Payments; Covenant to Appropriate**

Under the Lease, the City will agree to pay semiannual Lease Payments, subject to the abatement provisions of the Lease (see "Abatement" below), as the rental for the use and occupancy of the Leased Property. On the fifth Business Date immediately preceding each Interest Payment Date (the "Lease Payment Date"), the City will deposit with the Trustee the full amount of the Lease Payments coming due and payable on the next Interest Payment Date, to the extent required to be paid by the City under the Lease. Any amount held in the Bond Fund, the Interest Account and the Principal Account under the Indenture on any Lease Payment Date (other than amounts required for payment of past due principal or interest on any Bonds not presented for payment) will be credited towards the Lease Payment then required to be paid.

The City will covenant to take all actions required to include the Lease Payments in each of its budgets during the Term of the Lease and to make the necessary appropriations for all Lease Payments and Additional Rental Payments. Such covenant will constitute a duty imposed by law and each and every public official of the City will be required to take all actions required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in the Lease agreed to be carried out and performed by the City.

See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Lease – Rental."

### **Abatement**

If the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of the Lease will cease as of the

day possession is taken. If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, then:

- (a) the Lease will continue in full force and effect with respect thereto and will not terminate by virtue of such taking, and the parties waive the benefit of any law to the contrary; and
- (b) the Lease Payments will be subject to abatement in an amount determined by the City such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property.

The Lease Payments will also be subject to abatement during any period in which by reason of damage or destruction (other than by eminent domain as described above), there will be substantial interference with the use and occupancy by the City of all of a portion of the Leased Property. In such case, the Lease Payments will be subject to abatement in an amount determined by the City such that the resulting Lease Payments will represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property not damaged or destroyed. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. Notwithstanding the foregoing, under the Lease, the Lease Payments will not be subject to abatement to the extent that the amounts in the proceeds from rental interruption insurance will be used to pay the portion of the Lease Payments which would otherwise be abated.

In the event of any such damage or destruction, the Lease will continue in full force and effect and the City will waive any right to terminate the Lease by virtue of any such damage and destruction

### **Insurance; Condemnation**

In the event of an abatement of Lease Payments, debt service on the 2021 Bonds may, to a certain extent, be covered by rental interruption insurance proceeds.

In the following summary of provisions of the Lease and the Indenture pertaining to use of insurance and condemnation proceeds, the term “Net Proceeds” is used. Under the Indenture, “Net Proceeds” will mean “amounts derived from any policy of casualty insurance or title insurance with respect to the Leased Property, or the proceeds of any taking of the Leased Property or any portion thereof in eminent domain proceedings (including sale under threat of such proceedings), to the extent remaining after payment therefrom of all expenses incurred in the collection and administration thereof.”

*Rental Interruption Insurance.* The City will be required to procure and maintain, or cause to be procured and maintained, throughout the Term of the Lease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any portion of the Leased Property constituting buildings or other improvements as a result of any of the hazards covered in the insurance required by the casualty insurance described above in an amount at least equal to the maximum such Lease Payments coming due and payable during any consecutive two fiscal years. Such insurance may be maintained as part of or in conjunction with any other insurance coverage

carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained by the City in the form of self-insurance. The proceeds of such insurance, if any, must be paid to the Trustee and deposited in the Bond Fund, to be applied as a credit towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable. See “Abatement” above.

*Casualty Insurance.* The Lease will also require the City to maintain casualty insurance with respect to the Leased Property. The required casualty insurance will be in a coverage amount at least equal to the lesser of (a) 100 percent of the replacement value of the insured buildings, or (b) 100 percent of the aggregate principal amount of the Outstanding 2021 Bonds. Such insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance; provided that earthquake insurance shall not be required under any circumstances. Such insurance may be subject to such deductibles as the City deems adequate and prudent.

Pursuant to the Indenture, any Net Proceeds of insurance against accident to or destruction of the Leased Property collected by the City or the Authority in the event of any such accident or destruction will be paid to the Trustee and deposited in the Insurance and Condemnation Fund. If the City does not notify the Trustee in writing of its determination, within 120 days following the date of such deposit, to apply such Net Proceeds to replace, repair, restore, modify or improve the Leased Property which has been damaged or destroyed, then the Trustee will transfer such Net Proceeds to the Redemption Fund and applied to the redemption of 2021 Bonds on the next available date for a special mandatory redemption (see “2021 BONDS – *Redemption Special Mandatory Redemption from Insurance or Condemnation Proceeds*”). Notwithstanding the foregoing, however, if the Leased Property is damaged or destroyed in full, the Net Proceeds of such insurance shall be used by the City to rebuild or replace the Leased Property if such proceeds are not sufficient to defease Outstanding 2021 Bonds. All proceeds deposited in the Insurance and Condemnation Fund and not so applied to redeem the Outstanding Bonds will be applied by the City to the replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Leased Property.

Any Net Proceeds under such title insurance policy will be deposited with the Trustee in the Bond Fund, to be credited towards the prepayment of the remaining Lease Payments under the Lease.

*Eminent Domain Proceeds.* If all or any part of the Leased Property will be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), the Authority will cause the Net Proceeds to be deposited by the Trustee into the Insurance and Condemnation Fund. If the City gives written notice to the Trustee, within [120] days following the date on which such Net Proceeds are deposited with the Trustee (the “Determination Notice”), of its determination that such Net Proceeds will be needed for replacement of the Leased Property (or such portion thereof), the Trustee will pay to the City, or to its order, from such Net Proceeds the amounts pursuant to the City’s written request for expenditure on such replacement. If the City does not give such Determination Notice to the Trustee, then the Trustee will transfer the Net Proceeds to the Redemption Fund for a special

mandatory redemption of Outstanding 2021 Bonds. See “2021 BONDS – *Redemption Special Mandatory Redemption from Insurance or Condemnation Proceeds.*”

*Title Insurance.* Pursuant to the Lease, the City will obtain a CLTA title insurance policy insuring the City’s leasehold estate in the Leased Property, subject to Permitted Encumbrances, in an amount at least equal to the aggregate principal amount of the 2021 Bonds. Any Net Proceeds of such title insurance with respect to the Leased Property collected by the City or the Authority will be paid to the Trustee pursuant to the Lease Agreement and deposited by the Trustee in the Insurance and Condemnation Fund. If the City fails to determine and notify the Trustee in writing of its determination, within 120 days following the date of such deposit, to apply such Net Proceeds to replace the Leased Property or cure the title defect which gave rise to such Net Proceeds, then such Net Proceeds shall be promptly transferred by the Trustee to the Redemption Fund for a special mandatory redemption of Outstanding 2021 Bonds. See “2021 BONDS – *Redemption Special Mandatory Redemption from Insurance or Condemnation Proceeds.*”

*Standard Commercial General Liability Insurance.* The Lease will require that the City maintain or cause to be maintained throughout the Term of the Lease, but only if and to the extent available from reputable insurers at reasonable cost in the opinion of the City, a standard commercial general liability insurance policy or policies in protection of the Authority, the City, and their respective members, officers, agents, employees and assigns. The policy or policies will provide for indemnification of such parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. The policy or policies shall provide coverage in such liability limits and be subject to such deductibles as the City deems adequate and prudent. The proceeds of such liability insurance will be applied toward extinguishment or satisfaction of the liability with respect to which it has been paid.

See also “BONDOWNERS’ RISKS – Abatement” and “– Risk of Uninsured Loss;” and “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Lease Agreement – Abatement of Lease Payments” and “– Insurance”

### **Substitution of Leased Property**

The City will have the option at any time and from time to time, to substitute other real property (the “Substitute Property”) for all or a portion of the Leased Property, upon satisfaction all of the following requirements:

- (i) No Event of Default under the Lease will have occurred and is continuing.
- (ii) The City will have filed with the Authority and the Trustee, and caused to be recorded in the office of the Orange County Recorder sufficient memorialization of, an amendment of the Lease and an amendment of the Site Lease which removes the former Leased Property (or the relevant portion) from the Lease and Site Lease and adds the Substitute Property to the Lease and the Site Lease.
- (iii) The City will obtain a CLTA policy of title insurance insuring the City’s leasehold estate under the Lease in the Substitute Property, subject only to Permitted

Encumbrances, in an amount at least equal to the estimated value of the Substitute Property.

- (iv) The City will have certified in writing to the Authority and the Trustee that the Substitute Property will serve the municipal purposes of the City and will constitute property which the City will be permitted to lease under the laws of the State, and has been determined to serve a governmental function of the City; and
- (v) The Substitute Property will not cause the City to violate any of its covenants, representations and warranties made in the Lease.
- (vi) The City and the Authority will have filed with the Trustee a written certificate stating that (a) based on the estimated value of the Substitute Property, the remaining Lease Payments will constitute fair rental value for the use and occupancy of the Substitute Property, taking into consideration various factors set forth in the Lease, and (b) the useful life of the Substitute Property will extend at least to ten years following the scheduled final maturity date of the 2021 Bonds.
- (vii) The City will have mailed written notice of such substitution to the Rating Agency.

The City will not be entitled to any reduction, diminution, extension or other modification of the Lease Payments as a result of any substitution of property. See “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Lease Agreement – Substitution of Property.”

### **Release of Property**

The City will have the option at any time and from time to time to release any portion of the Leased Property from the Lease (the “Released Property”) provided that the City will have satisfied all of the following requirements:

- (i) No Event of Default under the Lease will have occurred and is continuing.
- (ii) The City will have filed with the Authority and the Trustee, and caused to be recorded in the office of the Orange County Recorder sufficient memorialization of, an amendment of the Lease and an amendment of the Site Lease which will remove the Released Property from the Lease and Site Lease.
- (iii) The City and the Authority will have filed with the Trustee a written certificate stating that based on the estimated value of the property which will remain subject to the Lease following such release, the remaining Lease Payments will constitute fair rental value for the use and occupancy of such property, taking into consideration certain factors set forth in the Lease.
- (iv) The City will have mailed written notice of such substitution to the Rating Agency.

The City will not be entitled to any reduction, diminution, extension or other modification of the Lease Payments as a result of any such release of property. See “APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Lease Agreement – Release of Property.”



## **CITY**

### **General**

The City, a general law city, was incorporated in 1917, the eighth city in the County. The City's population was [45,629] as of January 1, [2020], according to State of California Department of Finance estimates.

The City encompasses 12 square miles and is located at the northern end of Orange County (the "County"), just south of the Los Angeles County line. It is approximately 25 miles southeast of downtown Los Angeles, 15 miles north of Santa Ana, the County Seat, and 22 miles inland of the Pacific Ocean. Neighboring communities include Fullerton, Placentia, La Habra and Yorba Linda.

The City is well served by area transportation routes. The Orange Freeway (State Highway 57), a major north-south corridor, crosses centrally through the City. The City is also within minutes of the Pomona Freeway (State Route 60), the Riverside Freeway (State Route 91) and the Santa Ana Freeway (Interstate 5). The City is close to several commercial airports: John Wayne Airport (20 miles from the City), Ontario Airport (25 miles from the City) and LAX (40 miles from the City). An Amtrak/Metrolink station located approximately five miles from the City provides passenger rail access. The Orange County Transportation Authority operates a regional bus system with routes that serves the City and other areas throughout the County.

The City provides police and fire protection, emergency paramedics, sewer maintenance, water, trash collection, street sweeping, park maintenance and building inspection. It cooperates with the County in the provision of flood control. Public primary and secondary educational services in the City are served by the Brea Olinda Unified School District presided over by a separately elected board. Several colleges, universities and a number of technical and vocational schools are located in and around Brea.

### **City Government**

The City has a Council-Manager form of municipal government. The City Council is composed of five members elected every two years at large to four-year alternating terms. The Mayor is selected by the City Council from among its members. On June 20, 2019, the City Council adopted Resolution No. 2019-049 declaring the intent to transition to district-based elections after receipt of the 2020 Census results (which results are currently expected to be released by the U.S. Census Bureau in late spring 2021).

The current members of the City Council are as follows:

<u><b>Name and Office</b></u>	<u><b>Current Term Expires</b></u>
Steven Vargas, <i>Mayor</i>	November 2022
Cecilia Hupp, <i>Mayor Pro Tem</i>	November 2022
Christine Marick, <i>Council Member</i>	November 2024
Glenn Parker, <i>Council Member</i>	November 2022
Marty Simonoff, <i>Council Member</i>	November 2024

The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. As of March 24, 2021, the City had approximately 273 full-time employees. Below are brief biographies of the City Manager and certain members of the City's professional staff:

*Bill Gallardo, City Manager.* Mr. Gallardo was appointed the City Manager in July 2015 after serving as Assistant City Manager for one year. The City Manager is the City's Chief Administrative Officer, accountable to the City Council. In addition to being the City Manager of the City, he is active in several professional groups benefiting the City: The North Orange County Cities Coalition, the Orange County City Manager Association and the International City Managers Association. Mr. Gallardo started working for the City in April 1990 as an Administrative Assistant, and was promoted to Finance Manager later in 1990 and to the Finance Director in August 2004. He became the City's Administrative Services Director in May 2010, when the City consolidated the former Financial Services Department, the City Clerk's Office, Human Resources, and the Information Technology Division into the Administrative Services Department. Prior to working for the City, Mr. Gallardo worked at the City of Walnut. He received his Bachelor of Science Degree in Business from California Polytechnic State University, Pomona.

*Chris Emeterio, Assistant City Manager/Community Services Director.* Mr. Emeterio has worked for the City since 1982 when he was hired as Community Service Leader. Throughout his career, Mr. Emeterio worked in a number of Community Services divisions in various positions and in 1999, he was promoted to Community Services Director. Mr. Emeterio became the Assistant City Manager in 2015 while maintaining his role as Community Services Director. As Community Services Director, Chris oversees Human Services, Cultural Arts, and Recreation Services Divisions. As the Assistant City Manager, Mr. Emeterio's responsibilities include city budget, employee negotiations and other management duties. Mr. Emeterio earned a Bachelors in History from California State University, Fullerton and has completed a number of continuing education programs throughout his career.

*Cindy Russell, Administrative Services Director.* Ms. Russell became the City's Administrative Services Director in February 2016. As Administrative Services Director, Ms. Russell oversees the Administrative, Revenue, Accounting/Auditing and Purchasing Division, Information Technology, Human Resources and the City Clerk's Office, under the City Manager's general direction. Previously, Ms. Russell worked for the City of San Juan Capistrano for 30 years and served as its Chief Financial Officer, City Treasurer and the Administrative Services Director. She worked in public accounting before serving the City of San Juan Capistrano.

*Faith Madrazo, Revenue and Budget Manager.* Ms. Madrazo was appointed to her position with the City in October 2010. She has worked for the City's Administrative Services Department since 2000 in various other capacities, including Management Analyst, Payroll, and Utility Billing. Prior to this, Ms. Madrazo worked for the City of Norwalk for more than five years. Ms. Madrazo received her Bachelor of Arts Degree in Business Administration with a Concentration in Accounting from California State University, Fullerton.

## Employee Relations

All City employees, with the exception of executive staff (e.g., department directors) and part-time employees, are represented by employee associations. As shown below, the most recent City contracts with all of the associations, except the Brea City Employees Association, have expired. The City is engaged with each association regarding new contracts. No work stoppage has resulted because of the expiration of the contracts with any of these associations.

<b>Association</b>	<b>General Description</b>	<b>No. of Employees<sup>(1)</sup></b>	<b>Expiration Date<sup>(2)</sup></b>
Brea City Employees Association	Maintenance, clerical and technical	61	06/30/2021
Admin. and Professional Employees Assn	Supervisory and professional	77	06/30/2020
Brea Management Association	Division managers	14	06/30/2020
Brea Firefighters Association	Sworn firefighters, engineers and captains	34	06/30/2020
Fire Management Association	Sworn fire battalion chiefs	2	03/21/2020
Brea Police Association	Sworn police officer, sergeant and non-sworn ancillary	72	06/30/2020
Police Management Association	Sworn lieutenants and captains	6	06/30/2020

(1) Excludes executive staff and part-time employees, who are not represented by employee associations.

(2) Shows the expiration date of the most recent agreements.

Source: City of Brea

## CITY FINANCIAL INFORMATION

### COVID-19 Disruption

The COVID-19 pandemic brought unexpected and unprecedented disruption to the global economy, and challenges to governments at all levels, including the City. See “INTRODUCTION – COVID-19 Pandemic” and “BONDOWNERS’ RISKS – Effects from COVID-19 Pandemic.” Many tables under this “CITY FINANCIAL INFORMATION” of the Official Statement show data that span from one to a few years before the pandemic, during which the economy was relatively strong and also show data for fiscal years 2019-20 and 2020-21, during which adjustments had to be made in face of the pandemic. During fiscal years 2019-20 and 2020-21, while revenues from certain sources (such as sales tax, community services revenues and transient occupancy tax), have been reduced, other sources (such as property tax and franchise tax) have remained relatively strong or stable. Furthermore, the City’s reserves, saved from excess revenues from prior years, have helped the City maintain current service levels and avoid significant service reductions. The City cannot make any guarantee about how the COVID-19 pandemic will continue to impact the City’s finances and operations with respect to the short- and the long-term. The City has made, and will continue to make, adjustments as it strives to serve its residents and businesses.

The City currently expects to be allocated approximately \$8 million from ARPA (American Rescue Plan Act of 2021), the federal stimulus bill signed into law in March 2021. The use of such moneys will be limited for the purposes and within the timeline permitted by ARPA. Eligible uses include:

- (i) COVID-19 expenditures or negative economic impacts of COVID-19, including assistance to households, small businesses and non-profits, or aid to impacted industries, such as tourism, travel and hospitality;
- (ii) premium pay for essential workers or grants to eligible employers that have workers who perform essential work (in an amount up to \$13 per hour or \$25,000 per worker);
- (iii) revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, relative to revenues collected in the most recent fiscal year prior to the emergency; and
- (iv) necessary investments in water, sewer, and broadband infrastructure.

APRA funding cannot be used for any deposit into a pension fund and must be used to cover costs incurred no later than December 31, 2024. The City expects to receive the ARPA funding in two tranches, half in June 2021 and half in June 2022. The dollar figures shown below for estimates and budget for fiscal years 2020-21 and 2021-22 under this “CITY FINANCIAL INFORMATION” caption do not take into account impacts from ARPA.

## **Financial Statements (General Fund)**

Set forth in the following pages are the City's General Fund Balance Sheets and Statements of Revenues, Expenditures and Changes in General Fund Balance for fiscal years 2015-16 through 2019-20, based on the City's audited financial statements. Such statements are subject to various notes attached to the City's financial statements for the respective years and the footnotes below the table. The City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2020, which includes the City's fiscal year 2019-20 audited financial statements and the Independent Auditor's Report issued by Eide Bailly LLP (the "Auditors") regarding such financial statements, is set forth in Appendix B. The City has not requested the Auditors to consent to the inclusion of its report in Appendix B and it has not undertaken to update financial statements included in Appendix B. A complete copy of the City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2020, as well as the reports for prior years, can be obtained from the City's Administrative Services Department.

**Table 1**  
**CITY OF BREA**  
**General Fund Balance Sheet**  
**Fiscal Years 2015-16 through 2019-20**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Assets</b>					
Cash and investments	\$24,642,356	\$25,418,375	\$24,824,722	\$33,245,832	\$31,432,436
Prepaid items	–	38,956	8,680	8,826	2,485
Receivables					
Taxes	156,361	152,337	139,452	119,814	203,680
Accounts	695,220	849,107	1,140,697	1,420,723	1,029,393
Interest	232,549	298,871	415,787	586,482	529,345
Due from other funds	604,309	439,894	1,516,469	265,170	689,352
Due from other governments <sup>(1)</sup>	7,723,984	4,777,485	5,544,805	5,704,877	4,383,986
Due from Successor Agency <sup>(2)</sup>	24,363	26,595	603,568	8,347	4,310
Advance from other funds <sup>(3)</sup>	615,605	373,703	130,882	–	–
Restricted assets					
Cash and investments <sup>(4)</sup>	6,120,004	6,827,659	7,297,623	7,742,302	7,948,033
Cash and investments with fiscal agents	269,453	296,368	259,380	269,021	344,008
<b>Total assets</b>	<b>41,084,204</b>	<b>39,499,350</b>	<b>41,882,065</b>	<b>49,371,394</b>	<b>46,567,028</b>
<b>Liabilities</b>					
Accounts payable	1,097,281	1,002,999	1,197,116	1,266,561	1,280,775
Accrued liabilities	1,546,405	1,523,992	1,371,008	1,417,552	1,371,570
Unearned revenues	941,903	1,160,080	1,195,341	1,367,576	1,099,508
Deposits payable	426,825	342,386	301,284	368,803	391,196
Due to other governments <sup>(5)</sup>	107,425	774,765	237,965	7,618	59,195
Due to Successor Agency	254	2,253	--	--	--
<b>Total liabilities</b>	<b>4,120,093</b>	<b>4,806,475</b>	<b>4,302,714</b>	<b>4,428,110</b>	<b>4,202,244</b>
<b>Deferred inflow of resources</b>					
Unavailable revenues <sup>(6)</sup>	63,183	684,789	1,486,014	1,311,178	425,876
<b>Fund balances</b>					
Non-spendable <sup>(7)</sup>	615,605	412,659	139,562	8,826	2,485
Restricted <sup>(8)</sup>	7,228,012	8,201,746	8,112,011	8,661,782	8,883,450
Committed <sup>(9)</sup>	9,091,623	–	867,841	980,101	1,353,559
Assigned <sup>(10)</sup>	590,815	11,316,072	12,270,563	12,777,708	11,807,692
Unassigned (deficit)	19,374,873	14,077,609	14,703,360	21,203,689	19,891,722
<b>Total fund balance</b>	<b>36,900,928</b>	<b>34,008,086</b>	<b>36,093,337</b>	<b>43,632,106</b>	<b>41,938,908</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$41,084,204</b>	<b>\$39,499,350</b>	<b>\$41,882,065</b>	<b>\$49,371,394</b>	<b>\$46,567,028</b>

- (1) Includes sales taxes, property taxes, and grant revenues collected and provided by federal, State, County and city governments which are due and unremitted to the City as of June 30 of that fiscal year.
- (2) Includes amounts due from Successor Agency for monthly administrative (staff) costs for month of June, except that, for fiscal year 2017-18 this amount also included proceeds of bonds issued by the former Brea Redevelopment Agency that became available for projects with approval from the Successor Agency's Oversight Board and the California State Department of Finance. See "Property Taxes (Ad Valorem and Vehicle In-Lieu Fees) – Former Redevelopment Tax Increment; Redevelopment Dissolution" regarding dissolution of redevelopment agencies.
- (3) Includes repayments from the Water Utility Fund and Special Assessment Funds, respectively, for advances previously made from General Fund for water rights purchase and funding of street improvements.
- (4) Reflects Pension Stabilization Fund (Section 115 Irrevocable Trust). See "Investment Policies and Portfolio."
- (5) Represents revenues collected on behalf of others jurisdiction and not yet remitted, including primarily, developer impact fees collected on behalf of the Orange County Sanitation District and County of Orange.
- (6) Includes revenues collected in one fiscal year for services to be rendered in next fiscal year, mostly related to Community Services programs.
- (7) Includes long-term interfund receivables (see footnote 3 above) and prepaid costs.
- (8) Includes amounts restricted by creditors, grantors, contributors or laws or regulations of other governments, most of which represents funds deposited in the City's Pension Stabilization Fund (Section 115 Irrevocable Trust). See "Investment Policies and Portfolio."
- (9) Includes amounts which can only be used for specific purposes pursuant to a City Council resolution.
- (10) Represents constrained internally for specific purposes, the majority of which represents capital replacement and other special funds.
- Source: City of Brea audited financial statements for fiscal years 2015-16 through 2019-20. Additional explanations for footnotes from City of Brea Administrative Services Department.

**Table 2**  
**CITY OF BREA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Fiscal Years 2015-16 through 2019-20**

	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>
<b>Revenues</b>					
Taxes	\$38,896,769	\$38,308,747	\$38,986,972	\$44,889,030	\$43,473,114
Licenses and permits	782,250	870,940	584,841	606,355	823,019
Intergovernmental	7,346,081	7,808,780	9,297,372	9,107,164	9,406,073
Charges for services	3,863,571	3,789,430	3,862,112	3,810,657	4,251,831
Investment income, net	736,385	768,370	529,131	1,670,458	1,696,728
Fines and forfeitures	630,420	554,708	819,914	682,762	403,116
Rental income	1,403,685	1,441,527	1,336,756	1,662,487	1,026,581
Other revenues	2,678,722	3,440,937	2,603,193	3,017,005	3,834,593
<i>Total revenues</i>	<u><b>56,337,883</b></u>	<u><b>56,983,439</b></u>	<u><b>58,020,291</b></u>	<u><b>65,445,918</b></u>	<u><b>64,915,055</b></u>
<b>Expenditures</b>					
Current:					
General government	5,270,834	5,032,816	5,283,304	5,732,627	7,013,093
Public safety	32,555,433	34,011,330	34,441,868	35,120,119	37,688,380
Community development	2,833,357	3,009,011	2,918,971	2,716,848	2,813,755
Community services	7,048,955	7,395,363	7,284,303	7,540,687	7,584,500
Public works	5,241,976	5,537,040	5,131,010	5,054,521	6,549,937
Capital outlay	2,282,014	403,524	403,166	10,549	137,920
Debt service					
Principal	618,132	410,411	435,389	465,458	2,595,619
Interest and fiscal charges	420,772	397,243	383,551	368,468	351,681
<i>Total expenditures</i>	<u><b>56,271,473</b></u>	<u><b>56,196,738</b></u>	<u><b>56,281,562</b></u>	<u><b>57,009,277</b></u>	<u><b>64,734,885</b></u>
<b>Excess (Deficiency) of Revenues over (under) expenditures</b>	<u>66,410</u>	<u>786,701</u>	<u>1,738,729</u>	<u>8,436,641</u>	<u>180,170</u>
<b>Other financing sources (uses):</b>					
Transfers in	1,050,000	2,207,848	1,050,000	660,000	450,000
Transfers out	(1,193,093)	(5,887,391)	(703,478)	(1,557,872)	(2,323,368)
Capital leases <sup>(1)</sup>	1,952,104	--	--	--	--
<i>Total other financing sources (uses)</i>	<u>1,809,011</u>	<u>(3,679,543)</u>	<u>346,522</u>	<u>(897,872)</u>	<u>(1,873,368)</u>
<b>Net changes in fund balances</b>	<u>1,875,421</u>	<u>(2,892,842)</u>	<u>2,085,251</u>	<u>7,538,769</u>	<u>(1,693,198)</u>
<b>Fund balances, beginning of year</b>	<u>35,025,507</u>	<u>36,900,928</u>	<u>34,008,086</u>	<u>36,093,337</u>	<u>43,632,106</u>
<i>Fund balances, end of year</i>	<u><b>\$36,900,928</b></u>	<u><b>\$34,008,086</b></u>	<u><b>\$36,093,337</b></u>	<u><b>\$43,632,106</b></u>	<u><b>\$41,938,908</b></u>

(1) Reflects, for fiscal year 2015-16, proceeds from 2015 leasing-purchase financing for public safety radio equipment. See "Certain Long-Term Obligations Payable Out of General Fund."

Source: City of Brea audited financial statements for fiscal years 2015-16 through 2018-19. Additional explanations for footnotes from City of Brea Administrative Services Department.

## **Budgetary Process**

The fiscal year of the City begins on July 1 of each year and ends on June 30 of the following year. On or before June 30, the City Council adopts the budget for the upcoming fiscal year by an affirmative vote of at least three of the five members of the City Council.

The following describes the general process that the City has followed in recent years. For each upcoming fiscal year, the preparation of the proposed budget begins with the selection of a Budget Team, consisting of the Assistant City Manager/Community Services Director, Administrative Services Directors and other City staff members. In January, the Budget Team hosts a meeting with the Budget Coordinators (and other key staff members) of all City departments. In February, each department's Budget Coordinator submits the relevant budget materials (such as revenue projections, year-end estimates and requests for the upcoming fiscal year). Throughout February and March, the Budget Team and the Departments meet and review the budget submittals. In April and May, updates are provided to the City Council, and one or more public workshops with City Council are held. The City Council adopts the final budget, with revisions (if any), after at least one public hearing.

The City Council may amend the budget at any time during the fiscal year. Budgetary controls are maintained to ensure compliance with the budget as approved by the City Council. Adjustments between departments or requests for additional funding require the approval of the City Council. Pursuant to authority usually given under the budget resolutions, the City Manager may make changes within departmental budgets. The level of budgetary control (*i.e.*, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level. At a minimum, a mid-year budget review with the City Council is conducted to provide a recap of the year-end standings from the prior fiscal year as well as a look at the revised five year projections.

## **City Budgets for Fiscal Years 2019-20 and 2020-21**

The following shows, with respect to the City's General Fund resources, requirements and reserves, the respective amounts from: (i) actual fiscal year 2018-19 results, (ii) the fiscal year 2019-20 budget, as adopted on June 18, 2019, (iii) actual fiscal year 2019-20 results, and (iv) the fiscal year 2020-21 budget, as adopted on June 16, 2020, and (v) the revised budget for fiscal year 2020-21, based on the mid-year updated, approved by the City Council on February 2, 2021.



**Table 3**  
**CITY OF BREA**  
**General Fund Revenues, Requirements, Reserves**  
**Fiscal Year 2018-19 Actual, Fiscal Year 2019-20 Budget and Actual and Fiscal Year 2020-21 Budget**  
**(non-GAAP Budgetary Basis)**

	<b>FY 2018-19 Actual</b>	<b>FY 2019-20 Budget - Adopted in June 2019</b>	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Budget - Adopted in June 2020<sup>(1)</sup></b>	<b>FY 2020-21 Budget - Updated as of Feb 2021<sup>(1)</sup></b>
<b>Beginning Balance</b>	<b>\$ –</b>	<b>\$4,034,243</b>	<b>\$6,462,425</b>	<b>\$3,130,406</b>	<b>\$3,282,673</b>
<b>Resources</b>					
Revenues					
Property tax ( <i>ad valorem</i> )	10,744,574	11,462,800	11,518,968	12,317,300	12,317,300
Sales tax	23,319,589	20,378,000	21,495,924	21,170,918	19,680,400
Transient occupancy tax	1,805,609	1,805,400	1,352,527	1,543,136	1,070,000
Franchise tax	2,550,523	2,598,100	2,485,834	2,602,300	2,545,700
Business tax	1,110,975	1,100,000	1,036,931	1,100,000	1,100,000
License and permits	606,355	716,779	823,020	520,746	605,076
Motor vehicle in-lieu fees (in-lieu property tax)	4,242,340	4,379,500	4,455,881	4,693,010	4,693,010
Community services	3,200,239	3,377,729	2,269,852	2,513,323	599,280
All other	10,554,397	8,794,305	9,956,594	8,435,495	8,807,650
Sub-total revenues	58,134,601	54,612,613	55,395,531	54,896,228	51,418,416
Transfers-in <sup>(2)</sup>	889,200	844,435	895,435	550,000	550,000
Transfer from reserves	1,357,298	–	1,255,014	87,123	1,821,012
Total resources	60,381,099	55,457,048	57,545,980	55,533,351	53,789,428
<b>Available (beginning balance + total resources)</b>	<b>60,381,099</b>	<b>59,491,291</b>	<b>64,008,405</b>	<b>58,663,757</b>	<b>57,072,101</b>
<b>Requirements</b>					
Expenditures					
Management services	2,647,536	2,823,094	2,880,866	3,133,111	3,231,388
Administrative services	3,045,382	3,033,820	3,194,174	3,213,390	3,082,037
Police services	21,750,446	23,699,760	22,881,564	23,843,347	23,359,635
Fire services	7,005,228	7,639,972	8,415,435	8,361,981	9,118,382
Community development	2,716,851	2,634,853	2,813,094	2,981,130	3,295,623
Community services	7,454,749	7,709,671	7,296,693	7,787,712	6,612,976
Public works	5,161,170	8,132,163	8,630,044	5,501,108	5,406,113
Sub-total expenditures	49,781,362	55,673,333	56,111,869	54,821,779	54,106,154
Transfers-out <sup>(3)</sup>	2,882,298	2,065,030	2,199,856	2,184,499	2,184,499
Transfer to reserves	1,255,014	67,142	2,414,006	–	–
<b>Total requirements</b>	<b>53,918,674</b>	<b>57,805,505</b>	<b>60,725,732</b>	<b>57,006,278</b>	<b>56,290,653</b>
<b>Ending Balance</b>	<b>6,462,425</b>	<b>1,685,786</b>	<b>3,282,673</b>	<b>1,657,479</b>	<b>781,448</b>
<b>Reserves</b>					
Operating reserve	5,391,867	5,528,446	5,746,070	5,700,628	5,629,065
Budget stabilizing reserve	8,087,801	8,030,862	8,619,105	8,550,942	8,443,598
Encumbrances	1,255,014	–	1,528,500	–	–
Solar energy bond service fund	270,943	261,807	303,564	270,943	303,564
<b>Total reserves</b>	<b>\$15,005,625</b>	<b>\$13,821,115</b>	<b>\$16,197,239</b>	<b>\$14,522,513</b>	<b>\$14,376,227</b>

(1) Fiscal year 2020-21 budget reflected certain adjustments due to economic disruptions caused by the COVID-19 pandemic, but did not include any adjustment that may result from moneys to be received under the American Rescue Plan Act of 2021. See “COVID-19 Disruption.”

(2) Includes transfers in from the following funds: General Fund maintenance fee, supplement law enforcement, fixed asset replacement, gas tax and park development.

(3) Includes transfers out to the following funds: paramedic services, community center replacement, fixed asset replacement, sanitation and street sweeping, equipment and vehicle maintenance and capital improvement.

Source: City of Brea Administrative Services Department.

## Significant General Fund Revenue Sources

The table below shows the relative percentages of several major General Fund revenue sources based on the fiscal years 2018-19 and 2019-20 actuals, and the projected fiscal year 2020-21 results (projected as of February 2, 2021). The decreases in actual and budgeted revenues from sales tax and community services for fiscal year 2019-20 and 202-21, respectively, reflect in large part impact from the economic disruption from the COVID-19 pandemic. See discussion under “COVID-19 Disruption.”

**Table 4**  
**CITY OF BREA**  
**Selected General Fund Major Revenue Sources**  
**Fiscal Years 2018-19 and 2019-20 Actual, Fiscal Year 2020-21 Budget**  
**(non-GAAP Budgetary Basis)**

Category	FY 2018-19 Actual		FY 2019-20 Actual		FY 2020-21 Budget (as of Feb 2021)	
	Revenues	% of GF Revenue Total <sup>(1)</sup>	Revenues	% of GF Revenue Total <sup>(2)</sup>	Revenues	% of GF Revenue Total <sup>(3)</sup>
Property tax sources:						
Ad valorem	\$10,744,574	18.5%	\$11,518,968	20.8%	\$12,317,300	24.0%
Motor vehicle in-lieu fees	4,242,340	7.3	4,455,881	8.0	4,693,010	9.0
Sales tax	23,319,589	40.1	21,495,924	38.8	19,680,400	38.3
Franchise tax	2,550,523	4.4	2,485,834	4.5	2,545,700	5.0
Community services	3,200,239	5.5	2,269,852	4.1	599,280	1.0
<b>Total<sup>(4)</sup></b>	<b>\$44,057,265</b>	<b>75.8%</b>	<b>\$42,226,459</b>	<b>76.2%</b>	<b>\$39,835,690</b>	<b>77.5%</b>

(1) Based on total General Fund revenue of \$58,134,601. See Table 3.

(2) Based on total General Fund revenue of \$55,395,531. See Table 3.

(3) Based on total budgeted General Fund revenue of \$51,418,416. See Table 3.

(4) Percentage total may not equal sum of column due to rounding.

Source: City of Brea Administrative Services Department.

## Sales Tax

Sales tax revenues represent the largest source of General Fund revenues. The sales tax is governed by the Bradley-Burns Uniform Local Sales and Use Tax Law, set forth in California Revenue and Taxation Code Section 7200 *et seq.* As of January 1, 2021, the local sale tax rate in the City is 7.75 percent.

The California Department of Tax and Fee Administration (“CDTFA”) collects and administers the tax, and makes distributions on taxes collected within the City. This function was formerly performed by the State Board of Equalization, but was transferred to the CDTFA pursuant to the Taxpayer Transparency and Fairness Act of 2017, which took effect July 1, 2017. Under its procedures, the CDTFA projects receipts of the sales and use tax on a quarterly basis and remits an advance of the receipts of the sales and use tax to the City on a monthly basis. The amount of each monthly advance is based upon the CDTFA’s quarterly projection. During the last month of

each quarter, the CDTFA adjusts the amount remitted to reflect the actual receipts of the sales and use tax for the previous quarter.

The City is a major regional retail center, featuring the Brea Mall (the third largest shopping center in the County by sales tax volume), the Brea Plaza and various other retail and service businesses. Retail businesses, including department stores, apparel stores, and general merchandise outlets, generated approximately 45 percent of the City's sales tax revenues in fiscal year 2019-20. The follow table shows the taxable sales by category within the City for the fiscal years shown:

**Table 5**  
**CITY OF BREA**  
**Taxable Sales by Category**  
**Fiscal Years 2016-17 Through 2019-20**

<b>Category</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Department stores	\$2,827,804	\$2,576,479	\$2,496,605	\$2,024,839
Restaurant	2,305,596	2,512,626	2,441,525	2,129,793
Light industry	2,158,761	2,000,878	2,162,541	2,220,495
Building materials-wholesale	2,116,119	2,071,993	2,251,101	2,264,618
apparel stores	1,676,921	1,589,063	1,608,941	1,298,914
Miscellaneous retail	1,558,413	1,575,008	1,430,115	1,160,807
Furniture/appliance	810,168	976,083	1,071,240	895,046
Service stations	674,913	705,984	740,148	603,696
Food markets	488,165	437,616	421,421	430,868
Building materials - retail	472,178	500,971	430,202	396,907
Heavy industry	359,099	674,914	745,514	633,444
Auto sales - new	441,956	534,567	2,522,614	2,173,665
Other	1,927,869	1,680,294	1,800,006	5,262,832
<b>Total</b>	<b>\$17,817,962</b>	<b>\$17,836,476</b>	<b>\$20,121,973</b>	<b>\$21,495,924</b>

Source: City of Brea Comprehensive Annual Financial Report for fiscal year ended June 30, 2020 – supplemental statistical section, based on information from MuniServices until fiscal year 2018-19 and Avenue Insights & Analytics for fiscal year 2019-20 data.

### **Property Taxes (Ad Valorem and Vehicle In-Lieu Fees)**

Property tax revenues represent the second largest General Fund revenue source. Property tax revenues include *ad valorem* tax revenues, or tax imposed on property based on an assessed value. In addition, the City also receives property tax revenues in lieu of Vehicle License Fees (“VLF”). VLF is a state imposed and collected tax on ownership of a registered vehicle. Since the State lowered the VLF rate in the mid-1990s, the State has reimbursed counties and cities for their lost revenue. Before 2004, the reimbursement were made from State general fund revenues. Starting in 2004, the State paid for the lost VLF revenue by redirecting a portion of property taxes originally allocated to the schools to counties and cities, called the VLF swap. Previously, the amounts counties and cities received were based on their populations. Currently, counties’ and cities’ VLF swap amounts increase annually based on growth in the secured assessed value of property within their boundaries.

The tables below show: (i) the assessed value of taxable property in the City and the property tax levies and collections for fiscal years 2015-16 through 2019-20, and (ii) the top ten

property tax assessees in the City by fiscal year 2019-20 assessed value. In fiscal year 2019-20, approximately 59 percent of the assessed value was attributable to residential property, and of the approximately 16,900 dwelling units, 64 percent are single family units, 30 percent are multifamily family units and 6 percent are mobile homes.

**Table 6**  
**CITY OF BREA**  
**Assessed Value of Property<sup>(1)</sup>**  
**Fiscal Years 2015-16 Through 2019-20**

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Other Property<sup>(2)</sup></b>	<b>Total Taxable Assessed Value</b>
2015-16	\$4,945,219,822	\$1,670,210,797	\$1,168,849,914	\$740,725,273	\$8,525,005,806
2016-17	5,359,064,633	1,725,644,969	1,264,334,778	775,342,859	9,124,387,239
2017-18	5,598,174,721	1,844,339,813	1,437,177,754	774,675,165	9,654,367,453
2018-19	6,016,606,483	1,998,943,577	1,491,711,794	757,185,866	10,264,447,720
2019-20	6,407,150,882	2,063,879,311	1,630,616,856	797,206,400	10,898,853,449

(1) Tax-exempt property excluded.

(2) Includes recreational, institutional, vacant and miscellaneous property.

Source: City of Brea Comprehensive Annual Financial Report for fiscal year ended June 30, 2020 – supplemental statistical section, based on compilation by HdL Coren & Cone of data originated from Orange County Assessor's Office

**Table 7**  
**CITY OF BREA**  
**Property Tax Levies and Collections<sup>(1)(2)</sup>**  
**Fiscal Years 2015-16 Through 2019-20**

<b>Fiscal Year</b>	<b>Taxes Levied for Fiscal Year</b>	<b>Collection Within Fiscal Year of Levy</b>		<b>Total Collection <sup>(3)</sup> as of June 30, 2020</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>	<b>Amount</b>	<b>Percentage of Levy</b>
2015-16	\$16,669,635	\$16,489,408	98.92%	\$16,656,050	99.92%
2016-17	17,274,771	16,771,004	97.08	16,943,242	98.08
2017-18	19,516,778	19,193,847	98.35	19,357,620	99.18
2018-19	20,815,715	20,526,862	98.61	20,667,280	99.29
2019-20	22,223,439	21,836,049	98.26	22,029,810	99.13

(1) Reflects collection by the City, as a participant of the County's Teeter Plan. Under the Teeter Plan, the County apportions 100 percent of the property taxes from the secured tax roll to the City. The Teeter Plan does not apply, however to taxes levied from the unsecured roll or supplemental tax bills. See "*Teeter Plan*" below.

(2) Includes property tax revenues, which were formerly redevelopment tax increment that are deposited in the Redevelopment Property Tax Trust Fund of the Successor Agency of the Brea Redevelopment Agency. See "*Former Redevelopment Tax Increment; Redevelopment Dissolution*" below.

(3) Includes collection within fiscal year of levy and in subsequent years.

Source: City of Brea Comprehensive Annual Financial Report for fiscal year ended June 30, 2020 – supplemental statistical section, based on data from the Orange County Auditor-Controller's Office.

**Table 8**  
**CITY OF BREA**  
**Top Property Tax Assesseees by Assessed Value**  
**Fiscal Year 2019-20**

Assessee	Description of Use	Assessed Value	% of City Taxable Assessed Value
Retail Property Trust (Brea Mall)	Shopping center	\$254,912,079	2.30%
RAR2 200 North Puente LLC	Warehouse & distribution center	201,092,641	1.81
Olen Pointe Brea LLC	Commercial and apartments	171,010,645	1.54
Beckman Coulter Inc.	Commercial & distribution center	127,534,956	1.15
CRE Brea Valencia LLC	Commercial office	118,513,051	1.07
Brea Union Plaza II LLC	Shopping center	82,934,107	0.75
Avalon Brea Place, LLC	Apartments	73,714,346	0.67
FW CA-Brea Marketplace LLC	Commercial	69,045,742	0.62
Brea Apartment Venture, LLC	Apartments	66,897,320	0.60
Sarah L Wilcox Trust	Mobile Home Lot	63,750,000	0.58
Total:		\$ 1,229,404,887	11.09%

*Proposition 13 Limitations.* Article XIII A of the State of California Constitution imposes limits on annual adjustments to real property assessed values and to the amount of ad valorem tax that may be levied on real property. See “STATE CONSTITUTIONAL LIMITATIONS ON CITY REVENUES AND APPROPRIATIONS.”

*Tax Levies and Collection.* Taxable valuation within the City is established by the County Assessor, except for utility property, which is assessed by the State Board of Equalization. Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. Effective July 1, 1983, real property that changes ownership or is newly constructed is reassessed at the time the change in ownership occurs or the new construction is completed. If the property is reassessed at a higher value, one or more supplemental tax statements will be added to the annual tax bill. If the property is reassessed at a lower value, the property owner may receive a refund.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and if unpaid become delinquent on December 10 and April 10, respectively. If the first installment is not paid by December 10, a ten percent delinquent penalty is added to any unpaid balance. If the second installment is not paid by April 10, a ten percent penalty plus a charge of \$10 is added to the unpaid balance. Since supplemental tax bills are mailed throughout the year, they may or may not be due or delinquent at the same time as annual tax bills. The same penalties and charges accrue for delinquent supplemental taxes as for delinquent annual taxes.

The County bills and collects the property taxes, and subsequently remits the amount due to the City in installments during the year.

*Teeter Plan.* The County has implemented the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Pursuant to the Teeter Plan, the County

apportions to the participating local agencies, including the City, amounts equal to 100 percent of the property taxes levied from the secured roll regardless of the amount actually collected. The County retains all penalties and interest which are collected with delinquent taxes. The Teeter Plan does not apply to the taxes levied from the unsecured roll or supplemental tax bills. The County may discontinue the Teeter Plan at any time. If the Teeter Plan is discontinued subsequent to its implementation, secured property taxes would be allocated to political subdivisions, including the City, for which the County acts as the tax-levying or tax-collecting agency on an actual collections basis. The property tax collection amounts shown in Table 7 above reflect the City's participation in the Teeter Plan.

Assessed Value Appeals and Proposition 8 Adjustments. Pursuant to State law, property owners may apply for a reduction of their property tax assessment by filing a written appeal. If resolved in the property owner's favor in whole or in part, any reduction in the assessment ultimately granted applies to the year for which the application is made and may also affect the values in subsequent years. Refunds for taxpayer overpayment of property taxes may include refunds for overpayment of taxes in years after that which was appealed. Current year values may also be adjusted as a result of a successful appeal of prior year values. Any taxpayer payment of property taxes that is based on a value that is subsequently adjusted downward will require a refund for overpayment

Section 51 of the California Revenue and Taxation Code permits a reduction (a "Proposition 8 Adjustment") in the assessed value if the full cash value of the property has been reduced by damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Reductions made under this code section may be initiated by the County Assessor or requested by the property owner. During the Great Recession (which began around 2007), the County Assessor's Office initiated proactive reviews of single family homes, condominiums, townhomes, multifamily and commercial and industrial properties, which resulted in Proposition 8 Adjustments for many properties in the County. After a roll reduction is granted under Section 51, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

The assessed values shown in the tables above do not take into account any pending, unresolved assessment appeals.

Former Redevelopment Tax Increment; Redevelopment Dissolution. The State's Community Redevelopment Law (commencing Section 33000 of the California Health and Safety Code) authorized the redevelopment agency of any city or county to receive an allocation of tax revenues resulting from increases in assessed values of properties within designated redevelopment project areas (the "incremental value") occurring after the year the project area is formed (the "project area base year"). In effect, local taxing agencies generally would realize tax revenues only in the assessed value of such property at the time the redevelopment project is created for the duration of such redevelopment project.

Assembly Bill No. 26 (“AB X1 26”), enacted in June 2011 as Chapter 5 of Statutes of 2011, statutorily dissolved redevelopment agencies as of February 1, 2012. A successor agency was established for each former redevelopment agency and is tasked with the winding down of the former redevelopment agency’s affairs. The enforceable obligations of dissolved redevelopment agencies, continue to be paid from property taxes derived from such incremental value (“Tax Increment”) until the enforceable obligations are paid in full in accordance with Part 1.85 (commencing with Section 34170 of the California Health and Safety Code).

Tax Increment revenues formerly allocated to the former redevelopment agency are now deposited into a Redevelopment Property Tax Trust Fund (the “RPTTF”) held and administered by the County Auditor-Controller for the successor agency. Taxing entities, such as the City, receive distributions (in proportion to such taxing entity’s share of property tax revenues in the tax rate area for the applicable Fiscal Year) from residual amounts in the RPTTF on each June 1 and January 2, after payment of moneys in the RPTTF are used for: (i) tax sharing obligations established previously pursuant to the Community Redevelopment Law, (ii) enforceable obligations of the successor agency, based on Recognized Obligation Payment Schedules (“ROPS”) approved by the State Department of Finance, and (iii) an administrative cost allowance to such successor agency. Generally, as enforceable obligations of a former redevelopment agency and its successor agency are paid and retired, residual amounts to be disbursed to the taxing entities are expected to increase over time.

Within the City, the former Brea Redevelopment Agency (the “Former Agency”) undertook projects in two redevelopment project areas, known as Project Area AB and Project C. The respective redevelopment plans for Project Area AB and Project C had an unusual aspect relative to those of other project areas. Under the redevelopment plans for Project Area AB and Project C, the Tax Increment revenues received by the Former Agency for each project area were capped by certain annual limits (the “Annual TI Caps”). As the result, property tax revenues in excess of the Annual TI Caps, even if attributable to the incremental value, were not part of the Tax Increment received by the Former Agency and are not, since redevelopment dissolution, deposited into the RPTTF established for the Successor Agency to the Brea Successor Agency (the “Successor Agency”). There are currently outstanding bonds secured and payable from the property tax revenues deposited into the RPTTF. The final maturity date for the Project Area C bonds is September 1, 2026, and the final maturity of the Project Area AB Bonds is August 1, 2036.

## **Franchise Taxes**

The franchise revenue received by the City is based on adopted City ordinances and contractual agreements. Public utilities (electric and gas) account for approximately 32 percent of the annual franchise tax revenue. The remaining 68 percent includes franchise fees for oil pipelines, cable television, and other non-city utilities.

## **Community Services Revenues**

The City operates a multitude of facilities – including the 55,000 square foot Brea Community Center (including the Brea Fitness Center, Brea Resources Center, teen programming, banquet facilities, and a gymnasium), senior center, parks and museum centers – and offers a

variety of programs to serve the community. Revenues from community services attributed to over five percent of the total General Fund revenues in fiscal year 2018-19. Community services activities have been severely disrupted in fiscal years 2019-20 and 2020-21 because of the COVID-19 pandemic. As shown in Table 4, the projected revenue from this category was reduced to just one percent of the total General Fund Revenue for fiscal year 2020-21.

### **General Fund Reserve Policies**

As recited the City's adopted fiscal year 2020-21 budget, the City's current General Fund reserve policies are as follows. The City maintains General Fund contingency reserves at a level at least equal to 25 percent of the General Fund expenditures. Of such amount, 10 percent is for an Operating Reserve to provide sufficient cash flow and 15 percent is for a Budget Stabilization Reserve to provide resources in the event of the following: (i) temporary or one-time decrease of revenues, such as state subventions; (ii) economic downturn or when one or more of the General Fund's major revenue sources decreases more than 10 percent while expenditure reductions are implemented; (iii) natural (*e.g.* fire, earthquake, flood) and catastrophic disasters (*e.g.* civil unrest, acts of terrorism, airplane crashes). Whenever contingency reserves are used, the City will replenish the reserve as soon as possible. Fifty percent or more of available year-end funds may be allocated to the contingency reserves annually until the reserve is at the 25 percent target. The reserves will be funded in the following priority order: (i) Operating Reserve and (ii) Budget Stabilization Reserve. The total contingency reserve balance should not drop below 10 percent of the City's annual operating expenditures. The City, upon City Council approval, may adjust such policies at any time. At this time, as shown in Table 3, the balances in the City's General Fund reserves exceed the amounts required by the current policies.



## **Certain Long-Term Obligations Payable Out of General Fund**

As of the end of fiscal year 2019-20, there were three series of bonds, each issued by the Authority, in connection with which the City agreed to make payments (the “Bond Lease Payments”) under certain leases between the Authority and the City. The Bond Lease Payments are in amounts sufficient to cover the principal and interest due on such related bonds. The three series bonds include: (i) the Authority’s 2004 Refunding Lease Revenue Bonds (the “2004 Bonds”), (ii) the 2010 Bonds, which will be refunded by the 2021 Bonds, and (iii) another series of bonds issued in 2010, the Authority’s 2010 Refunding Lease Revenue Bonds (the “2010 Refunding Bonds”).

In connection with the 2004 Bonds and the 2010 Refunding Bonds, the City and the Former Agency (*i.e.*, the former Brea Redevelopment Agency, see “Property Taxes (Ad Valorem and Vehicle In-Lieu Fees) – *Former Redevelopment Tax Increment; Redevelopment Dissolution*”) entered into a reimbursement agreement, under which the Former Agency was obligated to make certain payments to the City, in sufficient amounts for the City to pay the lease payments under the related leases. After the Former Agency’s dissolution, the Successor Agency has continued make such reimbursements pursuant to the ROPS (including the Last and Final ROPS) approved by the State Department of Finance. The final principal and interest payment for both the 2004 Bonds and the 2010 Refunding Bonds is scheduled to be made on July 1, 2021.

In addition, the City entered into an Equipment/Lease Purchase Agreement, dated as of August 1, 2015 (the “2015 Equipment Lease”), in connection with the acquisition of certain public safety radio equipment. Payments under the 2015 Equipment Lease are due on June 1 and December 1 each year. The last scheduled payment is June 1, 2022. After the next June 1, 2021 payment, the aggregate amount due in fiscal year 2021-22, including the principal and interest components, will be \$305,287.68.

## **Investment Policies and Portfolio**

Investment of cash in the City’s General Fund is subject to the restrictions set forth in the California Government Code Section 53600 *et seq.* In addition, the City Council annually reviews and adopt an investment policy. Under such policy, the Administrative Services Director submits a monthly report of investments to the City Council each month.

Pursuant to the State law and the City’s investment policy, the following investments are authorized (except that investment of bond funds are governed by the provisions of the respective bond agreements):

**Table 9**  
**CITY OF BREA**  
**Investment Types Authorized by State Law and City Investment Policy**  
**as of January 1, 2021**

<b>Authorized Investment Type</b>	<b>Credit Ratings</b>	<b>Maximum Maturity</b>	<b>Max % Amount of Portfolio<sup>(1)</sup></b>	<b>Max Investment in One Issuer</b>
U.S. Treasury Obligations (Bills, Notes and Bonds)	N/A	5 years	No limit	No limit
U.S. Government Sponsored Agency Obligations <sup>(2)</sup>	N/A	5 years	No limit	25%
Municipal Securities	A	5 years	No limit	5%
Banker's Acceptances	N/A	180 days	40%	5%
Commercial Paper	A-1/A	270 days	25%	5%
Repurchase Agreements	N/A	1 year	No limit	5%
Certificates of Deposit	N/A	N/A	No limit	5%
Negotiable Certificates of Deposit	N/A	5 years	30%	5%
Passbook Savings Accounts/Interest Bearing Investment	N/A	N/A	No limit	No limit
Medium Term Corporate Notes	A	5 years	30%	No limit
Bank Money Market Accounts	AAA	5 years	20%	8%
California Local Agency Investment Fund ("LAIF") <sup>(3)</sup>	N/A	N/A	40%	Set by State Treasurer
County of Orange Investment Fund (County Pool) <sup>(4)</sup>	N/A	N/A	40%	No limit
Asset Backed and Mortgage Pass-Through Securities	AA	5 years	20%	5%
Supranationals	AA	5 years	15%	5%

(1) Percentages measured by the maturity value of the portfolio at the time of purchase.

(2) Maximum of 5% in callable bonds issued by such agencies.

(3) Effective January 1, 2020, the deposit limit for a regular LAIF account is \$75 million.

(4) At the time of purchase, State and County investment pools together cannot exceed 60 percent of the maturity value of the portfolio, and no more than 40 percent of the maturity value can be deposited in any one particular pool.

Source: Brea Administrative Services Department and Chandler Asset Management.

A Section 115 Trust is a trust established to set aside funds for paying future employee benefits such as pensions and other post-employment benefits. The City has established a Section 115 Trust to accumulate resources for future contribution to the California Public Employees Retirement System ("PERS" or "CalPERS") (see "Pension Plans" below). As of March 31, 2021, the City had approximately \$7.9 million of restricted cash and investments reported in the General Fund in a Section 115 Trust restricted for future pension contributions. In January 2016, the City Council adopted an separate investment policy for the Section 115 Trust, which authorized the following: (i) debt obligations of the U.S. Government, its agencies, and Government Sponsored Enterprises, (ii) mortgage-backed securities, (iii) asset-backed securities, (iv) collateralized mortgage obligations, (v) commercial mortgage-backed securities, (vi) 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, (vii) eligible instruments issued pursuant to SEC Rule 144(a), (viii) municipal bonds and (ix) money market mutual funds. The portfolio should maintain a minimum weighted average quality of A-. Individual securities should have a minimum quality rating of Baa3 by Moody's or BBB- by Standard & Poor's.

The City's investment policy states that at least 25 percent of the City's portfolio will mature in one year or less. The only allowable exception to these maturity limits will be investments for the bond proceeds for reserve funds and the Section 115 Trust.

As of March 31, 2021, the City had the following investment and original maturities. Of the total amount invested as shown below, approximately 25 percent represent General Fund moneys.

**Table 10**  
**CITY OF BREA**  
**Investment Portfolio**  
**as of March 31, 2021**

<b>Investment Type</b>	<b>12 months or less</b>	<b>13 to 24 months</b>	<b>25 to 60 months</b>	<b>Total<sup>(1)</sup></b>
U.S. Treasury Obligations	\$3,271,766	\$4,611,620	\$18,238,363	\$26,121,749
Municipal Bonds			953,820	953,820
U.S. Govt Sponsored Enterprise Securities	2,660,040	1,455,057	32,485,538	36,600,635
Corporate Bonds	2,708,695	3,316,862	13,066,120	19,091,677
Money Market Mutual Funds	97,109			97,109
Asset Backed Securities		528,054	6,870,795	7,398,849
California LAIF	13,569,953			13,569,953
Supranational	1,294,251	817,584	927,337	3,039,172
Total <sup>(1)</sup> :	\$23,601,814	\$10,729,176	\$72,541,974	\$106,872,964

(1) Sum may not equal total due to rounding.

Source: Brea Administrative Services Department.

## **Pension Plans**

### **General Information Regarding CalPERS Plans**

All qualified permanent and probationary City employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan administered by the CalPERS. PERS is an agent multiple employer public employee retirement system and issues its own comprehensive annual financial report. PERS acts as a common investment and administrative agent for participating public entities within the State. A menu of benefit provisions as well as other requirements of the PERS program are established by the Public Employees' Retirement Law set forth in California Government Code (commencing with Section 20000). The City selects optional benefit provisions from the benefit menu by contract with PERS and adopts those benefits through local ordinance (or other local methods). Contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by PERS.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the

Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Governor Jerry Brown signed the California Public Employees' Pension Reform Act of 2013 ("PEPRA") into law on September 12, 2012. For non-safety CalPERS participants hired after January 1, 2013 (the "Implementation Date"), the Reform Act changes the normal retirement age by increasing the eligibility for the 2 percent age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5 percent to age 67. PEPRA also implements certain other changes to CalPERS including the following: (a) all new participants enrolled in CalPERS after the Implementation Date are required to contribute at least 50 percent of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalPERS is required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date, and (c) "pensionable compensation" is capped for new participants enrolled after the Implementation Date at 100 percent of the federal Social Security contribution and benefit base for members participating in Social Security or 120 percent for CalPERS members not participating in social security.

The California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and be effective on the July 1 following notice of a change in the rate. Funding contributions for the City's Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Plans Offered by City

The provisions and benefits in effect at June 30, 2020 for the City's PERS plans are summarized below:

	<b><u>Miscellaneous Plan</u></b>		
	<b>Tier 1 (closed to new entrants)</b>	<b>Tier 2</b>	<b>Tier 3 (PEPRA)</b>
		9/17/1999 to 12/31/2012, and non-PEPRA hired on or after 1/1/2013	
Hire Date	Before 9/17/1999		1/1/2013 and after
Benefit formula	2.0% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 years	minimum 50 years	minimum 50 years
Monthly benefits, as a % of eligible compensation	1.426% to 2.418% 50 to 63 years, respectively	1.426% to 2.418% 50 to 63 years, respectively	1.000% to 2.500% 52 to 67+ years, respectively
Required employee contribution rate	7.00%	7.00%	6.25%
Required employer contribution rate	8.216%	8.216%	6.326%

### Safety Plan

	<b>Tier 1 (closed to new entrants)</b>	<b>Tier 2 (closed to new entrants)</b>	<b>Tier 3</b>	<b>Tier 4 (PEPRA)</b>
Hire Date	Before 6/30/1984	On 6/30/1984 and before 9/17/2011	9/17/2011 to 12/31/2012, and non-PEPRA hired on or after 1/1/2013	1/1/2013 and after
Benefit formula	3.0% @ 50	3.0% @ 50	2.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 years	minimum 50 years	minimum 50 years	minimum 50 years
Monthly benefits, as a % of eligible compensation	3.000% 50 years	3.000% 50 years	2.000% to 2.700% 50 to 55 years, respectively	2.000% to 2.700% 52 to 57+ years, respectively
Required employee contribution rate	9.00%	9.00%	9.00%	11.25%
Required employer contribution rate	18.479%	18.479%	18.479%	11.079%

See information set forth in Note 9 of the City’s audited financial statements shown in “APPENDIX B – CITY OF BREA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2020” for details regarding the City’s pension liabilities, pension expenses and related deferred outflows and inflows as reported in the financial statements, and additional information regarding actuarial assumptions.

#### City Plans Funding Status and History, Required Contributions

Around July of each year, PERS provides the City reports (each, a “PERS Report”) of the actuarial valuation (as of June 30 of the calendar year preceding the year of the PERS Report) for each of the City’s Plans. *The following information is based on information available from PERS and the PERS Reports. The City has not independently verified the information provided by PERS and expresses no opinion regarding the accuracy of such information. PERS’ actuarial assessments are based various assumptions (including demographic assumptions and economic assumptions) made by PERS, its actuaries, accountants and other consultants. One or more assumptions may not materialize or be changed in the future. The City expresses no opinion regarding the quality such assumptions and cannot provide any guarantee as to the eventual results.*

Actuarial valuations used in the July 2020 PERS Reports were based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The PERS Board of Administration adopts these assumptions after considering the advice of PERS actuarial and investment teams and

other professionals. Each actuarial valuation reflected all prior differences between actual and assumed experience and adjusts the contribution rates as needed. This valuation is based on an investment return assumption of 7.0 percent, which was adopted by the PERS Board in December 2016. Other assumptions used in July 2020 PERS Report are those recommended in the PERS Experience Study and Review of Actuarial Assumptions report from December 2017.

The PERS Board of Administration adopted a new amortization policy effective with this actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a 5-year ramp-up and ramp-down on unfunded accrued liability (“UAL”) bases attributable to assumption and method changes and non-investment gains/losses. The new policy also does not utilize a 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019

For inactive employers the new amortization policy imposes a maximum amortization period of 15 years for all UAL effective June 30, 2018. The plan actuary has the ability to shorten the amortization period on any valuation date based on the life expectancy of plan members and projected cash flow needs to the plan. The impact of this has been reflected in the current valuation results.

The contribution requirements determined in the July 2019 PERS Report are based on demographic and financial information as of June 30, 2018, and may reflect additional discretionary payments made by the employer through April 30, 2019. Changes in the value of assets subsequent to that date are not reflected. Investment returns below the assumed rate of return will increase the required contribution, while investment returns above the assumed rate of return will decrease the required contribution.

The July 2020 PERS Reports show the following funding history for the City’s plans (without accounting for prepayments or benefit changes made during any fiscal year):

*Miscellaneous Plan*

<b>Valuation Date</b>	<b>Accrued Liability</b>	<b>Market Value of Assets</b>	<b>Unfunded Liability</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>
6/30/2015	\$122,046,571	\$94,140,220	\$27,906,351	77.1%	\$14,824,824
6/30/2016	128,859,768	92,696,256	36,163,512	71.9	15,338,944
6/30/2017	137,520,485	100,759,665	36,760,820	73.3	15,771,428
6/30/2018	148,823,699	106,834,163	41,989,536	71.8	14,983,832
6/30/2019	152,327,266	111,174,359	41,152,907	73.0	15,314,953

### *Safety Plan*

<b>Valuation Date</b>	<b>Accrued Liability</b>	<b>Market Value of Assets</b>	<b>Unfunded Liability</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>
6/30/2015	\$226,070,045	\$156,064,569	\$70,005,476	69.0%	\$10,679,565
6/30/2016	235,229,919	150,805,326	84,424,593	64.1	11,116,223
6/30/2017	247,235,624	162,743,863	84,491,761	65.8	11,373,467
6/30/2018	266,487,569	171,279,297	95,208,272	64.3	11,418,903
6/30/2019	274,963,016	177,132,388	97,830,628	64.4	11,316,214

The tables below show the historic required City contribution from fiscal years 2019-20 to 2021-22 and projected City contributions for fiscal years 2022-23 to 2024-25, as reported in the July 2020 PERS Reports. In the reports, “Normal Cost” is defined as the annual cost of service accrual for the upcoming fiscal year for active employees and is intended to be viewed as the long-term contribution rate. The projections are based on various assumptions. Not all assumptions will not be realized in any given year. According to the July 2020 PERS Reports, the investment earnings at PERS have averaged 5.8 percent over the 20 years ending June 30, 2019, yet individual fiscal year returns have ranged from -23.6 percent to +20.7 percent. PERS reviews its actuarial assumptions by conducting in-depth experience studies every four years, with the most recent experience study completed in 2017. PERS actuarial assumptions are subject to periodic review and revisions. Actual contributions will be subject to such revisions.

### *Miscellaneous Plan*

	<b>Required Contribution</b>			<b>Projected Future Employer Contribution<sup>(1)</sup></b>		
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Normal Cost %</b>	8.216%	8.823%	8.82%	8.7%	8.7%	8.6%
<b>UAL Payment</b>	\$2,758,660	\$3,071,472	\$3,268,515	\$3,645,000	\$3,887,000	\$4,126,000

(1) Assumes 7.00 percent return for fiscal year 2019-20, but see discussion above regarding certain assumptions used by CalPERS.

### *Safety Plan*

	<b>Required Contribution</b>			<b>Projected Future Employer Contribution<sup>(1)</sup></b>		
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Normal Cost %</b>	18.479%	19.349%	18.84%	18.5%	18.2%	17.9%
<b>UAL Payment</b>	\$5,963,500	\$6,565,722	\$7,307,152	\$7,958,000	\$8,397,000	\$8,865,000

(1) Assumes 7.00 percent return for fiscal year 2019-20, but see discussion above regarding certain assumptions used by CalPERS.

The July 2019 PERS Reports reflected statutory changes, regulatory changes and PERS Board actions through January 2020. Any subsequent changes or actions, were not reflected.

Information regarding PERS’ administration of the plans, actuarial methods assumptions and asset valuation can be obtained from PERS at Lincoln Plaza North, 400 Q Street Sacramento,



California 95811 or (888) 225-7377. The comprehensive annual financial reports of PERS are available on PERS' website at [www.calpers.ca.gov](http://www.calpers.ca.gov). The website reference is for informational purposes only. None of the content of the website is any way incorporated into this Official Statement. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such website or the continued maintenance of such website.

## Other Post-Employment Benefits Other Than Pensions

In addition to providing pension benefits, the City provides medical insurance for certain employees after they separate from the City, through a single-employer defined benefit plan (the "Plan") as provided under the City's contractual agreements with members from each unit. Members who retire from the City on or after attaining the age of 50 with at least five years of service are eligible for these benefits.

Currently, the City funds retiree healthcare benefits on a pay-as-you-go basis (paying a maximum of \$350 per month for each retirees' benefits from City funds as they are due with no pre-funding for future years. The City recognizes expenditure for its share of the annual premiums as these benefits become due.

At June 30, 2020, the City had a total other post-employment benefits ("OPEB") liability of \$25,131,999, as determined by an actuarial valuation as of June 30, 2018, the most recent valuation date. At the June 30, 2018 valuation date, there were 526 employees or beneficiaries covered by the benefit terms under the Plan. The table below shows the one-year change in total OPEB liability and percentage covered-employee payroll for each of fiscal years shown:

	FY 2017-18	FY 2018-19	FY 2019-20
<b>Total OPEB liability</b>			
Service cost	\$1,020,496	\$882,455	\$849,287
Interest on total OPEB liability	801,573	936,624	1,000,101
Differences between actual and expected experience	—	—	(2,073,628)
Changes in assumptions	(2,488,279)	(908,163)	976,091
Benefit payments, including refunds of employee contributions	(1,146,800)	(1,170,100)	(1,225,956)
<b>Net change in total OPEB liability</b>	<b>(1,813,010)</b>	<b>(259,184)</b>	<b>(474,105)</b>
Total OPEB liability @ beginning of fiscal year	27,678,298	25,865,288	25,606,104
<b>Total OPEB liability @ end of fiscal year</b>	<b>\$25,865,288</b>	<b>\$25,606,104</b>	<b>\$25,131,999</b>
Covered - employee payment	\$33,837,681	27,465,185	27,001,678
Total OPEB liability as percentage of covered-employee payroll	76.44%	93.23%	93.08%

Source: City of Brea Comprehensive Annual Financial Report for fiscal year ended June 30, 2020 – Note 10 and required supplemental information section.

Assumptions used in actuarial valuation to determine the City's OPEB liability, certain testing of the sensitivity of the assumptions and other details about the City's OPEB obligations are presented in Note 10 of the City's audited financial statements shown in "APPENDIX B – CITY OF BREA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2020."

## City Risk Management

The City is a member of the California Insurance Pool Authority (“CIPA”), a joint powers authority formed under the laws of the State. CIPA, a consortium of 13 cities in southern California, was established to pool resources, share risks, purchase excess insurance and to share costs for professional risk management and claims administration. CIPA’s governing board is comprised of one member from each participating city and is responsible for the selection of management and for the budgeting and financial management of CIPA.

As March 31, 2021 the City was self-insured for workers' compensation up to \$400,000 per occurrence and general liability and auto liability insurance up to \$350,000 per occurrence. The coverage for general and auto liability extends to \$43,000,000 per occurrence with a \$43,000,000 annual aggregate. CIPA member agencies may be assessed the difference between funds available and the \$20,000,000 annual pooled aggregate in proportion to their annual premium. During the three fiscal years ended June 30, 2020, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage.

From time to time, the City has been named as a defendant in litigations or become recipient of claims, generally of the nature common to other similar jurisdictions. With respect to the pending lawsuits and claims, the City management believes that, to the extent there will be any unfavorable outcome and a portion of the payment is not covered by insurance, such payment will not materially affect the City’s financial position.

The table below shows the claims liability and judgement at the end of each of fiscal years 2017-18, 2018-19 and 2019-20:

<b>Claims and judgements at June 30, 2018</b>	\$5,021,366
Claims payments	(1,757,009)
Claims incurred and changes in estimates	1,876,568
<b>Claims and judgments at June 30, 2019</b>	5,140,925
Claims payments	(1,462,889)
Claims incurred and changes in estimates	1,044,558
<b>Claims and judgments at June 30, 2020</b>	\$4,722,594

## **BONDOWNERS' RISKS**

*Investment in the 2021 Bonds involves elements of risk. The following section describes certain specific risk factors affecting the payment and security of the 2021 Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the 2021 Bonds and the order of discussion of such risks does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the 2021 Bonds. There can be no assurance that other risk factors not discussed under this caption will not become material in the future.*

### **Limited Obligations with Respect to 2021 Bonds**

The 2021 Bonds will be limited obligations of the Authority payable solely from and secured by a pledge of Revenues and certain funds and accounts held under the Indenture. Revenues consist primarily of Lease Payments payable by the City under the Lease and amounts on deposit from time to time in the funds and accounts held by the Trustee. If for any of the reasons described in this Official Statement, or for any other reason, the Revenues collected under the Lease are not sufficient to pay debt service on the Outstanding 2021 Bonds under the Indenture, the Authority will not be obligated to utilize any other of its funds, other than certain amounts on deposit in the funds and accounts established under the Indenture, to pay debt service on the 2021 Bonds.

The Authority has no taxing power. The obligation of the City to make Lease Payments under the Lease will not constitute an obligation of the City for which the City has levied or pledged any form of taxation or the City will be obligated to levy or pledge any form of taxation. Neither the 2021 Bonds nor the obligation of the City to make Lease Payments under the Lease will constitute an indebtedness of the City, State or any of its political subdivisions in violation of any constitutional or statutory debt limitations.

### **Effects from COVID-19 Pandemic**

As mentioned under “INTRODUCTION – COVID-19 Pandemic,” the COVID-19 pandemic has had a deep effect around the globe. The first cases of COVID-19 in California were confirmed in the end of January 2020. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic. The COVID-19 Dashboard by the Center for Systems Science and Engineering at Johns Hopkins University reported that, as of [April 21], 2021, there have been: (i) globally, over 143 million of confirmed cases and over 3 million deaths attributable to the disease, and (ii) with respect to the United States, over 31 million of confirmed cases and over 569,000 deaths attributable to the disease.

In the State (including in the City and County), other parts of the United States and many nations, protective measures (including mandatory and voluntary closing or partial closing of non-essential businesses and public venues, and imposition of social distancing measures, limitation of social gatherings of certain sizes) have been imposed. There have been major disruptions in the economy, at the local level as well as globally.

Since the onset of the pandemic, the City has worked to maintain City service levels, in face of revenue losses. Sales tax revenues for fiscal year 2019-20 was \$21.5 million, compared to \$23.3 million for fiscal year 2018-19. Transient occupancy tax revenues for fiscal year 2019-20 was \$1.8 million, compared to \$1.35 million for fiscal year 2018-19. Reserves saved from prior year revenues and at amounts above the current City policy level of 25 percent, have helped the City maintain current service levels and avoid severe service reductions. Furthermore, development within the City has remained active. Property values in the City and the County have remained strong. Property tax revenues for fiscal year in 2019-20 was \$22 million, up from 20.7 million for fiscal year 2018-19. See “CITY FINANCIAL INFORMATION.”

The City expects to be allocated approximately \$8 million from ARPA (American Rescue Plan Act of 2021). The use of such moneys will be subject to restrictions set forth in ARPA. See “CITY FINANCIAL INFORMATION – COVID-19 Disruption.”

Throughout 2020, multiple groups in different countries aimed to develop effective vaccines for COVID-19. Between December 2020 and the date of this Official Statement, United States Food and Drug Administration approved the emergency use of several different COVID-19 vaccines. Other governments have also approved the use of vaccines within their territories. Vaccine administration has begun in many places, including the State. According to the COVID Data Tracker on the United States Centers for Disease Control’s website, as of [April 21], 2021, over [87] million people in the United States (or approximately [34] percent of the total population in the country over 18 years of age) have been fully vaccinated. While, in the United States, the overall new COVID-19 infection rate in April 2021 was significantly lower compared to the peak in December 2020 and January 2021, the trends varied in different countries. Vaccine supplies, vaccination rates, new COVID-19 variants are among the numerous factors in the continuing reach of the disease in different locations. It is unknown how long the pandemic will continue to affect the global economy and individual’s daily lives.

The disruption caused by the pandemic have changed behaviors for many – from working from home, social distancing in public spaces, to people’s comfort level to participate in activities involving gatherings. Even as the economy re-opens, it is unknown if there will be lingering effects from this experience and what they will be.

## **Abatement**

Pursuant to the Lease, the obligation of the City to pay Lease Payments will be abated as the result of eminent domain or government taking and also during any period in which, by reason of any damage or destruction, there is substantial interference with the use and occupancy of the Leased Property. Such abatement due to damage or destruction will continue until the restoration of the Leased Property to tenantable condition. See “SECURITY FOR 2021 BONDS – Abatement; Insurance.” The City will be required under the Lease to obtain and maintain in effect rental interruption insurance insuring against any loss of Lease Payments for a period of two fiscal years from the date of damage or destruction of the Leased Property. Under the Lease, the City will waive any right to terminate the Lease by virtue of such damage or destruction. Notwithstanding the provisions of the Lease specifying the extent of abatement in the event of the City’s failure to have use and possession of the Leased Property, such provisions may be superseded by operation of law. In the event that the Leased Property, if damaged or destroyed by

an insured casualty, could not be replaced during the period of time that proceeds of the City's rental interruption insurance will be available in lieu of Lease Payments, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of the Leased Property or a redemption of the 2021 Bonds in whole (see "2021 BONDS – Redemption – Special Mandatory Redemption"), a default on the 2021 Bonds may occur.

### **Risk of Uninsured Loss**

The City will covenant under the Lease to maintain certain insurance policies on the Leased Property. These insurance policies do not cover all types of risk. The Leased Property could be damaged or destroyed due to a casualty for which the Leased Property is uninsured. Additionally, the Lease Property could be the subject of an eminent domain proceeding, resulting in a termination of the Lease or permanent abatement. See "SECURITY FOR 2021 BONDS – Abatement." There can be no assurance that the providers of the City's liability and rental interruption insurance will in all events be able or willing to make payments under the respective policies for such loss should a claim be made under such policies. There can be no assurances that amounts received as proceeds from insurance or from condemnation of the Lease Property will be sufficient to redeem the 2021 Bonds. Apart from the Net Proceeds, the City will have no obligation to expend any funds to repair or replace such damaged or destroyed property. While the City currently has earthquake insurance with respect to city properties, the Lease does not require the City to continuously maintain such insurance for the Leased Property or any other properties during the term of the Lease. See "SECURITY FOR 2021 BONDS – Insurance; Condemnation."

### **Limited Recourse on Lease Default; No Acceleration of Lease Payments**

If an event of default occurs and is continuing under the Lease, there will be no remedy of acceleration of any Lease Payment which has not come due. Upon the occurrence and continuance of any Event of Default under the Lease, the Trustee, as the Authority's assignee, will have the right to terminate the Lease or, with or without such termination, re-enter, take possession of and re-let the Leased Property.

If the Trustee does not terminate the Lease, the Trustee may be required to seek a separate judgment each year for that year's defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against cities in California, including a limitation on enforcement of judgments against funds or property needed to serve the public welfare and interest could prove both expensive and time-consuming.

If the Trustee does not elect to terminate the Lease, the City will remain liable to pay all Lease Payments as they come due and liable for damages resulting from such Event of Default. Any amounts collected by the Trustee from the re-letting of the Leased Property will be credited towards the unpaid Lease Payments. To the extent that a Leased Property serves essential governmental purposes, a court may determine to not permit such remedy to be exercised. Even if such remedy may be exercised, no assurance can be given that the Trustee could readily relet the Leased Property for rents in an amount sufficient to enable it to pay debt service on the 2021 Bonds in full when due.

## **City General Fund**

The Lease Payments and other payments due under the Lease (including payment of costs of repair and maintenance of, and taxes and other governmental charges levied against, the Leased Property) will be payable from funds lawfully available to the City. A variety of national, state or regional factors, which are beyond the control of the City could reduce the City's General Fund revenues or increase the City's General Fund expenditures. The City is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the 2021 Bonds. If the amounts which the City is obligated to pay in a fiscal year exceed the City's revenues for such year, the City may choose to make some payments rather than making other payments, including Lease Payments, based on the perceived needs of the City. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues or is required to expend available revenues to preserve the public health, safety and welfare. See "STATE CONSTITUTION LIMITATIONS ON CITY REVENUES AND APPROPRIATIONS."

## **Cybersecurity**

The City, like many other public and private entities, relies on a complex tiered approach of security products and processes to protect its network environment, from the backend network infrastructure to the end-users desktop computers. These measures provide a strong presence in combating cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City's network or systems for the purposes of malicious activity, such as misappropriation of information or causing operational disruption and damage. The City's Information Technology Division ("IT Division") evaluates the City's security infrastructure annually to assess the current hardware and software tools that are in place, and provide recommendations regarding any further enhancements. The IT Division also conducts periodical testing of the City's information security systems and provides cybersecurity training for City staff.

In 2019, the City's network was infiltrated by a malware attack which caused an interruption to the City's operations. However, the City's IT Division was able to bring the City's network back into full operation within a couple of weeks. There was a full investigation of the incident conducted by the IT Division, along with the City's cybersecurity consultants. This investigation determined that there was no evidence of data exfiltration. The City did not cede to any ransom demand for the recovery of data. The IT Division has taken steps to address the vulnerabilities that were discovered from this incident, and it continues to periodically improve the City's defenses against any future cybersecurity threats. The IT Division reported that, as of March 2021, no further infiltration nor other significant cybersecurity incidences have occurred.

## **Natural Calamities and Other Disasters**

From time to time, the City is subject to natural calamities or other disasters that may adversely affect economic activity in the City and City finances.

The City, like most communities in California, is in an area of unpredictable seismic activity, and therefore, is subject to potentially destructive earthquakes. Two major faults traverse through the City, the Whittier fault and the Elysian Park thrust fault. The Whittier fault cuts across the hills and through the eastern half of the City in a northwesterly direction. Several traces of the Whittier fault are still active. The Elysian Park thrust fault is buried approximately six to ten miles below the ground surface of the City. The San Andreas Fault lies 33 miles from the City.

California is, from time to time, subject to spells of dry weather, even severe droughts. The most recent drought period lasted from 2011 to 2016, during which the State instituted mandatory water restrictions in 2015. Relief finally came with the wet 2016-17 season. Governor Brown declared the drought over in April 2017.

Drought conditions in Southern California, combined with higher than average temperatures and Santa Ana winds, have created conditions that are from time to time conducive to wildfires. The northern edge of the City abutting the foothills is identified as an urban-open space interface area, which is subject to risk of wild fires. In these areas, additional conditions are imposed on developments to mitigate potential fire hazard. These conditions include: fuel modification plan to a depth of 170 feet surrounding the perimeter of developments, automatic fire sprinklers in all buildings, a minimum road width of 40 feet, hydrant spacing throughout the development, hydrant marker plan to ease visibility, restriction of cul-de-sac lengths, ignition resistant construction, and the proper selection of plant pallet. In August and September 2020, extreme heat, dryness, strong winds and other conditions (such as unusual number of lightning strikes) in some instances have contributed to an outbreak of wildfires throughout states on the Pacific Coast (California, Oregon and Washington) as well as other areas in the western portion of the United States. According to information released by the National Interagency Fire Center, at one point in early to mid-September 2020, there were over 100 active large fires and, at September 30, 2020, there were still approximately 70 active large fires affecting close 4 million acres. Other than the negative air quality which blanketed the region, the City was not directly impacted by such August and September 2020 wildfires.

According to the City's General Plan (last prepared in 2003), because of variable rainfall in the area, it is difficult to predict and plan for floods in and around the City. Any flood that occurs is expected to be short in duration, high in peak volume and high in velocity. Flood insurance rate maps prepared by the Federal Emergency Management Agency ("FEMA") show potential flood zones (100-year floodplain and 500-year floodplain) in the western portion of the City (between Puente Street and Brea Boulevard) and areas along Carbon Canyon Road and Carbon Canyon Regional Park. Potential flood risks are also associated with the Orange County Reservoir and nearby Carbon Canyon Dam. However, according to FEMA, flooding in the City is considered lower than other parts of the County. This can be attributed to the flood control structures that have been established in and around the area.

### **Limitations on Remedies and Bankruptcy**

Remedies available to the Owners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest and premium, if any, on the 2021 Bonds. Bond Counsel has limited its opinion as to the enforceability of the 2021 Bonds and the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency,

reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. Additionally, the 2021 Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Indenture. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay in the exercise of, or limitations on or modifications to, the rights of the Owners.

Enforceability of the rights and remedies of the Owners, and the obligations incurred by the Authority or the City, may become subject to the United States Bankruptcy Code (Title 11, United States Code) (the "Bankruptcy Code") and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of related powers by the federal or State government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

*Bankruptcy of the City.* Under Chapter 9 of the Bankruptcy Code, which governs bankruptcy proceedings of public entities such as the City, no involuntary bankruptcy petition may be filed against a public entity; however, upon satisfaction of certain prerequisite conditions, a voluntary bankruptcy petition may be filed by the City.

If the City is in a Chapter 9 bankruptcy proceeding, parties may be prohibited from taking any action to collect any amount from the City or to enforce any obligation of the City, unless the bankruptcy court grants permission to take such action. This prohibition may also prevent the Trustee from making payments to the Owners from funds in the Trustee's possession.

In the event of a City bankruptcy filing, the City may be able to borrow additional money that is secured by a lien on any of its property, including the sources of funds for payment to the Trustee of the assigned Lease Payments and Additional Rental Payments under the Lease (including, without limitation, the General Fund of the City and funds deposited in the General Fund), which lien could have priority over the pledges made under the Indenture, so long as the bankruptcy court determines that the rights of the Owners will be adequately protected. The City may also be able to cause some of the Lease Payments and Additional Rental Payments to be released to it, free and clear of the lien of the Indenture, so long as the bankruptcy court determines that the rights of the Owners will be adequately protected.

The City may be able, without the consent and over the objection of the Trustee and the Owners, to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the 2021 Bonds, so long as the bankruptcy court determines that the alterations are fair and equitable.



The City is informed that CalPERS (see “CITY FINANCIAL INFORMATION – Pension Plans”) has significant unfunded liabilities, and the City is unable to predict what the amount of unfunded liabilities will be in the future or the amount of contributions that the City may be required to make. In a bankruptcy of the City, the amounts of current and, if any, accrued (unpaid) contributions owed to CalPERS or any other pension system (collectively the “Pension Systems”), as well as future material increases in required contributions, reduce the City’s ability to pay Lease Payments and Additional Rental Payments. Given that municipal pension systems in California are usually administered pursuant to State constitutional provisions and, as applicable, other state or city law, the Pension Systems may take the position, among other possible arguments, that (1) their claims enjoy a priority over all other claims, (2) Pension Systems are instrumentalities of the State and have the right to enforce payment by injunction or other proceedings outside of a City bankruptcy case, and (3) their claims cannot be the subject of adjustment or other impairment under the Bankruptcy Code because that would purportedly constitute a violation of state statutory, constitutional or municipal law. It is uncertain how a bankruptcy judge in a bankruptcy of the City would rule on these matters. In addition, this area of law is unsettled because issues of pension underfunding claim priority, pension contribution enforcement and related bankruptcy plan treatment of such claims (among other pension-related matters) are presently the subject of litigation in the Chapter 9 cases of several California municipalities, but did not result in appellate rulings giving definitive guidance on these matters.

Recharacterization of the Site Lease and the Lease as a Financing Arrangement. In bankruptcy proceedings, a bankruptcy court is not required to accept the characterization of an agreement as a “lease,” but may look to the economic realities of the transaction as a whole. In the event the City files for bankruptcy, a bankruptcy court could determine that each of the Site Lease and the Lease is either: (1) an unexpired lease or executory contract (defined below) under Section 365 (“Section 365”) of the Bankruptcy Code (a “True Lease”) or (2) part of a loan or other financing arrangement secured by a lien (a “Financing Arrangement”). The Bankruptcy Code specifies different treatment for True Leases and Financing Arrangements.

There can be no guarantee that a bankruptcy court would not re-characterize the Lease and the Lease together as a Financing Arrangement. If a bankruptcy court did so, the payment obligations of the City might be substantially reduced. A borrower in a bankruptcy proceeding that has given a security interest in property in connection with a Financing Arrangement may retain such property, provided that it make payments over time giving the lender the economic value of the security interest. If such economic value is less than the balance due on the debt in the Financing Arrangement, the difference is then treated as an unsecured debt. In the case of the City, were the Site Lease and the Lease to be determined to be part of a Financing Arrangement, the City may be permitted to remain in possession of the Leased Property if it made payments for that right, but the amount required to be paid would be primarily dependent upon the value of the Trustee’s security interest under the Indenture, not the payment terms of the Lease. Therefore, there is a risk that payment will be delayed or reduced from the amounts specified in the Lease, even if the value of the Trustee’s security interest is greater than the amount of the debt owed by the City.

Treatment of the Site Lease and the Lease as True Leases. Section 365 requires an entity in bankruptcy to make considered decisions either to keep (“assume”) or repudiate (“reject”) its “executory” contracts (that are as yet incomplete as to both parties’ performances), and its leases.

Section 365 requires that a lessee under a True Lease must either: (1) assume the lease or the executory contract and fully perform all of its obligations or (2) reject such lease or executory contract and surrender the Leased Property. In the event of a bankruptcy case with respect to the City in which a bankruptcy court determined that the Site Lease and the Lease were each a True Lease or executory contract, the City would then have these two options.

If it is determined that the Lease would require the City to cure all monetary defaults (including any unpaid amounts due under the Lease) and most non-monetary defaults, if any, the City would also have to provide adequate assurance that defaults would not occur in the future.

If the Lease is treated as a True Lease by a bankruptcy court and the City rejects the Lease, the rights of the Trustee (and thus the Owners) to receive Lease Payments and Additional Rental Payments would be terminated. Under such circumstances, the Owners could suffer substantial losses, and any claim for damages may be significantly limited. Rejection of the Lease could result in a claim for damages against the City in connection with the 2021 Bonds that would rank as a general unsecured debt of the City. In the event of such rejection of the Lease, the amount of any corresponding claim may be limited by the cap on landlord claims provided in the Bankruptcy Code, *i.e.*, to the Lease Payments payable under the Lease (without acceleration) for the greater of one year or 15 percent of the remaining term of the Lease, but not to exceed three years, following the earlier of (a) the date the bankruptcy petition was filed, and (b) the date on which the City surrendered (voluntarily or involuntarily) the Leased Property, plus any unpaid Lease Payments and Additional Rental Payments under the Lease (without acceleration) existing on the earlier of such dates. If the Lease is treated as a True Lease under Section 365 and rejected in a bankruptcy of the City, the damage claim could be severely limited resulting in reduced funds available to pay the 2021 Bonds. In addition, payments by a lessee within 90 days prior to a bankruptcy filing may be deemed to be “avoidable preferences” under the Bankruptcy Code. Accordingly, payments made pursuant to the Lease could be subject to recapture in a bankruptcy of the City, subject to certain defenses that may be available to the Authority or the Trustee.

There may be delays in payments with respect to the 2021 Bonds while the bankruptcy court considers any of these issues. There may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments with respect to the 2021 Bonds, or result in losses to the Owners. Actions could be taken in a bankruptcy of the City that could adversely affect the exclusion of interest evidenced by the 2021 Bonds from gross income for federal income tax purposes. Regardless of any specific adverse determinations in a bankruptcy proceeding of the City, the mere commencement of such a bankruptcy proceeding could have an adverse effect on the liquidity and market value of the 2021 Bonds.

*Bankruptcy of the Authority.* The Authority could potentially become a debtor in a bankruptcy case. In a bankruptcy case of the Authority, the legal principles and risks discussed above, in connection with a bankruptcy case filed by the City, would apply, with uncertain consequences to the Owners.

Because the Authority is not assigning all its rights under the Site Lease and the Lease to the Trustee, if the Authority became the subject of a bankruptcy proceeding, the Authority may be able to obtain authorization from the bankruptcy court to sell to a third party all rights under the Site Lease and the Lease, including the Lease Payments and Additional Rental Payments, free and

clear of rights of the Trustee and the Owners. While the Trustee (and thus the Owners) would be entitled to receive the value of the Lease Payments and Additional Rental Payments as determined by the bankruptcy court, the bankruptcy court's valuation may be substantially different than the value placed on such payments by the Owners, and the Owners may suffer a loss.

The Trustee and the Owners would be prohibited from taking any action to enforce any of their respective rights or remedies against the Authority or its property, unless the permission of the bankruptcy court was first obtained. This could prevent the Trustee from making payments to the Owners from funds in the possession of the Trustee. In addition, the provisions of the transaction documents that require the City to make payments directly to the Trustee, rather than to the Authority, may no longer be enforceable, and all payments may be required to be made to the Authority.

There may be delays in payments on the 2021 Bonds while the bankruptcy court considers any of these issues. There may be other possible effects of a bankruptcy of the Authority that could result in delays or reductions in payments with respect to the 2021 Bonds, or result in losses to the Owners. Actions could be taken in a bankruptcy of the Authority that could adversely affect the exclusion of interest evidenced by the 2021 Bonds from gross income for federal income tax purposes. Regardless of any specific adverse determinations in a bankruptcy proceeding of the Authority, the mere commencement of such a bankruptcy proceeding could have an adverse effect on the liquidity and market value of the 2021 Bonds.

## **State Budgets**

The State's financial condition and budget policies affect communities and local public agencies throughout California. A number of the City's revenues are collected and dispersed by the State (such as sales tax and motor-vehicle license fees) or allocated in accordance with State law (most importantly, property taxes). Therefore, State budget decisions can have an impact on City finances. In the event of a material economic downturn in the State, there can be no assurance that any resulting revenue shortfalls to the State will not reduce revenues to local governments (including the City) or shift financial responsibility for programs to local governments as part of the State's efforts to address any such related State financial difficulties.

State budgets are affected by regional, national or even international economic conditions and a multitude of other factors over which the City has no control. The City cannot give any assurances regarding the financial conditions of the State during any period of time. Some of the State's budget solutions have caused in the past, and may cause in the future, increased financial stress to cities, counties and other local governments by: (i) decreasing local revenues (for example, the property tax, road improvement funding, public safety or other categorical funded initiatives), or (ii) increasing directly or indirectly demand for local programs (such as public safety or indigent health programs). AB X1 26 enacted in 2011, pursuant to which all redevelopment agencies in the State were dissolved, was enacted during the Fiscal Year 2011-12 budget process and was just one example where cities and counties throughout the State were significantly impacted. Even though California has experienced significantly improved fiscal condition during the past few fiscal years, the State is still facing continuing financial challenges and unfunded long-term liabilities.

According to the State Constitution, the Governor is required to propose a budget to the State Legislature by no later than January 10 of each year, and a final budget must be adopted by the vote of each house of the Legislature no later than June 15, although this deadline has been frequently breached in the past. The State budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. The Governor on January 8, 2021, introduced a proposed 2021-22 State budget. The City does not anticipate any material negative adverse effect on the City's finances based on the proposed fiscal year 2021-22 State budget. However, the City can make no predictions regarding the changes, if any, that will be made to the proposed budget before it is finally adopted. The City also cannot predict what measures the State will adopt to respond to any future financial difficulties. The City can provide no guarantees regarding the outcome of future State budget negotiations, the actions that will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures, or the impact that such budgets or actions will have on the City's finances and operations.

Information about the State budget and State spending is available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the State Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov). An analysis of the budget is posted by the Office of the Legislative Analyst at [www.lao.ca.gov](http://www.lao.ca.gov). In addition, various official statements for State-issued bonds, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, [www.treasurer.ca.gov](http://www.treasurer.ca.gov). None of the websites referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such websites or the continued maintenance of such websites by the respective entities.

## **Investment of Funds**

The funds held under the Indenture are required to be invested in Permitted Investments as provided under the Indenture, respectively. See "APPENDIX C – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS." All investments, including Permitted Investments, authorized by law from time to time for investments by the Authority contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected, decline in market value and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held under the Indenture could have a material adverse effect on the security for the 2021 Bonds.

## **Future Initiative and Legislation**

As discussed herein under "STATE CONSTITUTION LIMITATIONS ON CITY REVENUES AND APPROPRIATIONS," the California's Constitutional initiative process has resulted in the adoption of measures which pose certain limits on the ability of cities and local agencies to generate revenues, through property taxes or otherwise. From time to time, other initiative measures could be adopted, affecting the City's ability to generate revenues and to increase appropriations. No assurances can be given as to the potential impact of any future initiative or legislation on the finances and operations of the City.

## **Secondary Market**

There can be no assurance that there will be a secondary market for the 2021 Bonds, or if a secondary market exists, that the 2021 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, pricing of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could substantially differ from the original purchase price.

## **Loss of Tax Exemption for 2021 Bonds**

Compliance by Authority and City. In order to maintain the exclusion of interest on the 2021 Bonds from gross income for federal income tax purposes, the Authority and the City have covenanted to comply with the applicable requirements of Section 148 and certain other sections of the Internal Revenue Code of 1986, as amended, relative to arbitrage and avoidance of characterization as hedge bonds or private activity bonds, among other things. Interest on the 2021 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the 2021 Bonds as a result of acts or omissions of the Authority and the City in violation of these covenants. See “CONCLUDING MATTERS – Tax Matters.”

Future Legislation or Court Decisions. Legislation affecting the tax exemption of interest on the 2021 Bonds may be considered by the United States Congress and the State legislature. Federal and state court proceedings and the outcome of such proceedings could also affect the tax exemption of interest on the 2021 Bonds. No assurance can be given that legislation enacted or proposed, or actions by a court, after the date of issuance of the 2021 Bonds will not have an adverse effect on the tax exemption of interest on the 2021 Bonds or the market value of the 2021 Bonds.

IRS Audit of Tax-Exempt Bonds. The Internal Revenue Service conducts random and targeted audits of tax-exempt bond issues. It is possible that the 2021 Bonds will be selected for audit by the Internal Revenue Service. It is possible that the market value of the 2021 Bonds might be affected as a result of such an audit of the 2021 Bonds or by an audit of similar bonds.

## **STATE CONSTITUTIONAL LIMITATIONS ON CITY REVENUES AND APPROPRIATIONS**

### **State Initiative Measures Generally**

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Voters have exercised this power through the adoption of Proposition 13 (“Article XIII A”) and similar measures, some of which are discussed below. Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the City. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly

to the extent of creating cash-flow problems in the payment of outstanding obligations such as the Sublease.

### **Property Tax Limitations – Article XIII A**

California voters, on June 6, 1978, approved an amendment (commonly referred to as “Proposition 13” or the “Jarvis-Gann Initiative”) to the California Constitution. This amendment, which added Article XIII A to the California Constitution, among other things, affects the valuation of real property for the purpose of taxation in that it defines the full cash value of property to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent per year, or any reduction in the consumer price index or comparable local data, or any reduction in the event of declining property value caused by damage, destruction or other factors.

Article XIII A further limits the amount of any ad valorem tax on real property to one percent of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978. In addition, an amendment to Article XIII was adopted in August 1986 by initiative that exempts from the one percent limitation any bonded indebtedness approved by two-thirds of the votes cast by voters for the acquisition or improvement of real property. On December 22, 1978, the California Supreme Court upheld the amendment over challenges on several state and federal constitutional grounds (*Amador Valley Joint Union School District v. State Board of Equalization*).

In the general election held on November 4, 1986, voters of the State of California approved two measures, Propositions 58 and 60, which further amended Article XIII A. Proposition 58 amended Article XIII A to provide that the terms “purchased” and “change of ownership,” for purposes of determining full cash value of property under Article XIII A, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first \$1,000,000 of other property between parents and children. Proposition 60 amended Article XIII A to permit the Legislature to allow persons over age 55 who sell their residence to buy or build another of equal or lesser value within two years in the same county, to transfer the old residence’s assessed value to the new residence. Pursuant to Proposition 60, the Legislature has enacted legislation permitting counties to implement the provisions of Proposition 60.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in certain other minor or technical ways.

In the November 2020 election, Proposition 19 was approved by the voters to further amends Article XIII A, such that it would permit eligible homeowners to transfer tax assessments anywhere in the State, narrow existing special rules for inherited properties, and broaden the scope of triggers for reassessment of properties. Proposition 19 provides that any additional revenues and net savings resulting from the ballot measure would be allocated to fire protection services and reimbursing local governments for taxation-related changes.

## **Article XIII A Implementing Legislation**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1978.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the “taxing area” based on their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in California no longer record property values on tax rolls at the assessed value of 25 percent of market value, which was expressed as \$4 per \$100 of assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. Unless otherwise noted, all taxable property value included in this Official Statement (unless noted differently) is shown at 100 percent of market value and all tax rates reflect the \$1 per \$100 of taxable value.

## **Challenges to Article XIII A**

California trial and appellate courts have upheld the constitutionality of Article XIII A’s assessment rules in three significant cases. The United States Supreme Court, in an appeal to one of these cases, upheld the constitutionality of Article XIII A’s tax assessment system. The City cannot predict whether there will be any future challenges to California’s present system of property tax assessment and cannot evaluate the ultimate effect on the City’s receipt of property tax revenues should a future decision hold unconstitutional the method of assessing property.

## **Appropriations Limitations - Article XIII B**

On November 6, 1979, California voters approved Proposition 4, the so-called Gann Initiative, which added Article XIII B to the California Constitution. Article XIII B limits the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and services rendered by the government entity. The “base year” for establishing such appropriations limit is the 1978-79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies. Revenues received in excess of the appropriations limit must be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Appropriations subject to Article XIII B include generally any authorization to expend during the fiscal year the “proceeds of taxes” levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally

authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the Federal government, appropriations for qualified outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues and (iii) certain State subventions received by local governments.

Section 7910 of the California Government Code requires the City to adopt a formal appropriations limit for each fiscal year. The City's appropriations limit for fiscal year 2015-16 is \$97,105,898. The dollar amount of the City's budgeted appropriations subject to the limit for fiscal year 2015-16 is approximately \$45.4 million, comprising of an approximate 46.7 percent of the City's fiscal year 2015-16 appropriation limit.

### **Propositions 218 and 26 - Article XIIC and Article XIID**

On November 5, 1996, California voters approved Proposition 218, "the Right to Vote on Taxes Act." Proposition 218 added Articles XIIC and XIID to the California Constitution, providing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments, and property-related fees and charges.

Provisions of Article XIIC (i) require taxes for general governmental purposes to be submitted to the electorate and approved by a majority vote, and taxes for specific purposes, even if deposited into the General Fund, to be submitted to the electorate and approved by two-thirds vote, (ii) require any general purpose tax which the City imposed, extended or increased, without voter approval, after December 31, 1994, to be submitted to the electorate and approved by majority vote on November 5, 1998 and (iii) provide that all taxes, assessments, fees and charges to reduction or repeal at any time through the initiative process, subject to overriding constitutional principles relating to the impairment of contracts. Provisions of Article XIID that affect the ability of the City to fund certain services or programs that it may be required or choose to fund include (ii) adding notice, hearing, protest and, in some cases, voter approval requirements to impose, increase or extend certain assessments, fees and charges and (ii) adding stricter requirements for finding individualized benefits associated with such levies.

On November 2, 2010, California voters approved Proposition 26, the "Supermajority Vote to Pass New Taxes and Fees Act." Relevant to local governments, Proposition 26 amended Article XIIC of the California Constitution by adding an expansive definition for the term "tax," which previously was not defined under the California Constitution. As a result, Proposition 26 requires a local government to obtain two-thirds voter approval for many fees, charges and levies that a local government was previously authorized to adopt by a majority vote of its legislative body. Specifically, Proposition 26 defines a "tax" as any levy, charge, or exaction of any kind imposed by a local government except those enumerated in seven specified exceptions, as follows:

- (1) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the



reasonable costs to the local government of conferring the benefit or granting the privilege.

- (2) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.
- (3) A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.
- (4) A charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.
- (5) A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law.
- (6) A charge imposed as a condition of property development.
- (7) Assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

In the event that charges included in the definition of a “tax” in Article XIIC cannot be appropriately increased, the City may have to choose whether to reduce or eliminate the service financed by such taxes or finance such service from its General Fund. Further, no assurance can be given that the City mayor will be able to reduce or eliminate such services in the event the fees and charges that presently finance them are reduced or repealed.

The foregoing discussion of Propositions 218 and 26 should not be considered an exhaustive or authoritative treatment of the provisions of Propositions 218 and 26 or the possible effects of Propositions 218 and 26. Interim rulings, final decisions, legislative proposals and legislative enactments affecting Propositions 218 and 26 may impact the City’s ability to make Rental Payments. The City does not expect to be in a position to control the consideration or disposition of these issues and cannot predict the timing or outcome of any judicial or legislative activity related to these issues. The City does not believe any of the fees or charges constituting City General Fund revenues are imposed in violation of Propositions 218 or 26.

## **Proposition 62**

On November 4, 1986, California voters adopted Proposition 62, which requires that (i) any local tax for general governmental purposes (a “general tax”) must be submitted to the electorate and approved by a majority vote; (ii) any local tax for specific purposes (a “special tax”) must be submitted to the electorate and approved by a two-thirds vote; (iii) any general tax must be proposed for a vote by two-thirds of the legislative body; and (iv) proceeds of any tax imposed in violation of the vote requirements must be deducted from the local agency’s property tax allocation.

Most of the provisions of Proposition 62 were affirmed by the 1995 California Supreme Court decision in *Santa Clara County Local Transportation Authority v. Guardino*, which invalidated a special sales tax for transportation purposes because fewer than two-thirds of the voters voting on the measure had approved the tax. The City does not believe any of the taxes constituting City revenues are levied in violation of Proposition 62.

### **Proposition 1A**

Proposition 1A ("Proposition 1A"), proposed by the State Legislature in connection with the State Budget Act for fiscal year 2004-05 and approved by the voters in November 2004, restricts State authority to reduce major local tax revenues such as the tax shifts permitted to take place in fiscal years 2004-05 and 2005-06. Proposition 1A provided that beginning in fiscal year 2008-09, the State was permitted shift to schools and community colleges up to eight percent of local government property tax revenues, if: (i) the amount was to be repaid, with interest, within three years, (ii) the Governor proclaimed that the shift is needed due to a severe state financial hardship, (iv) the shift was approved by two-thirds of both houses and certain other conditions are met, and (v) such a shift may not occur more than twice in any 10-year period. Proposition 1A also contained other restrictions on the State's ability to redirect property tax revenues for local governments or reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. The State may approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A also provides that if the State reduces the vehicle license fee rate below 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

### **Proposition 22**

On November 2, 2010, the voters of the State approved Proposition 22, known as "The Local Taxpayer, Public Safety, and Transportation Protection Act" ("Proposition 22"). Proposition 22, among other things, broadens the restrictions established by Proposition 1A with respect to the State government's ability to redirect moneys on which local governments depend as their revenue sources. While Proposition 1A permits the State to appropriate or borrow local property tax revenues on a temporary basis during times of severe financial hardship, Proposition 22 amends Article XIII of the State Constitution to prohibit the State from appropriating or borrowing local property tax revenues, even during times of severe financial hardship. Proposition 22 also prohibits the State from appropriating or borrowing proceeds derived from any tax levied by a local government solely for the local government's purposes.

### **Future Initiatives**

From time to time other initiative measures could be adopted, affecting the ability of the City to increase revenues and appropriations.

## **AUTHORITY**

The Authority is a joint powers authority, organized pursuant to a Joint Exercise of Powers Agreement, executed in March 1988 (the “Joint Powers Agreement”) by and between the City and the former Brea Redevelopment Agency, as now succeeded by the Successor Agency (see “CITY FINANCIAL INFORMATION – Property Taxes (Ad Valorem and Vehicle In-Lieu Fees) – *Former Redevelopment Tax Increment; Redevelopment Dissolution.*”) The Successor Agency has issued bonds with maturity dates that extend to August 2036, after the final maturity date of the 2021 Bonds. The Successor Agency is expected to remain in existence so long as bonds issued by the Successor Agency remain outstanding.

Pursuant to an Associate Membership Agreement between the Authority and the School District, the School District is an associate member of the Authority. The Joint Powers Agreement was entered into pursuant to the provisions of Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Act”). The governing body of the Authority consists of the same individuals who comprise the City Council of the City. The Authority was created for the purpose of providing financing for public capital improvements for its members through the acquisition by the Authority of such public capital improvements or the purchase by the Authority of local obligations within the meaning of the Act. Under the Act, the Authority has the power to issue bonds to finance and refinance the cost of certain public capital improvements.

## **CONCLUDING MATTERS**

### **No Litigation Affecting 2021 Bonds**

To the Authority’s and the City’s knowledge, there is no litigation pending or threatened to restrain or enjoin the issuance, execution or delivery of the 2021 Bonds, to contest the validity of the 2021 Bonds, the Indenture, the Site Lease, the Lease or any proceedings of the City or the Authority with respect thereto. In the opinion of the Authority, there is no lawsuit or claim pending against the Authority which will materially impair the Authority’s ability to enter into the Indenture or restrain or enjoin the collection of Revenues as contemplated therein. In the opinion of the City, there is no lawsuit or claim pending against the City which will materially impair the City’s ability to enter into the Lease or restrain or enjoin the payment of Lease Payments.

### **Continuing Disclosure**

The City has undertaken in a continuing disclosure certificate (the “Continuing Disclosure Certificate”) for the benefit of Owners and beneficial owners of the 2021 Bonds to provide certain financial information relating to the City and other data by not later than nine months after the close of each fiscal year (which currently would be March 31, with the fiscal year ending on each June 30), commencing with the report for the 2020-21 fiscal year (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices will be filed by the City or The Bank of New York Mellon Trust Company, as the Dissemination Agent on behalf of the City, with the Municipal Securities Rulemaking Board (the “MSRB”), via its Electronic Municipal Market Access (“EMMA”) system. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” This undertaking

has been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) (the “Rule”) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

A failure by the City to comply with the provisions of the Continuing Disclosure Certificate is not an event of default under the Indenture or the Lease (although the Owners and beneficial owners of the 2021 Bonds do have remedies at law and in equity). However, a failure to comply with the provisions of the Continuing Disclosure Certificate must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2021 Bonds. Therefore, a failure by the City to comply with the provisions of the Continuing Disclosure Certificate may adversely affect the marketability of the 2021 Bonds on the secondary market.

Before the printing of this Official Statement, an independent examination (the “Examination”) of the City’s continuing disclosure filings during the five years ending April 30, 2021, was made. The Examination disclosed that the City’s audited financial statements and certain other information pertaining to the fiscal years 2015-16, 2016-17 and 2017-18 annual reports for multiple bond issues were filed after the applicable deadlines (and unaudited financial statements and related notices of failure to file were not filed before the post-deadline filings of the audited financial statements and additional information for the annual reports). The Examination also reported that, with respect to the fiscal year 2017-18 annual reports initially filed for lease revenues bonds, a summary of the 2018-19 General Fund budget was missing and, additionally, a “Page 2” was missing from the annual report posted on EMMA. The City re-filed such 2017-18 annual reports with the inclusion of the previously missing information in 2019.

The City has taken steps to ensure future compliance with its continuing disclosure obligations in a timely manner. In 2019, the City Council adopted Resolution No. 2019-046, which among other things, approved a set of continuing disclosure procedures.

## **Legal Matters**

All of the legal proceedings in connection with the authorization and issuance of the 2021 Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, Bond Counsel. Bond Counsel’s final approving opinion with respect to the 2021 Bonds will be substantially in the form set forth in Appendix E of this Official Statement. Certain matters with respect to this Official Statement will be considered on behalf of the City by Richards, Watson & Gershon, A Professional Corporation, in its capacity as Disclosure Counsel. Certain legal matters will also be passed upon for the City by Richards, Watson & Gershon, in its capacity as City Attorney. Certain legal matters will also be passed upon for the Underwriter, by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Underwriter’s Counsel.

## **Tax Matters**

*Federal Tax Status.* In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2021 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative

minimum tax. The 2021 Bonds are "qualified tax-exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Tax Code"), such that, in the case of certain financial institutions (within the meaning of section 265(b)(5) of the Tax Code), a deduction for federal income tax purposes is allowed for 80 percent of that portion of such financial institution's interest expense allocable to interest payable on the 2021 Bonds.

The opinions set forth in the preceding paragraph are subject to the condition that the Authority comply with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the 2021 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes, and in order for the 2021 Bonds to be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code. The Authority has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2021 Bonds, or may cause the 2021 Bonds to not be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Tax Code.

***Tax Treatment of Original Issue Discount and Premium.*** If the initial offering price to the public at which a 2021 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a 2021 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "bond premium" for purposes of federal income taxes and State of California personal income taxes.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2021 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2021 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2021 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2021 Bonds who purchase the 2021 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2021 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2021 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such 2021 Bonds is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the 2021 Bond (said term being the shorter of the 2021 Bond's maturity date or its call date). The amount of bond premium amortized each year reduces the adjusted basis of the owner of the 2021 Bond for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a 2021 Bond is amortized each year over the term to maturity of the 2021 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with

straight-line interpolations between compounding dates). Amortized 2021 Bond premium is not deductible for federal income tax purposes. Owners of premium 2021 Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2021 Bonds.

*California Tax Status.* In the further opinion of Bond Counsel, interest on the 2021 Bonds is exempt from California personal income taxes.

*Other Tax Considerations.* Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the 2021 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or cause the 2021 Bonds to not be “qualified tax-exempt obligations,” or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the 2021 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2021 Bonds, or as to the consequences of owning or receiving interest on the 2021 Bonds, as of any future date. Prospective purchasers of the 2021 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2021 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2021 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the 2021 Bonds, the ownership, sale or disposition of the 2021 Bonds, or the amount, accrual or receipt of interest on the 2021 Bonds.

### **Municipal Advisor**

The City has retained Fieldman, Rolapp & Associates, Inc., Irvine, California, as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the 2021 Bonds. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other securities public or otherwise.

## **Underwriting**

Pursuant to a Bond Purchase Agreement (the “Purchase Agreement”), Stifel, Nicolaus & Company, Incorporated, the Underwriter, has agreed, subject to certain conditions, to purchase the 2021 Bonds at a purchase price of \$\_\_\_\_\_ (which is equal to the principal amount of the 2021 Bonds, [plus/less] a [net] original issue [premium/discount] of \$\_\_\_\_\_, and less an Underwriter’s discount of \$\_\_\_\_\_). The Purchase Agreement provides that the Underwriter will purchase all of the 2021 Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the Purchase Agreement. The Underwriter intends to offer the 2021 Bonds to the public initially at the prices set forth on the inside cover of this Official Statement, which prices may subsequently change without any requirement of prior notice.

## **Rating**

S&P Global Ratings (“S&P”) has assigned a rating of “\_\_\_” to the 2021 Bonds. S&P’s rating reflects only the views of S&P and any explanation of the significance of such ratings may be obtained from S&P. There is no assurance that such rating will continue for any given period of time or that such rating will not be revised downward, suspended or withdrawn entirely, if in S&P’s judgment, circumstances so warrant. Other than as described in the Continuing Disclosure Certificate, the City takes no responsibility regarding either to bring to the attention of the Owners of the 2021 Bonds any revision, suspension or withdrawal of such rating or to oppose any such revision or withdrawal. Any such downward, suspension, revision or withdrawal of the ratings may have an adverse effect on the market price of the 2021 Bonds.

## **Miscellaneous**

All of the preceding description and summaries of the 2021 Bonds, the Indenture, the Lease, other applicable agreements, legislation and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the 2021 Bonds. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The Authority and the City have duly authorized the execution and delivery of this Official Statement by its officer.

**BREA PUBLIC FINANCING AUTHORITY**

By: \_\_\_\_\_  
Executive Director

**CITY OF BREA**

By: \_\_\_\_\_  
City Manager



## APPENDIX A

### SUPPLEMENTAL INFORMATION ABOUT CITY OF BREA

*The following information concerning the City of Brea (“City”) and the surrounding area is included only for the purpose of supplying general information regarding the community.*

#### Population

The following table shows the estimated population growth for the City, the County and the State of California for the years shown.

#### City of Brea City, County and State Population Growth<sup>(1)</sup> Calendar Years 2000, 2010 and 2016 through 2020

Calendar Year	City of Brea	% Change from Prior Period	County of Orange	% Change from Prior Period	State of California	% Change from Prior Period
2000	35,176	—	2,831,799	—	33,721,583	—
2010	39,259	11.61%	3,008,855	6.25%	37,223,900	10.39%
2016	43,414	10.58	3,162,789	5.12	39,131,307	5.12
2017	43,983	1.31	3,184,229	0.68	39,398,702	0.68
2018	43,961	-0.05	3,192,092	0.25	39,586,646	0.48
2019	44,879	2.09	3,192,987	0.03	39,695,376	0.27
2020	45,629	1.67	3,194,332	0.04	39,782,870	0.22

(1) As of January 1 of each year, with 2010 census benchmark.

Source: State of California Department of Finance.

#### Construction Activity

The table below shows the number of construction permits issued in the City and the related values for the years shown.

#### City of Brea Construction Permits Calendar Years 2016-2020

Calendar Year	No. of Permits Issued	Percent Change	Estimated Valuation	Percent Change
2016	2,117	-14.84	%126,779,527	-23.95%
2017	1,197	-43.46	145,792,928	14.99
2018	1,304	8.94	69,051,322	-52.64
2019	1,349	65.49	202,666,616	193.50
2020	1,208	-10.45	57,076,287	-71.07

Source: City of Brea Development Services Department.

The fluctuation in building permits issued often reflects large scale tract development which is cyclical and, given the City’s size (approximately 11 square miles), occurs intermittently.

## Employment

According to the State of California Employment Development Department, the [March] 2021 preliminary, estimated unemployment rates for the City, the County and the State were [5.9 percent, 6.4 percent and 8.2 percent], respectively. As discussed in the forepart of this Official Statement (see “INTRODUCTION – COVID-19 Pandemic,” “CITY FINANCIAL INFORMATION” and “BONDOWNERS’ RISKS – Effects from COVID-19 Pandemic”), the COVID-19 pandemic and the various measures taken to protect public health have caused major disruptions to the local, national and global economy. As of spring 2021, administration of vaccines to the population is on-going. As the economy re-opens, the City hopes, but cannot guarantee, that the employment statistics will improve relative to the 2020 calendar year.

**City of Brea**  
**City, County and State Employment Statistics**  
**Calendar Years 2016 through 2020<sup>(1)</sup>**

Year	City			County	State
	Labor Force	Employed	Unemployment Rate	Unemployment Rate	Unemployment Rate
2016	22,400	21,500	4.0	4.0	5.5
2017	22,500	21,800	3.3	3.5	4.8
2018	23,200	22,500	2.9	2.9	4.2
2019	23,200	22,600	2.6	2.8	4.0
2020 <sup>(2)</sup>	22,100	20,200	8.6	8.8	10.1

(1) Not seasonally adjusted. March 2020 benchmark.

(2) See “INTRODUCTION – COVID-19 Pandemic” and “BONDOWNERS’ RISKS – Effects from COVID-19 Pandemic” regarding economic disruptions caused by Covid-19 pandemic.

Source: State of California, Employment Development Department.

The following table lists the major employers within the City and their estimated number of employees:

**City of Brea  
Principal Employers  
as of June 30, 2020**

	Company	Product or Service	Estimated No. of Employees
1.	Bank of America	Financial services	3,000
2.	Mercury Insurance	Insurance services	1,440
3.	Alberton's, Inc.	Retail – grocer	1,335
4.	Beckman Coulter, Inc.	Manufacturing – biomedical instruments	837
5.	Brea Olinda Unified School District	Public agency	685
6.	Kirkhill – TA Company	Manufacturing – aircraft parts	616
7.	Nationwide (formerly Veterinary Pet Ins.)	Insurance services	460
8.	Bristol Industries	Manufacturing – machinery components	435
9.	Service Champions Plumbing, HVAC	Service for residential plumbing, HVAC	333
10.	Peterson Brothers Construction	Construction	331

Source: City of Brea Comprehensive Annual Financial Reports for fiscal year ended June 30, 2020.

### Median Household Income

The following table shows the estimated median household income for the City, the County, the State and the United States for the years shown.

**City of Brea, Orange County, California and the United States  
Estimated Median Household Income  
Calendar Years 2015 through 2019**

Year	City	County	State	U.S.
2015	\$83,717	\$76,509	\$61,818	\$53,889
2016	85,555	78,145	63,783	55,322
2017	90,214	81,851	67,169	57,652
2018	93,703	85,398	71,228	60,293
2019	94,492	90,234	75,235	62,843

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.

### Public Utilities

Electrical service is provided by Southern California Edison. Southern California Gas provides natural gas.

As discussed in the forepart of this Official Statement, water services are provided by the City's Water Department. The City's drinking water is a blend of surface water imported by the Metropolitan Water District of Southern California and ground water imported from California Domestic Water Company in Whittier. Metropolitan's imported water sources are the Colorado River and the State Water Project, which draws water from the San Francisco-San Joaquin Bay Delta. California Domestic water originates from the San Gabriel Basin.

Sewer services are provided by the City's Maintenance Services Department, which maintains over 119 miles of sewer main lines. The sewer distribution system flows into Orange County Sanitation District trunk system until it is treated at their secondary treatment facility in Fountain Valley. Trash collection services are provided by the City through Brea Disposal, a private contractor.

## **Education**

The City's students are served by the Brea Olinda Unified School District presided over by a separately elected board. The system includes six elementary schools, one junior high school, one high school and one alternative high school. Brea-Olinda High School has a professional performing arts center and complete athletic facilities. The City also has several private pre-schools, two Christian schools and a Roman Catholic school serving grades K-8. Colleges, universities and a number of technical and vocational schools are located in and around Brea. California State University, Fullerton College, Pacific Christian College, Hope University, an optometry school and a law school are located in nearby Fullerton, and the University of California at Irvine, Chapman College, and Cal Poly Pomona are within easy freeway access.

## **Community Facilities**

St. Jude Medical Center in Fullerton and Placentia-Linda Hospital in Placentia are full-service hospitals that are located within five miles of the City.

The City maintains parks and recreation facilities within its boundaries. The Brea Community Services Department coordinates park activities. The City owns Brea Creek Golf Course and the Birch Hills Golf courses, both which are operated by a management company under contract.

The City has senior and family resource center operated by the City with participation by charitable, non-profit corporations.

## **Public Safety**

Law enforcement services are provided by the Brea Police Department which provides full services to the City. Fire services are provided by the Brea Fire Services Department, which has four fire stations and one annex located throughout the City.

Street and highway maintenance is provided for under the supervision of the City's Public Works Department.

Building inspection and code enforcement services are provided by the City.

**APPENDIX B**

**CITY OF BREA COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR YEAR ENDED JUNE 30, 2020**

## **APPENDIX C**

### **SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS**

## **APPENDIX D**

### **FORM OF OPINION OF BOND COUNSEL**

*Upon issuance and delivery of the 2021 Bonds, Bond Counsel proposes to render its final approving opinion in substantially the following form:*

[Delivery Date]

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”), dated \_\_\_\_\_, 2021, is executed and delivered by the City of Brea (the “City”) in connection with the City’s issuance by the Brea Public Financing Authority of the Authority’s \$\_\_\_\_\_ (aggregate principal amount) Refunding Lease Revenue Refunding Bonds (Solar And Energy Efficiency Projects) (the “2021 Bonds”). The 2021 Bonds are being issued pursuant to an Indenture of Trust, dated as of July 1, 2021, by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Proceeds of the 2021 Bonds will be used to refund the Authority’s outstanding 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects).

The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the 2021 Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Official Statement (defined below, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean initially The Bank of New York Mellon Trust Company, N.A., or any successor Dissemination Agent designated in writing by the City and which has filed with the City and the Trustee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system located at <http://www.emma.msrb.org>, as the centralized on-line repository for municipal disclosure documents to be filed with the MSRB pursuant to the Rule, or such other successor repository site as prescribed by the MSRB.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any successor thereto.

“Official Statement” shall mean the final Official Statement, dated October 15, 2020, relating to the 2021 Bonds.

“Participating Underwriter” shall mean Stifel, Nicolaus & Company, Incorporated, as the original underwriter of the 2021 Bonds required to comply with the Rule in connection with offering of the 2021 Bonds.



“Rule” shall mean Rule 15c2 12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

Section 3. Provisions of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, no later than nine months after the close of the City’s fiscal year (which currently will be March 31 of each year based on a June 30 end of fiscal year), commencing with the report for the 2019-20 fiscal year, provide to the MSRB, via EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 15 business days prior to the date specified in subsection (a) above for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the first sentence of this subsection (b). If requested by the Dissemination Agent, the City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the City and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall in a timely manner send a notice to the MSRB, in such form as prescribed or acceptable to MSRB.

(d) The Dissemination Agent (if other than the City) shall, if and to the extent, the City has provided an Annual Report in final form to the Dissemination Agent for dissemination, file a report with the City certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the City for the most recently completed fiscal year. Such audited financial statements shall be prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, as may be further modified by applicable state law. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial

statements in a format similar to the audited financial statements customarily used by the City, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed pursuant to the preceding subsection (a) by the date required by Section 3 hereof:

- (i) the then currently outstanding principal amount of the 2021 Bonds;
- (ii) the General Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances, for the most recently completed fiscal year;
- (iii) top five General Fund revenue sources, itemized, for the most recently completed fiscal year, substantially in the format of Table 4 of the Official Statement;
- (iv) a list of then outstanding bonds, lease and other long-term obligations incurred by the City that are payable from the General Fund; and
- (v) information concerning the assessed valuation of taxable properties within the City for the most recently completed fiscal year.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

Any or all of the items listed above for inclusion in the Annual Report may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been available to the public on EMMA or filed with the SEC. The City shall clearly identify each such other document so included by reference.

#### Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given to the MSRB, via EMMA, notice of the occurrence of any of the following Listed Events with respect to the 2021 Bonds, which notice shall be given in a timely manner, not in excess of ten business days after the occurrence of such Listed Event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties; provided, it is hereby acknowledged that, at the issuance date of the 2021 Bonds, there is no debt service reserve established or required under the governing documents for the 2021 Bonds;

- (4)     Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5)     Substitution of credit or liquidity providers, or their failure to perform;
- (6)     Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2021 Bonds, or other material events affecting the tax status of the 2021 Bonds;
- (7)     Modifications to rights of Bond owners, if material;
- (8)     Bond calls, if material, and tender offers;
- (9)     Defeasances;
- (10)    Release, substitution, or sale of property securing repayment of the 2021 Bonds, if material;
- (11)    Rating changes;
- (12)    Bankruptcy, insolvency, receivership or similar event of the City;
- (13)    The consummation of a merger, consolidation, or acquisition involving the City or its Water System or the sale of all or substantially all of the assets of the City or its Water System, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14)    Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15)    Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and
- (16)    Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

(For Listed Events listed in Section 5(a)(15) and (16), “financial obligation” has such meaning as set forth in the Rule which, as of the date of this Disclosure Certificate, includes: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or

pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); provided that municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule is not a “financial obligation” for this purpose.)

(b) The Dissemination Agent shall, within one business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (1), (3), (4), (5), (6), (9), (11), (12) or (16), or (8) with respect to tender offers, inform the City of the occurrence of such event. In any case, as soon as reasonably practicable after obtaining knowledge of the occurrence of such event, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

(c) The Dissemination Agent shall, within one business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (2), (7), (10), (13), (14), (15) or (8) with respect to bond calls, inform the City of the occurrence of such event and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). So long as the Trustee also serves as the Dissemination Agent, “knowledge” means the actual knowledge at the corporate trust office of the Trustee by an officer of the Trustee with responsibility for matters related to the administration of the Indenture. The Dissemination Agent shall have no responsibility to determine the materiality of any of the listed events.

(d) Whenever the City obtains knowledge of the occurrence of any event specified in Section 5(a) (2), (7), (10), (13), (14), (15) or (8) with respect to bond calls, the City shall as soon as possible, in order to meet the ten business day deadline to file notices required under the Rule and pursuant to the following sentence, determine if such event would be material under applicable Federal securities law. If the City determines that knowledge of the occurrence of such event would be material under applicable Federal securities law, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2021 Bonds. If such termination occurs prior to the final maturity of the 2021 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b); provided, that this requirement shall be deemed satisfied by the filing of a notice of defeasance or full redemption pursuant to Section 5(b).

Section 7. Dissemination Agent. The initial Dissemination Agent shall be The Bank of New York Mellon Trust Company, N.A. From time to time, the City may appoint a different Dissemination Agent to assist it in carrying out its obligations (or designate itself as the Dissemination Agent) under this Disclosure Certificate. The Dissemination Agent may resign by providing 30 days written notice to the City and the Trustee. The City may replace the Dissemination Agent with or without cause.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the 2021 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver affecting the 2021 Bonds either (i) is approved by holders of the affected Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of such Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. For purposes of this paragraph, “impact” has the meaning as that word is used in the letter from the staff of the Securities and Exchange Commission to the National Association of Bond Lawyers dated June 23, 1995.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB in the same manner as for a Listed Event under Section 5(b).

No amendment to this Agreement which modifies the duties or rights of the Dissemination Agent shall be made without the prior written consent of the Dissemination Agent.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that

which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Participating Underwriter or any holder or beneficial owner of the 2021 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. So long as the Dissemination Agent is also the Trustee under the Indenture, the Dissemination Agent shall be entitled to the protections and limitations from the liability afforded to the Trustee under Article VI of the Indenture. Solely for such purpose, so long as the Dissemination Agent is also the Trustee under the Indenture, Article VI of the Indenture is incorporated in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of the disclosure of information pursuant to this Disclosure Certificate or arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent (acting in such capacity and not as Trustee or any other role) shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent (if different than the City) shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Owners, or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the City or an opinion of nationally recognized bond counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2021 Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the 2021 Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the City has caused its duly authorized officer to execute and deliver this Certificate on the date first written above.

**CITY OF BREA**

By: \_\_\_\_\_  
City Manager

The undersigned hereby agrees to act as  
Dissemination Agent pursuant to the  
foregoing Continuing Disclosure Certificate

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

## APPENDIX F

### DTC'S BOOK-ENTRY ONLY SYSTEM

*The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof. The City give no assurances that (i) DTC, the Direct and Indirect Participants or others will distribute payments of principal, premium (if any) or interest with respect to the 2021 Bonds paid to DTC or its nominee as, the registered owner, to the Beneficial Owners, (ii) such entities will distribute redemption notices or other notices, to the Beneficial Owners, or (iii) an error or delay relating thereto will not occur.*

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2021 Bonds. The 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2021 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive



written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2021 Bonds, except in the event that use of the book-entry system for the 2021 Bonds is discontinued.

To facilitate subsequent transfers, all 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2021 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMD Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any) and interest payments on the 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any) and interest payments with respect to the 2021 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC,

and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2021 Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2021 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2021 Bond certificates will be printed and delivered in accordance with the provisions of the Indenture.

\$ \_\_\_\_\_  
**BREA PUBLIC FINANCING AUTHORITY  
2021 REFUNDING LEASE REVENUE BONDS  
(SOLAR AND ENERGY EFFICIENCY PROJECTS)**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2021

Brea Public Financing Authority  
c/of City of Brea  
1 Civic Center Circle  
Brea, California 92821  
Attention: Executive Director

City of Brea  
1 Civic Center Circle  
Brea, California 92821  
Attention: City Manager

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (which, together with Exhibit A and Exhibit B, is referred to as the “Purchase Agreement”) with the Brea Public Financing Authority (the “Authority”) and the City of Brea, California (the “City”), which, upon the acceptance of the Authority and the City, will be binding upon the Authority, the City and the Underwriter. This offer is made subject to acceptance by the Authority and by the City by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., California Time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to the acceptance hereof by the Authority and the City. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture of Trust, dated as of July 1, 2021 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

**Section 1. Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the Brea Public Financing Authority 2021 Refunding Lease Revenue Bonds (Solar and Energy Efficiency Projects) in the aggregate principal amount of \$ \_\_\_\_\_ (the “Bonds”). The Bonds will be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on April 1 and October 1 in each year, commencing [October 1, 2021] and will mature, bear interest and be subject to redemption prior to maturity as set forth in Exhibit A hereto. The purchase price for the Bonds shall be equal to \$ \_\_\_\_\_ (being the aggregate principal amount thereof [plus/less] [net] original issue [premium/discount] of \$ \_\_\_\_\_, less an underwriter’s discount of \$ \_\_\_\_\_).

**Section 2. The Bonds.** The Bonds shall be secured by a pledge of Revenues consisting primarily of Lease Payments (the “Lease Payments”) to be paid by the City pursuant to an Amended and Restated Lease Agreement, dated as of July 1, 2021 (the “Lease”), by and between the City and the Authority. The Authority’s right to receive the Lease Payments due under the Lease and to exercise remedies upon default under such Lease shall be assigned to the Trustee for the benefit of the owners of the Bonds pursuant to the Assignment Agreement, dated as of July 1, 2021 (the “Assignment Agreement”), by and between the Authority and the Trustee.

The Bonds shall be as described in, and shall be secured under and pursuant to the Indenture substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon by the Authority, the City and the Underwriter.

The proceeds of the Bonds shall be used to: (i) defease and refund the Authority’s outstanding 2010 Lease Revenue Bonds (Solar and Energy Efficiency Projects) (the “2010 Bonds”), and (ii) pay costs of issuance of the Bonds.

The Bonds, this Purchase Agreement, the Indenture, the Lease, the Amended and Restated Site Lease, dated as of July 1, 2021 (the “Site Lease”), by and between the Authority and the City, the Assignment Agreement, the Escrow Agreement dated as of July 1, 2021 (the “Escrow Agreement”), by and among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as Escrow Agent (the “Escrow Agent”), and a resolution adopted by the Board of Directors of the Authority \_\_\_\_\_, 2021 (the “Authority Resolution”) authorizing the issuance of the Bonds and the execution and delivery of the Authority Documents (hereinafter defined) are collectively referred to herein as the “Authority Documents.”

This Purchase Agreement, the Continuing Disclosure Certificate, dated \_\_\_\_\_, 2021 (the “Continuing Disclosure Certificate”), executed and delivered by the City, the Lease, the Site Lease, the Escrow Agreement and a resolution adopted by the City Council of the City on \_\_\_\_\_, 2021 (the “City Resolution”) authorizing the execution and delivery of the City Documents (hereinafter defined) are collectively referred to herein as the “City Documents.”

### **Section 3. Public Offering and Establishment of Issue Price.**

(a) The Underwriter agrees to make an initial public offering of all of the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The City and the Authority acknowledge and agree that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the City and the Authority, on one hand, and the Underwriter, on the other; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or Authority on other matters); (iv)

the Underwriter has financial and other interests that differ from those of the City and the Authority; and (v) the City and Authority have consulted their own legal, financial and other advisors to the extent they have deemed appropriate.

(b) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing (as defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. [All actions to be taken by the Authority under this section to establish the issue price of the Bonds may be taken on behalf of the Authority by the Authority’s municipal advisor, Fieldman, Rolapp & Associates, Inc. (the “Municipal Advisor”) and any notice or report to be provided to the Authority may be provided to the Authority’s Municipal Advisor.]

(c) The Authority will treat the first price at which 10% of each maturity of the Bonds (the “10% test”), identified under the column “10% Test Used” in Exhibit A, is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel. For purposes of this section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(d) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding price, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(f) The Authority and the City acknowledge that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited

to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority and the City further acknowledge that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(g) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party;

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Purchase Agreement by the City and the Underwriter.

**Section 4. The Official Statement.** By its acceptance of this proposal, the Authority and the City ratify, confirm and approve of the use and distribution by the Underwriter prior to the date hereof of the preliminary official statement relating to the Bonds dated \_\_\_\_, 2021 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “Preliminary Official Statement”) that authorized officers of the Authority and the City deemed “final” as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for certain information permitted to be omitted therefrom by Rule 15c2-12. The Authority and the City hereby agree to deliver or cause to be delivered to the Underwriter, within seven business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12), including the cover page, all appendices, all information incorporated therein and any amendments or

supplements as have been approved by the Authority, the City and the Underwriter (the “Official Statement”) in such quantity as the Underwriter shall reasonably request to comply with Section (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

The Underwriter hereby agrees that it will not request that payment be made by any purchaser of the Bonds prior to delivery by the Underwriter to the purchaser of a copy of the Official Statement. The Underwriter agrees: (i) to provide the Authority and the City with final pricing information on the Bonds on a timely basis; (ii) to promptly file a copy of the Official Statement, including any supplements prepared by the Authority or the City with the MSRB at <http://emma.msrb.org>; and (iii) otherwise to comply with all applicable statutes and regulations in connection with the sale of the Bonds. The Authority and the City hereby approve of the use and distribution by the Underwriter of the Preliminary Official Statement in connection with the offer and sale of the Bonds. The Authority and the City will cooperate with the Underwriter in the filing by the Underwriter of the Official Statement with the MSRB.

**Section 5. Closing.** At 8:30 a.m., California Time, on \_\_\_\_\_, 2021, or at such other time or date as the Authority and the Underwriter agree upon (the “Closing Date”), the Authority shall deliver or cause to be delivered to the Trustee, the Bonds, in definitive form, registered in the name of Cede & Co., as the nominee of The Depository Trust Company (“DTC”), so that the Bonds may be authenticated by the Trustee and credited to the account specified by the Underwriter under DTC’s FAST procedures. Concurrently with the delivery of the Bonds, the Authority and the City will deliver the documents hereinafter mentioned at the offices of Jones Hall, A Professional Law Corporation, San Francisco, California (“Bond Counsel”), or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents, is herein called the “Closing.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of five thousand dollars (\$5,000) or any integral multiple thereof. The Authority and the City acknowledge that the services of DTC will be used initially by the Underwriter in order to permit the issuance of the Bonds in book-entry form, and agree to cooperate fully with the Underwriter in employing such services.

**Section 6. Representations, Warranties and Covenants of the Authority.** The Authority represents, warrants and covenants to the Underwriter and the City that:

(a) The Authority is a public body, duly organized and existing under the laws of the State of California (the “State”), including Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “JPA Act”) and the Joint Exercise of Powers Agreement executed in March 1988 (the “JPA Agreement”), between the City and the Brea Redevelopment Agency, as amended to date.

(b) The Authority has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the Authority Documents.

(c) By all necessary official action, the Authority has duly authorized and approved the Authority Documents, has duly authorized and approved the Preliminary Official



Statement and the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in, the Authority Documents and the consummation by it of all other transactions contemplated by the Authority Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against joint powers authorities in the State. The Authority has complied, and will at the Closing be in compliance in all material respects, with the terms of the Authority Documents.

(d) The Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party which breach or default has or may have a materially adverse effect on the ability of the Authority to perform its obligations under the Authority Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the Authority Documents, if applicable, and compliance with the provisions on the Authority's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

(e) Except as described in or contemplated by the Preliminary Official Statement and the Official Statement, all material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by, the Authority of its obligations in connection with the Authority Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(f) The Authority hereby agrees that it will notify the other parties hereto if, within the period from the date of this Purchase Agreement to and including the date twenty-five (25) days following the end of the underwriting period (as defined herein), the Authority discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case, which might cause the Official Statement (as the same may have then been supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process upon the Authority having been accomplished, or threatened in writing to the Authority: (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Lease Payments with respect to the Lease or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the other Authority Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Authority or its authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) To the Authority's knowledge, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of paragraph 6(g).

(i) As of its date, the information in the Preliminary Official Statement set forth under the caption "AUTHORITY" did not, and as of the date hereof does not, contain any untrue statement of a material fact, and as of its date did not, and as of the date hereof does not, omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) As of the date hereof, the information in the Official Statement set forth under the caption "AUTHORITY" does not, and at all times thereafter up to and including the Closing will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The Authority will refrain from taking any action, or permitting any action to be taken, with regard to which the Authority may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(l) Except in a manner permitted under the Authority Documents, the Authority will refrain from taking any action, or permitting any action to be taken, to reduce the amount of the Lease Payments while the Bonds are Outstanding, and the Authority will collect the Lease Payments in accordance with the Lease.

(m) Any certificate signed by any officer of the Authority authorized to execute such certificate in connection with the execution, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Authority to the Underwriter and the City as to the statements made therein but not of the person signing such certificate.

**Section 7. Representations, Warranties and Covenants of the City.** The City represents, warrants and covenants to the Underwriter and the Authority that:

(a) The City is a general law city duly organized and existing under and by virtue of the Constitution and laws of the State.

(b) The City has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the City Documents.

(c) By all necessary official action, the City has duly authorized and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the City Documents and the consummation by it of all other transactions contemplated by the City Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the City Documents will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against municipal corporations in the State. The City has complied, and will at the Closing be in compliance in all material respects, with the terms of the City Documents.

(d) The City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party which breach or default has or may have a materially adverse effect on the ability of the City to perform its obligations under the City Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the City Documents, if applicable, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as may be provided by the City Documents.

(e) Except as described in or contemplated by the Preliminary Official Statement and the Official Statement, all material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by, the City of its obligations in connection with the City Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such

approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds;

(f) As of its date, the Preliminary Official Statement did not, and as of the date hereof, does not, contain any untrue statement of a material fact, and as of its date did not, and as of the date hereof, does not, omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include statements in the Preliminary Official Statement under the captions “AUTHORITY” and “UNDERWRITING” and information regarding DTC and its book-entry only system, as to which no view is expressed).

(g) As of the date hereof, the Official Statement does not, and at all times thereafter up to and including the Closing will not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include statements in the Official Statement under the captions “AUTHORITY” and “UNDERWRITING” and information regarding DTC and its book-entry only system, CUSIP numbers, prices and yields for the Bonds and any other information provided by the Underwriter as to which no view is expressed).

(h) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(i) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process upon the City having been accomplished, or threatened in writing to the City: (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Lease Payments with respect to the Lease or of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds, or the City Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from taxation, or contesting the powers of the Authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the City; and (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) To the City’s knowledge, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of paragraph 7(i).

(k) Until the date which is twenty-five (25) days after the “end of the underwriting period” (as hereinafter defined), if any event shall occur of which the City is aware that would cause the Official Statement to contain any untrue statement of a material fact or omit to state

a material fact necessary in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading (except that this representation does not include information regarding DTC and its book entry only system, as to which no view is expressed), the City shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter's reasonable opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time and the City shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. As used herein, the term "end of the underwriting period" means the later of such time as: (i) the Authority delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the "end of the underwriting period" shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Underwriter at or prior to the Closing Date of the Bonds and shall specify a date (other than the Closing Date) to be deemed the "end of the underwriting period."

(l) Except as disclosed in the Preliminary Official Statement and the Official Statement, the City has not within the last five years failed to comply in any material respect with any continuing disclosure undertakings with regard to Rule 15c2-12, to provide annual reports or notices of material events specified in such rule.

(m) The City will refrain from taking any action, or permitting any action to be taken, with regard to which the City may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(n) The financial statements relating to the receipts, expenditures and cash balances of the City as of June 30, 2020 attached as Appendix B to the Official Statement fairly represent the receipts, expenditures and cash balances of the City as of June 30, 2020. Except as disclosed in the Official Statement, there has not been any materially adverse change in the financial condition of the City or in its operations since June 30, 2020 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(o) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Certificate and the other City Documents, to provide annual reports and notices of certain events, if material. A description of this undertaking is set forth in Appendix E to the Preliminary Official Statement and will also be set forth in the Official Statement.

(p) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the execution, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter and the Authority as to the statements made therein but not of the person signing such certificate.

**Section 8. Conditions to the Obligations of the Underwriter.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements of the officers and other officials of the Authority and of the City, as well as authorized representatives of Bond Counsel and the Trustee made in any

Bonds or other documents furnished pursuant to the provisions hereof; to the performance by the Authority and the City of their obligations to be performed hereunder at or prior to the Closing Date; and to the following additional conditions:

(a) The representations, warranties and covenants of the City and the Authority contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) At the time of Closing, the City Documents and the Authority Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the City Documents, the Authority Documents and the Official Statement shall not have been amended, modified or supplemented except pursuant to Section 6(k) hereof or otherwise as may have been agreed to in writing by the Underwriter.

(c) At the time of the Closing, no material default shall have occurred or be existing under the City Documents, Authority Documents, or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would materially adversely impact the ability of the City to pay the Lease Payments.

(d) In recognition of the desire of the Authority, the City and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the discretion of the Underwriter by notification, in writing, to the Authority and the City prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Purchase Agreement:

(i) any event shall occur which makes untrue any material statement or results in an omission to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

(ii) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state

court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority affecting the federal or State tax status of the Authority or the City, or the interest on or with respect to bonds or notes (including the Bonds); or

(iii) any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or authority of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(iv) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental authority having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(v) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any domestic governmental authority or by any domestic national securities exchange, which are material to the marketability of the Bonds; or

(vii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange; or

(viii) in the reasonable judgment of the Underwriter, the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds is materially adversely affected by (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(ix) any rating of the Bonds or the rating of any obligations of the City secured by or payable from the City's general fund shall have been downgraded or withdrawn by a national rating service, which, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) the commencement of any action, suit or proceeding described in Section 6(g) or Section 7(i).

(e) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) The Authority Resolution relating to the Bonds and authorizing the execution and delivery of the Bonds and the Authority Documents and the Official Statement signed by an authorized official of the Authority;

(ii) The City Resolution relating to the Bonds and authorizing the execution and delivery of the City Documents and the delivery of the Bonds and the Official Statement signed by an authorized official of the City;

(iii) The City Documents and the Authority Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(iv) The approving opinion of Bond Counsel dated the Closing Date and addressed to the Authority and the City, in substantially the form attached as Appendix D to the Official Statement, and a reliance letter thereon addressed to the Underwriter;

(v) A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions “INTRODUCTION,” “2021 BONDS,” “SECURITY FOR 2021 BONDS,” and “CONCLUDING MATTERS—Tax Matters,” and in Appendix C—“SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS” and Appendix D—“FORM OF OPINION OF BOND COUNSEL,” excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the City Documents, the Authority Documents and Bond Counsel’s final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects as of the Closing Date, provided that Bond Counsel need not express any opinion with respect to any financial or statistical data contained therein or with respect to the book-entry system in which the Bonds are initially delivered;

(B) The Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the City and the Authority, as applicable, and are the valid, legal and binding agreements of the City and the Authority, as applicable, enforceable in accordance with their respective terms, except that the rights and obligations under the Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion need be expressed with respect to any indemnification or contribution provisions contained therein;



(C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and

(vi) The Official Statement, executed on behalf of the Authority and the City, and the Preliminary Official Statement;

(vii) Evidence that the rating on the Bonds is in effect as described in the Official Statement;

(viii) A certificate, dated the Closing Date, signed by a duly authorized officer of the Authority satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the Authority contained in this Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the Authority, and the Authority has complied with, in all material respects, all of the terms and conditions of this Purchase Agreement required to be complied with by the Authority at or prior to the Closing Date; and (ii) no event affecting the Authority has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect;

(ix) A certificate, dated the Closing Date, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the City, and the City has complied with, in all material respects, all of the terms and conditions of the Purchase Agreement required to be complied with by the City at or prior to the Closing Date; and (ii) no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect;

(x) An opinion dated the Closing Date and addressed to the Underwriter, of Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, in its capacity as the general counsel to the Authority, to the effect that:

(A) The Authority is a joint exercise of powers agency duly organized and validly existing under the Constitution and laws of the State, including the JPA Act and the JPA Agreement;

(B) The Authority Resolution has been duly adopted at a regular meeting of the governing body of the Authority, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Authority Resolution is in full force and effect and have not been modified, amended or rescinded;

(C) Except as otherwise disclosed in the Official Statement, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority or body, pending, with service of process upon the Authority having been accomplished, or to the best knowledge of such counsel threatened in writing against the Authority,

challenging the creation, organization or existence of the Authority, or the validity of the Authority Documents or seeking to restrain or enjoin the issuance of the Bonds, the collection of Lease Payments with respect to the Lease or the repayment of the Bonds or in any way contesting or affecting the validity of the Authority Documents or contesting the authority of the Authority to enter into or perform its obligations under any of the Authority Documents;

(D) To the best of such counsel's knowledge, the execution and delivery of the Authority Documents and the issuance of the Bonds and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject, which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents; and

(E) To the best of such counsel's knowledge, no authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution and delivery of the Authority Documents or the Official Statement by the Authority or the consummation by the Authority of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriter;

(xi) an opinion dated the Closing Date and addressed to the Underwriter, of Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California, in its capacity as the City Attorney of the City, to the effect that:

(A) The City is a municipal corporation and general law city duly organized and validly existing under the Constitution and the laws of the State;

(B) The City Resolution has been duly adopted at a meeting of the governing body of the City, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the City Resolution is in full force and effect and have not been modified, amended or rescinded;

(C) Except as otherwise disclosed in the Official Statement, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority or body, pending, with service of process upon the City having been accomplished, or to the best knowledge of such counsel threatened in writing against the City, challenging the creation, organization or existence of the City, or the validity of the City Documents or seeking to restrain or enjoin the issuance of the Bonds, the payment of the Lease Payments or the repayment of the Bonds or in any way contesting or affecting the validity of the City Documents or contesting the authority of the City to enter into or perform its obligations under any of the City Documents, or which, in any manner, questions the right of the City to pay the Lease Payments under the Lease;

(D) To the best of such counsel's knowledge, the execution and delivery of the City Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing

law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents; and

(E) To the best of such counsel's knowledge, no authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution and delivery of the City Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriter;

(xii) An opinion of Richards, Watson & Gershon, A Professional Corporation, Los Angeles, California ("Disclosure Counsel"), dated the Closing Date and addressed to the Authority, the City and the Underwriter, to the effect that, based upon the information made available to them in the course of their participation in the preparation of the Preliminary Official Statement and the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Preliminary Official Statement and the Official Statement, and having made no independent investigation or verification thereof, and stated as a matter of fact and not opinion that, during the course of its representation of the Authority and the City on this matter, no facts came to the attention of the attorneys in its firm rendering legal services in connection with the Preliminary Official Statement and the Official Statement which caused them to believe that the Preliminary Official Statement as of its date and as of the date hereof, or the Official Statement as of its date and as of the Closing Date (except any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, environmental litigation, environmental matters, matters, or any basis therefor; statements relating to the treatment of the Bonds or the interest, discount or premium related thereto for tax purposes under the laws of any jurisdiction and statements contained in the Preliminary Official Statement and the Official Statement under the caption "CONCLUDING MATTERS—Tax Matters," information about the Underwriter or underwriting; information relating to The Depository Trust Company and its book-entry system, and the Appendices thereto, included or referred to therein, which shall be expressly excluded from the scope of this paragraph and as to which such firm need not express any opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that during the period from the date of the Official Statement to the Closing Date, except for such counsel's review of the certificates and opinions regarding the Official Statement delivered on the Closing Date, such counsel has not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Official Statement;;

(xiii) An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriter, in form and substance satisfactory to the Underwriter;

(xiv) An opinion of counsel to the Trustee and the Escrow Agent, addressed to the Underwriter and dated the Closing Date, in form and substance satisfactory to the Underwriter and to Bond Counsel;

(xv) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee and the Escrow Agent in form and substance satisfactory to the Underwriter;

(xvi) The preliminary and final Statement of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code and Section 8855(g) of the Government Code;

(xvii) A copy of the executed Blanket Issuer Letter of Representations by the Authority relating to DTC's book-entry system;

(xviii) Tax and nonarbitrage certifications of the Authority and the City in form and substance to the reasonable satisfaction of Bond Counsel and the Underwriter;

(xix) A certificate, dated the date of the Preliminary Official Statement, of the City, as required under Rule 15c2-12;

(xx) A certificate, dated the date of the Preliminary Official Statement, of the Authority, as required under Rule 15c2-12;

(xxi) Certified copies of the JPA Agreement and all amendments thereto and related certificates issued by the Secretary of State of the State;

(xxii) A certified copy of the general resolution of the Trustee and Escrow Agent authorizing the execution and delivery of certain documents by certain officers of the Trustee and Escrow Agent, which resolution authorizes the execution and delivery of the Indenture and the authentication and delivery of the Bonds by the Trustee;

(xxiii) A copy of a CLTA title insurance policy in an amount equal to the principal amount of the Bonds, insuring the City's leasehold interest in the Leased Property, subject only to permitted encumbrances or such other encumbrances approved in writing by the Underwriter;

(xxiv) Certificates, dated the Closing Date, regarding compliance with the insurance requirements of the Lease;

(xxv) An opinion of Bond Counsel to the effect that the 2010 Bonds have been legally defeased;

(xxvi) A copy of the Verification Report of Causey Demgen & Moore, P.C., as Verification Agent; and

(xxvii) Such additional legal opinions, certificates, proceedings, instruments or other documents as Bond Counsel or the Underwriter may reasonably request.

**Section 9. Changes in Official Statement.** Within 90 days after the Closing or within 25 days following the "end of the underwriting period," whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, the City or the Authority shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the Authority will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City and the

Authority shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB.

**Section 10. Expenses.** Subject to the last sentence of this Section, the Authority or the City will pay or cause to be paid the approved expenses incident to the performance of its obligations hereunder and certain expenses relating to the sale of the Bonds, including, but not limited to (a) the cost of the preparation and printing or other reproduction of the Authority Documents and the City Documents (other than this Purchase Agreement); (b) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Municipal Advisor and any other experts or other consultants retained by the Authority or the City; (c) the costs and fees of the credit rating agencies; (d) the cost of preparing and delivering the definitive Bonds; (e) the cost of providing immediately available funds on the Closing Date; (f) the cost of the printing or other reproduction of the Preliminary Official Statement and Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof; (g) the Underwriter's out-of-pocket expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter on behalf of the City's employees which are incidental to implementing this Purchase Agreement; and (h) the fees for counsel to the Underwriter. The Underwriter will pay the expenses of the preparation of this Purchase Agreement, including CDIAAC fees, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds.

**Section 11. Notices.** Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Vince Lazalde. All notices or communications hereunder by any party shall be given and served upon each other party. Any notice or communication to be given the Authority under this Purchase Agreement may be given by delivering the same in writing to the Brea Public Financing Authority, c/o City of Brea, 1 Civic Center Circle, Brea, California 92821, Attention: Executive Director. Any notice or communication to be given the City under this Purchase Agreement may be given by delivering the same in writing to the City of Brea, 11 Civic Center Circle, Brea, California 92821, Attention: City Manager.

**Section 12. Parties in Interest.** This Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Authority and the City in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

**Section 13. Severability.** In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

**Section 14. Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]



**Section 15. Governing Law.** This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By: \_\_\_\_\_  
Title: Authorized Officer

Accepted as of the date first stated above:

CITY OF BREA

By: \_\_\_\_\_  
Its: City Manager

Time of Execution: \_\_\_\_\_ a.m./p.m. California Time

BREA PUBLIC FINANCING AUTHORITY

By: \_\_\_\_\_  
Its: Executive Director

Time of Execution: \_\_\_\_\_ a.m./p.m. California Time

## EXHIBIT A

\$ \_\_\_\_\_  
**BREA PUBLIC FINANCING AUTHORITY  
2021 REFUNDING LEASE REVENUE BONDS  
(SOLAR AND ENERGY EFFICIENCY PROJECTS)**

### MATURITY SCHEDULE

<i><b>Maturity Date (April 1)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>	<i><b>Initial Offering Price</b></i>	<i><b>10% Test Used</b></i>	<i><b>Hold the Offering Price Rule Used</b></i>
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<sup>T</sup> Term Bonds.

<sup>C</sup> Priced to the optional redemption date of \_\_\_\_\_ 1, 20\_\_\_\_, at \_\_\_\_\_.

### REDEMPTION

***Optional Redemption.*** The Bonds maturing on or after April 1, 20\_\_\_\_, will be subject to redemption, in whole or in part, among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after April 1, 20\_\_\_\_, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption, without premium..

***Special Mandatory Redemption From Insurance or Condemnation Proceeds.*** The Bonds will be subject to redemption as a whole, or in part by lot on a *pro rata* basis among maturities, on any date, from certain proceeds of casualty insurance, title insurance or condemnation required to be used for such purpose pursuant to the Indenture, at a redemption price equal to 100 percent of the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.



***Mandatory Sinking Fund Redemption of Term Bonds.*** The Bonds maturing on April 1, 20\_\_ and April 1, 20\_\_ (the “Term Bonds”) will be subject to mandatory redemption in whole or in part by lot, from sinking fund payments, at a redemption price equal to the principal amount of such Term Bonds to be redeemed, without premium, in the aggregate respective principal amounts and on April 1 in the respective years as set forth in the following tables, plus accrued interest to the date of redemption; provided, however, that if some but not all of the Term Bonds of a maturity have been redeemed pursuant to the optional redemption provisions or the special mandatory redemption provisions described above, the total amount of all future sinking fund payments (including the principal amount of the Term Bonds coming due at the maturity thereof) will be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis as determined by the Authority:

**Term Bonds Maturing on April 1, 20\_\_**

<b><i>Redemption Date</i></b> <b><i>(April 1)</i></b>	<b><i>Principal Amount to be</i></b> <b><i>Redeemed</i></b>
--	--

(maturity)

**Term Bonds Maturing on April 1, 20\_\_**

<b><i>Redemption Date</i></b> <b><i>(April 1)</i></b>	<b><i>Principal Amount to be</i></b> <b><i>Redeemed</i></b>
--	--

(maturity)

## EXHIBIT B

\$ \_\_\_\_\_  
**BREA PUBLIC FINANCING AUTHORITY  
2021 REFUNDING LEASE REVENUE BONDS  
(SOLAR AND ENERGY EFFICIENCY PROJECTS)**

### FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated \_\_\_\_\_, 2021, by and among Stifel, the Issuer and the City of Brea, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Brea Public Financing Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2021.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By:\_\_\_\_\_

Name:\_\_\_\_\_

By:\_\_\_\_\_

Name:\_\_\_\_\_

Dated: \_\_\_\_\_, 2021

**SCHEDULE A**  
**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING**  
**PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

*(Attached)*

**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*

City of Brea

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**COUNCIL COMMUNICATION**

**TO:** Honorable Mayor and City Council Members  
**FROM:** Bill Gallardo, City Manager  
**DATE:** 05/18/2021  
**SUBJECT:** May 4, 2021 City Council Regular Meeting Minutes

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**RECOMMENDATION**

Approve.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager  
Prepared by: Ashley Reid, City Clerk Specialist  
Concurrence: Lillian Harris-Neal, City Clerk

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**Attachments**

Draft Minutes

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# DRAFT

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

### MINUTES MAY 4, 2021

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

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

Mayor Vargas called the Closed Session to order at 5:45 p.m., all members were present.

Present: Marick, Simonoff, Hupp, Parker, Vargas

#### 1. Public Comment

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

Mayor Vargas adjourned the Closed Session at 6:04 p.m.

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

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

Mayor Vargas called the Study Session to order at 6:07 p.m., all members were present.

#### 3. Public Comment

The following individuals spoke in the Council Chambers:

Sean Thomas discussed Arovista Park and expressed concern regarding the need for improvements and the high cost.

Darryl Eby discussed Arovista Park and the frequency that his family uses the skate park.

Drew Eby discussed the funds set aside for skate park improvements, working lights, the need for a drinking fountain, and the repairs needed at the skate park.

Elliott spoke about the Arovista Skate Park and discussed netting, lighting, and needed repairs.

In response to Council's inquiries, Assistant City Manager Emeterio spoke on funding, timeline, lighting, repairs, and extensions at the Arovista Skate Park.

The following individual spoke via Zoom:

Adam discussed the diversity of Arovista Park and expressed support for park improvements.

**4. Clarify Regular Meeting Topics**

None.

**DISCUSSION ITEMS**

**5. FY 2020-21 Quarterly General Fund Operating Budget Update**

Administrative Services Director Russell provided a PowerPoint presentation and discussed the recap from the mid-year budget update; current year General Fund operating 3rd quarter update; American Rescue Plan Act (ARPA); and the budget calendar.

In response to Councilmember Simonoff's question, Administrative Services Director Russell indicated that roughly \$800,000 was received from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Federal Emergency Management Agency (FEMA), and Employment Development Department (EDD) which was used for reimbursement for COVID-19 related expenses.

**6. Arovista Park Modernization Project Update**

Assistant City Manager Emeterio introduced the Arovista Park modernization project, discussed the many departments involved, future community engagement, and the process of working with the Parks, Recreation and Human Services Commission to bring the update to the Council.

Management Analyst Colacion provided a PowerPoint presentation and discussed park history; projects funded at park; potential amenities; funding options; all-accessible playgrounds; next steps; and recommendations.

Parks, Recreation and Human Services Commission Chair Covey discussed examples of all-accessible playgrounds in Orange County.

Parks, Recreation and Human Services Commissioner Donini discussed community engagement with key stakeholders; conceptual plan development; timeline for receiving cost estimates; funding; project implementation; and recommendations.

In response to Mayor Vargas' inquiry, Management Analyst Colacion indicated that the skate park project improvements will begin in late summer to early fall.

Public Works Superintendent Bowlus discussed timeline; skate park design; community outreach; the involvement of different departments; and park lighting.

Councilmember Marick discussed the benefits of the addition of an all-inclusive park in Brea; the importance of identifying funding sources for a project of this size; recommending the Community Benefit and Economic Development (CBED) fund; and expressed support of the project.



Mayor Pro Tem Hupp concurred that the CBED fund should be used for the project and expressed support for the project.

Councilmember Simonoff discussed finding various sources of funding and expressed support for the project.

Councilmember Parker discussed the heavy use of the park, the need for park upgrades, community involvement, and expressed support for the project.

Mayor Vargas discussed the needed park improvements and expressed support for moving forward with the project.

## **REPORT**

### **7. Council Member Report/Requests**

None.

**Mayor Vargas adjourned the Study Session at 6:54 p.m.**

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

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

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

### **8. Pledge of Allegiance**

Josh Garcelon, Boy Scout Troop 811, led the Pledge of Allegiance via Zoom.

### **9. Invocation**

Torrian Scott, Harvest International Church, led the Invocation via Zoom.

### **10. Report - Prior Study Session**

City Manager Gallardo provided the Study Session report.

### **11. Community Announcements**

Councilmember Parker announced that the County of Orange is offering walk-in COVID vaccinations in an effort to make COVID-19 vaccinations as convenient as possible and that vaccinations are now available for both walk-in individuals without appointments as well as for those with confirmed appointments. He noted that a list of sites, hours of operation, and vaccine information can be found online at CovidVaccineFacts.com or by calling the County's COVID-19 hotline, 714-834-2000.

Mayor Pro Tem Hupp announced that on Saturday, May 8, from 10:00 a.m. – 3:00 p.m., the Brea Civic & Cultural Center will host a hand-curated marketplace including goods from local crafters at the Mother's Day Mermaid Market Boutique. She noted that admission is \$5, which also includes a professional photo under a mermaid backdrop and access to the Brea Art Gallery featuring the 36th Annual Made in California Exhibition.

Councilmember Marick announced that the Brea Police Department has partnered with HomeAid Orange County for a month-long Diaper Drive. She noted that diapers and wipes are an essential part of raising babies but they are one of the biggest regular expenses and that 22% of people experiencing homelessness in Orange County are families. She stated that a donation box will be located at the circular driveway of the Brea Civic Center from Monday, May

10 through Thursday, June 10 where unopened packages/boxes of diapers and wipes will be accepted.

**12. Matters from the Audience**

Written comments were accepted via email at [cityclerksgroup@cityofbrea.net](mailto:cityclerksgroup@cityofbrea.net) in advance of the meeting.

The following individuals spoke in the Council Chambers:

Lee Squire spoke on law enforcement week.

Sean Thomas expressed support for the purchase of in-car and body-worn cameras for Brea police officers and the improvement plans at Arovista Park.

City Clerk Harris-Neal read the following comments aloud:

Parker C expressed concern about the Brea Creek Golf Course netting on the perimeter of the park. He stated that the net lacks to protect the back-end section and is in the direction of the driving range and hole 8. He stated that there has been a number of issues over the years with golf balls damaging cars and even hitting people. He noted that he has tried multiple times to approach management at the Brea Creek Golf Course about his concern in which they claim no responsibility in the matter. He proposed that the net be extended to eliminate the chances of property damage and physical injuries.

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

City Manager Gallardo responded to public inquiries.

**ADMINISTRATIVE ITEM** - *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."*

**14. Introduction of the new Chief of Police & Overview of the Police Department's Strategic Plan**

City Manager Gallardo introduced the new Chief of Police, Adam Hawley.

Police Chief Hawley discussed challenges of the Brea Police Department; services provided to the community; new mission and vision statements, new core values, and the 2020-2025 Brea Police Department Strategic Plan which will be posted on the City website.

**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**

**15. April 20, 2021 City Council Regular Meeting Minutes**

The City Council approved the April 20, 2021 City Council regular meeting minutes.

**16. Contract with Motorola Solutions to Purchase WatchGuard In-Car Camera and Body-Worn Camera System for Police Department**

The City Council approved the contract with Motorola Solutions to purchase WatchGuard In-Car Camera and Body-Worn Camera System and Digital Evidence Management System for Police Department.

**17. Road Repair and Accountability Act, Local Streets and Roads Funding Program, Fiscal Year 2021-22 Proposed Project List**

The City Council adopted Resolution No. 2021-025, approving a List of Projects Funded the Road Repair and Accountability Act.

**18. Authorize Additional Contingency Amount for Contract with Stephen Doreck Equipment Rentals, Inc. for the Moorpark Drive Water Improvements Project**

The City Council authorized the City Engineer to issue Change Orders up to a "not-to-exceed" amount of 25% of the Contract Price for additional materials and labor to complete the project.

**19. Resolution Establishing the FY 2020-2021 City of Brea Master Employee Salary Schedule to Comply with CalPERS Regulations**

The City Council adopted Resolution No. 2021-026, establishing the 2020 City of Brea Master Employee Pay Schedule confirming the pay rates/ranges for all City of Brea established positions in order to comply with CalPERS Regulations.

**20. Monthly Report of Cash Investments for the City of Brea for Period Ending March 31, 2021**

The City Council Received and filed the Monthly Report of Cash Investments for the City of Brea for period ending March 31, 2021.

**21. City Disbursement Registers for April 23 and 30, 2021**

The City Council received and filed the City Disbursement Registers for April 23 and 30, 2021.

Motion was made by Mayor Pro Tem Hupp, seconded by Council Member Parker to approve Consent Calendar Items 15-21.

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

Passed

**CITY/ SUCCESSOR AGENCY - CONSENT**

**22. Monthly Report of Cash Investments for the Successor Agency to the Brea Redevelopment Agency for Period Ending March 31, 2021**

The City Council received and filed the Monthly Report of Cash Investments for the Successor Agency to the Brea Redevelopment Agency for period ending March 31, 2021.

**23. Successor Agency Disbursement Register for April 30, 2021**

The City Council received and filed the Successor Agency Disbursement Registers for April 30, 2021.

Motion was made by Council Member Simonoff, seconded by Council Member Parker to approve City/Successor Agency Items 22-23.

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

Passed

## **ADMINISTRATIVE ANNOUNCEMENTS**

**24. City Manager**  
None.

**25. City Attorney**  
None.

**26. Council Requests**  
Councilmember Parker requested that the Police Chief bring a presentation regarding the policing standards in California to a future City Council meeting.

## **COUNCIL ANNOUNCEMENTS**

None.

## **ADJOURNMENT**

**Mayor Vargas adjourned the General Session at 7:39 p.m.**

Respectfully submitted,

The foregoing minutes are hereby  
approved this 18th day of May, 2021.

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Lillian Harris-Neal, City Clerk

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Steven Vargas, Mayor

**City of Brea**

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**COUNCIL COMMUNICATION**

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

**FROM:** Bill Gallardo, City Manager

**DATE:** 05/18/2021

**SUBJECT:** Amendment and Novation Agreement and Authorization to Examine Sales and Use Tax Records from the California Department of Tax and Fee Administration

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**RECOMMENDATION**

Approve the amendment and novation agreement with Avenu Insights and MuniServices, LLC and adopt Resolution No. 2021-028, authorizing Examination of Sales and Use Tax Records.

**BACKGROUND/DISCUSSION**

The State of California Revenue and Taxation Code Section 7056 authorizes the examination of confidential sales and use tax data to officers or employees of local jurisdictions who are designated by resolution of the legislative body of the jurisdiction. The review of confidential information is governed by state law and sets certain requirements and conditions for the disclosure of sales and use tax records. State law also establishes criminal penalties for the unlawful disclosure of sales and use tax information.

In 1987, the City Council authorized Municipal Resource Consultants, as a representative of the City, to examine confidential sales and use tax records. In 2002, the City Council adopted Resolution 02-102. This Resolution designated MBIA Muniservices Company (now operating under the branding name of Avenu Insights and Analytics (Avenu)). The 2002 Resolution also designated the Financial Services Director and the Financial Services Manager - Revenue as City representatives to review sales tax information. However, since then, titles for these positions have changed and additional staff involvement is needed. Currently, the Administrative Services Director, Revenue & Budget Manager, Senior Fiscal Analyst and the sales tax consultant, Avenu, examine and monitor Brea's sales tax records to ensure the tax is appropriately allocated to Brea.

On August 21, 2019 and after a successful Request for Proposal (RFP) process, the City contracted with Avenu Insights to perform sales tax audit, analysis and projections. Although, Avenu is the official branding name of the company, it still operates under MuniServices, LLC for sales tax examination purposes for many agencies. With the attached Amendment and Novation Agreement, the Assuming Party (MuniServices, LLC) becomes entitled to all rights, title, and interest of the Assigning Party (Avenu Insights & Analytics, LLC). This document will be forwarded to the CDTFA to be placed on record.

This adopting resolution further formalizes the Administrative Services Director, the Financial Services Manager, the Revenue & Budget Manager, and the Senior Fiscal Analyst's ability to work with the CDTFA. The resolution also authorizes the City Manager to designate in writing

to the State Board any other officer or employee of the City that may need to examine sales and use tax records.

**COMMISSION/COMMITTEE RECOMMENDATION**

This item was included on the May 11, 2021 Finance Committee agenda and was recommended for City Council approval.

**FISCAL IMPACT/SUMMARY**

The Amendment and novation agreement updates the records of the California Department of Tax and Fee Administration, and updates the authorized designated list of City employees by title that will be allowed to examine sales and use tax records of the California Department of Tax and Fee Administration. There is no impact to the City's General Fund as a result of this action.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Faith Madrazo, Revenue & Budget Manager

Concurrence: Cindy Russell, Administrative Services Director

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**Attachments**

Amendment and Novation Agreement  
Resolution

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AMENDMENT AND NOVATION AGREEMENT BETWEEN

AVENU INSIGHTS & ANALYTICS, LLC.

AND

MUNISERVICES, LLC

THIS AMENDMENT AND NOVATION AGREEMENT (the "Novation") is between Avenu Insights & Analytics, LLC (the "Assigning Party"), and MuniServices, LLC, (the "Assuming Party") both Delaware limited liability companies, with offices located at 5680 Trinity Parkway, Suite 120, Centreville VA 20120, and the City of Brea, an instrumentality of the State of California, 1 Civic Center Circle, Brea, CA 92821 ("Remaining Party"), (together, the "Parties") is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2021 (the "Novation Effective Date").

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

The parties intend that this Amendment to that certain Agreement between Avenu Insights & Analytics, LLC. and The City of Brea, of the state of California, entered into on August 21, 2019 (the "Agreement") (attached hereto as Exhibit A) for Sales, Transactions and Use Tax Audit Services to be a novation and that the Assuming Party be substituted for the Assigning Party. The Remaining Party recognizes Assuming Party as Assigning Party's successor-in-interest in and to the Agreement. By this Agreement, the Assuming Party becomes entitled to all rights, title, and interest of the Assigning Party, in and to the Assigned Agreement in as much as Assuming Party is the substituted party to the Assigned Agreement as of and after the Effective Date. Remaining Party and Assuming Party shall be bound by the terms of the Assigned Agreement in every way as if Assuming Party is named in the novated Assigned Agreement in place of Assigning Party as a party thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

**ASSUMING PARTY**

MUNISERVICES, LLC

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

**ASSIGNING PARTY**

AVENU INSIGHTS & ANALYTICS, LLC

By\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

**REMAINING PARTY**

CITY OF BREA

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_



## EXHIBIT A

**PROFESSIONAL SERVICES  
AGREEMENT**

THIS AGREEMENT ("Agreement") is effective on the date on which this Agreement is executed by the City of Brea, ("Effective Date"), and is between Avenu Insights & Analytics, LLC (AKA MuniServices, LLC), a Delaware limited liability company ("CONSULTANT") and the CITY OF BREA, a California municipal corporation ("CITY"). CONSULTANT and CITY are sometimes referred to herein collectively as the "Parties" and singularly as "Party". The Parties agree as follows:

**I. Agreement**

- A. This Agreement, together with the following exhibits are incorporated herein by reference, and supersedes all prior agreements and understandings:

Exhibit A – Scope of Services/Specifications

Exhibit B – Compensation

Exhibit C – General Provisions

Exhibit D – Indemnity and Insurance Requirements

- B. This Agreement may be modified by written amendment executed by all parties.

**II. Scope of Services Summary**

CONSULTANT shall, during the Term of the Agreement, provide ***sales, transaction and use tax audit (SUTA) and information services and property tax auditing and information services*** as further set forth in Exhibit A, all to CITY's reasonable satisfaction (collectively, the "Services").

**III. Term of the Agreement**

- A. CONSULTANT shall commence performance of Services on the Effective Date of ***September 1, 2019***.
- B. AGREEMENT shall remain in full force and effect ***for a period of three years (3) following the Effective Date***, unless sooner terminated as set forth in the Termination subsection of Exhibit C ("Term").
- C. AGREEMENT may be extended for ***two (2) successive one (1) year terms*** (each a "Renewal Term"), commencing upon the expiration of the preceding Term.

**IV. Compensation Summary**

- A. CITY shall pay CONSULTANT for satisfactorily and completely rendered Services according to the fees set forth in Exhibit B. CITY shall pay CONSULTANT within thirty (30) days of receipt of CONSULTANT's invoice.
- B. CONSULTANT shall not render any services in excess of the Services described in Exhibit A ("Additional Services") without CITY's prior written approval. Any work performed without CITY's prior written approval shall be deemed to have been performed as part of the Services and included within the not-to-exceed Contract Amount.

**V. Insurance Requirements Summary**

- A. All insurance shall comply with the specific requirements set forth in Exhibit D.

B. Exhibit D shall govern in the event of any conflict with the following coverages.

1. **Commercial General Liability (CGL)**  
Limits shall be no less than \$2,000,000 per occurrence.
2. **Automobile Liability Insurance (ALI) (any auto)**  
Limits shall be no less than \$2,000,000 per occurrence.
3. **Workers' Compensation**  
State of California statutory limits  
Employer's Liability Insurance  
Limits shall be no less than \$1,000,000 per accident for bodily injury or disease.
4. **Professional Liability Insurance (PL)**  
Limits shall be no less than \$2,000,000 per claim.

**VI. Notices and Designated Representatives**

All notices made pursuant to this Agreement shall be in writing and deemed effectively given: (i) upon receipt, when delivered personally; (ii) one business day after deposit with an overnight courier service; or (iii) two business days after having been sent by registered or certified mail, whether or not a signed receipt is received, provided a proof of delivery is obtained. All communications shall be sent to:

CITY – Project Manager:  
Cindy Russell  
Administrative Services Director  
1 Civic Center Circle  
Brea, CA 92821  
(714) 990-2258 phone  
[CindyR@CityofBrea.net](mailto:CindyR@CityofBrea.net)

CITY – City Clerk (if over \$25,000):  
Lillian Harris-Neal, MMC  
City Clerk  
1 Civic Center Circle  
Brea, CA 92821  
(714) 990-7757 phone  
[LillianHN@CityofBrea.net](mailto:LillianHN@CityofBrea.net)

**CONSULTANT:**

Avenu Insights & Analytics/ MuniServices  
Attn: Contracts  
1264 Hawkes Flight Court, Suite 270  
El Dorado Hills, CA 95762  
[contracts@avenuinsights.com](mailto:contracts@avenuinsights.com)

**CONSULTANT – Project Manager:**

Tracy Vesely  
Director of Client Services  
7625 N. Palm Avenue, Ste. 108  
Fresno, CA 93711  
(925) 330-2958  
[tracy.vesely@avenuinsights.com](mailto:tracy.vesely@avenuinsights.com)


(SIGNATURES ON FOLLOWING PAGE)

**City of Brea**  
**Avenu Insights & Analytics, LLC**


**Contract #** \_\_\_\_\_

IN WITNESS WHEREOF, The parties hereto have executed this Agreement as of the day and year first set forth above. The undersigned Parties represent and warrant that they are authorized to bind their principles to the terms of this agreement.

**CONSULTANT**

Business Name: Avenu Insights & Analytics/ MuniServices, LLC  
Federal ID# 81-4932885  
Business Type ☒ Limited Liability Company  
Printed Name: Paul Colangelo  
Title: Chief Executive Officer  
Signature:   
Date: 7-23-19

**CITY OF BREA**

City of Brea  
a California municipal corporation  
Printed Name: Bill Gallardo  
Title: City Manager  
Signature:   
Date: 8-21-19

**ATTEST** (if over \$25,000.00)

Printed Name: Lillian Harris-Neal  
Title: City Clerk  
Signature:   
Date: 8/21/19



**EXHIBIT A**  
**SCOPE OF SERVICES**

**SALES, TRANSACTIONS AND USE TAX AUDIT SERVICES (SUTA) SERVICES**

In performing the sales, transactions and use tax audit program CONSULTANT shall:

1. Identify and correct the sales/transactions/use tax reporting errors of businesses that, based on the nexus of their activities, are not properly registered with the CITY.
2. Identify and correct the reporting of businesses that are improperly reporting tax to state and county pools (i.e. classifying sales tax as use tax) and thereby depriving the CITY of sales tax revenue.
3. Detect, document and correct sales/transactions/use tax reporting errors/omissions and thereby generate new, previously unrealized revenue for the CITY.
4. Ensure through comprehensive audit measures that the revenue information used for ongoing economic analysis includes all sales/transactions/use tax generators.
5. Assist the CITY with strategies to preserve and even enhance sales and use tax revenue generated by existing businesses within the CITY.

CONSULTANT's proposed sales/transactions/use tax allocation audit services for the CITY includes five distinct types of audits:

- Taxable Nexus Field audits
- Permitization audits
- Deficiency assessment audits
- Accounts payable audits
- Quarterly Distribution Report audits

**Taxable Nexus Field Audits**

CONSULTANT's initial and periodic taxable nexus field audits include a physical canvassing and evaluation of sales/transactions/use tax generating businesses located in the CITY. In the absence of this undertaking, significant misallocations will remain undetected. CONSULTANT's field audits focus on those businesses located in the CITY from which the CITY has not been receiving sales/transactions/use tax revenue.

**Tax Area Code (TAC)/Permitization Audits**

This audit review focuses on the identification and correction of improperly registered permits for companies having point-of-sale or use operations within Santa Barbara County in addition to businesses that have been assigned an incorrect tax area code due to jurisdictional/boundary confusion. Wholesalers, contractors, processors, manufacturers and other non-retail businesses will frequently not have a sales tax permit properly registered to the CITY in which they are located because their business operations do not include a point-of-sale qualifying activity. However, these companies will often generate local sales/transactions/use tax from the California Department of Tax and Fee Administration (formerly State Board of Equalization) (CDTFA) audit deficiency assessments, occasional sales (i.e., mergers and acquisitions), and self-accrual of use tax on purchases. CONSULTANT's field audits facilitate the identification and correction of improperly registered permits for companies having point-of-sale operations in the CITY.

Deficiency Assessment Audits

When the California CDTFA audits taxpayers for sales/transactions/use tax compliance, it is not uncommon for the taxpayer to receive a substantial deficiency assessment due to underpayments and/or under-collections. In many cases, the local allocation portion of the deficiency assessment is distributed in error to the State pool, county pools, or other jurisdictions. Accordingly, CONSULTANT has developed proprietary criteria and techniques to detect and correct CDTFA deficiency assessment misallocations and thus expand the benefits produced by CONSULTANT's allocation audit service.

Accounts Payable Audits

When California taxpayers purchase tangible personal property for which title passes out-of-state, the transactions are subject to use tax (rather than sales tax) which is collected by the vendor who in turn remits it to the CDTFA, with the local allocation typically distributed statewide or countywide through the pools.

Under certain conditions, the seller may allocate the local tax by situs or the CITY may elect to self-accrue the use tax and remit it directly to the CDTFA, in which case the local portion will come back to the CITY in the same manner as sales tax.

CONSULTANT's accounts payable audit will include a review of the CITY's purchases to identify opportunities for the CITY to capture the 1% local allocation on purchases subject to use tax and the local district tax where applicable. In this regard, CONSULTANT will prepare the documentation to facilitate the election, including assistance in preparing and filing the tax returns.

Quarterly Distribution Report Audits

Every three months, the CITY and CONSULTANT receive a Quarterly Distribution Report (QDR) from the CDTFA with the local allocation amount reflected by permit number.

CONSULTANT's QDR audits detect and correct taxpayer-reporting errors and thereby generate new, previously unrealized sales/transactions/use tax revenue for the CITY. CONSULTANT's QDR audits focus on those accounts where CONSULTANT observes a substantial decline in the sales/ transactions/use tax revenue allocation for a particular business entity in a given quarter. In most cases, accounts showing zero balances have either relocated or simply reported late, in which case the payments will not be reflected until the next quarter's QDR. Therefore, six months must lapse before the QDRs indicate whether a zero-balance account can be attributed to a late payment or a misallocation.

Cities and counties may only recover misallocated Bradley-Burns sales tax revenue for three quarters prior to the CDTFA being notified of the reporting error and misallocated District tax revenues for between three quarters and three years. Therefore, QDR audits must be conducted in a timely manner in order to preserve the opportunity for the CITY to recover misallocated revenue. CONSULTANT shall conduct the QDR audit each and every quarter to minimize the potential of lost revenue to the CITY.

Confidentiality Provisions

CONSULTANT qualifies under Section 7056 (b), (1) of the Revenue and Taxation Code to review (Bradley-Burns) confidential taxpayer information and documentation before the CDTFA. CONSULTANT is hereby authorized by this Agreement to examine transaction tax, sales tax, and use tax records of the CDTFA pertaining to the ascertainment of those sales or transactions and use taxes to be collected for the CITY pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law and California Revenue & Taxation Code applicable to transactions and use taxes. If the CITY adopts a new transaction tax or taxes after the effective date of this Agreement the parties intend for the work under this agreement to include that tax or taxes.

- CONSULTANT is required to disclose information contained in, or derived from, those sales, transaction, and use tax records only to an officer or employee of the CITY who is authorized by resolution to examine the information.
- CONSULTANT is prohibited from performing consulting services for a retailer during the term of this Agreement.
- CONSULTANT is prohibited from retaining the information contained in, or derived from, those sales, transaction, and use tax records, after this Agreement has expired.
- Information obtained by examination of California Department of Tax and Fee Administration records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the CITY as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code.

This Agreement, and CONSULTANTs and CITY's obligations with respect to confidentiality of taxpayer data pursuant to the Bradley Burns Revenue and Taxation Code, shall continue until final payment for all services rendered hereunder.

**Deliverables**

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SUTA Detection and Documentation

CONSULTANT shall represent the CITY for purposes of examining CDTFA records pertaining to sales and use tax to identify errors and omissions. CONSULTANT's procedures for detecting and documenting misallocations are as follows:

1. Review applicable provisions of the CITY's municipal code and ordinance adopted by the CITY to determine applicability.
2. Procure a computer tape of sales/transactions/use tax permit records from the CDTFA.
3. Analyze sales tax distribution reports provided by the CDTFA for five or more of the most recent consecutive quarters.
4. Clean-up, standardize and computerize data from CITY's quarterly sales tax distribution reports provided by CDTFA for previous quarters, current quarter and each future quarter service is provided.
5. Prepare an aggregated list of business entities on electronic media; this list is derived from multiple private and public sources (hard copy and electronic), including specialized business listings and directories, the CITY's sales and use tax payment files, and an electronic copy of the CITY's Business License Tax registry, updated no less than twice per year.

6. Clean, standardize and integrate, in address-order, each entity's business name, address and payment file information, to eliminate redundancies, using CONSULTANT's proprietary software.
7. Physically canvas commercial/industrial area within the CITY's borders.
8. Develop a target list of potential point of sale/use reporting errors/omissions based on:
  - a. An electronic comparison of CONSULTANT's comprehensive inventory against the CDTFA's quarterly distributions for the CITY, and
  - b. An analysis of each potentially misallocated account based on proprietary guidelines established by CONSULTANT.
9. Meet with designated CITY official(s) to review service objectives and scope, CONSULTANT workplan schedule, public relations and logistical matters.
10. Contact personnel in sales, operations and/or tax accounting at each target business to determine whether a point-of-sale/use reporting error exists. (Note: this is accomplished with the highest regard to discretion and professional conduct. CONSULTANT's allocation audits are predicated on a non-controversial, constructive public relations approach which emphasizes the importance of each business to the CITY and the mutual benefits of correcting reporting errors.)
11. Provide to the CITY and CDTFA reports addressing each taxpayer reporting error individually, including the business name, address, telephone number, California sales tax permit number, individuals contacted, date(s) of contact, nature of business, reason(s) for error, recommended corrective procedure and, if available, estimated sales/transactions/use tax revenue which should be forthcoming to the CITY.
12. CONSULTANT may also provide suggested language for letters to be sent to the taxpayers and/or CDTFA from the CITY (or from CONSULTANT on behalf of the CITY) urging cooperation in promptly correcting the distribution error.
13. Respond to negative findings by CDTFA with timely reconfirmation documentation in order to preserve the CITY's original dates of knowledge.
14. Receive and process registration control record information monthly.
15. Receive and process sales tax distribution reports quarterly.
16. Coordinate with the taxpayer and CDTFA to make the necessary corrections and collect eligible back quarter's amounts.
17. Monitor and analyze the quarterly distribution reports with an audit focus on the following:
  - a. Accounts with previously reported point-of-sale/use distribution errors to ensure that the corrections are made for current quarters and all eligible back quarters.
  - b. Major accounts comprising 90% or more of the CITY's total sales tax revenue to identify any irregularities or unusual deviations from the normal pattern (e.g. negative fund transfers, significant decreases, unusual increases, etc.) and ensure that the CITY is not receiving less revenue than it is entitled to.
  - c. Those accounts receiving deficiency assessments to ensure that the CITY receives its local allocation
18. Identify opportunities for the CITY to recover local allocation on purchase transactions subject to use tax. Prepare the necessary documentation to facilitate recovery, including assistance in preparing and filing the returns.

**SUTA Detection Timing Considerations**

For each misallocated account detected, CONSULTANT will coordinate with the business and CDTFA to make the necessary corrections plus retroactive adjustments for eligible amounts of sales/transactions/use tax improperly distributed in prior quarters. CONSULTANT coordinates and communicates between typically four parties; sales/operations personnel at the taxpayer's local operation, tax personnel at the company's corporate headquarters, and CDTFA personnel and the in-state/out-of-state district offices. Correction of the account is considered to have been



made once the payments on identified taxpayer accounts are being properly allocated by the taxpayer to the CITY in the period in which the payment was made.

As needed, CONSULTANT will represent the CITY before state officials, boards, commissions and committees for the purpose of correcting sales tax distribution errors that have deprived the CITY of revenue to which it is entitled.

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**SALES/USE TAX ANALYTICS & REPORTING - 'CLEARVIEW'**

In conjunction with the CONSULTANT's comprehensive SUTA service, the CONSULTANT will provide a state-of-the-art Sales, Transactions and Use Tax Reporting online software titled '*CLEARVIEW*' (formerly known as STARS), as well as Quarterly Sales Tax Review Meetings and Consulting. *CLEARVIEW* software includes the following key features:

**Consolidated Economic Reports**

1. Key trends at the category, segment, and retailer levels.
2. High-level view of key retailer performance.
3. Cash forecast by fiscal year.
4. Search function for retailers and recent payment history (within jurisdiction).
5. Review and export the rankings of the sales tax producers in your jurisdiction for recent periods.
6. Locate potential one-time payments.
7. Export the Excel data behind the reports for further analysis or inclusion in internal reports.

**Geo Area Reports (Cash and Economic)**

1. Review trends/growth/declines within specified geo-areas.
2. Export a 10-year history of each geo-area directly to excel.

**Cash Trends and Distribution Summaries**

1. Review the fiscal year-to-date totals for cash.
2. See which parts of your economy changed and the key retailers driving those cash changes.
3. Compare cash performance to other jurisdictions as a quick way of benchmarking performance.
4. Review cash distributions from the State (including pool amounts, where applicable).

**GIS Maps**

1. Visualize your geo-areas and summarize by category and segment.
2. Dynamically view the revenue changes in your geo-areas over time.
3. Compare the performance of one geo-area to another.

**CITY Assistance**

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1. **Confidentiality.** The information provided to the CITY in the *CLEARVIEW* Reports is confidential. It is not open to public inspection. A CITY may use the information only for lawfully permitted purposes. CITY shall not distribute the *CLEARVIEW* Reports to any person unless that person is legally entitled to access the information in the *CLEARVIEW* Reports, or except as may otherwise be required by law or court order.

CONSULTANT is authorized by this Agreement to examine transaction tax, sales tax, and use tax records of the California Department of Tax and Fee Administration (formerly State Board of Equalization) (CDTFA) including, but not limited to any transaction and use tax that becomes effective after the date of this Agreement to be collected for CITY. CONSULTANT is required to disclose information contained in, or derived from, those transaction, sales, and use tax records only to an officer or employee of the CITY who is authorized by resolution to examine the information. CONSULTANT is prohibited from performing consulting services for a retailer during the term of this Agreement. CONSULTANT is prohibited from retaining the information contained in, or derived from, those transaction, sales, and use tax records, after this Agreement has expired.

2. **Data.** In order for CONSULTANT to provide the *CLEARVIEW* Reports, the CITY will need to deliver to CONSULTANT the signed documents/authorizations required to access the proper data from the applicable governmental authorities as may be required by law.
3. **Additional Terms.**
  - a. **License.** CONSULTANT grants to CITY a license for each of CITY's designated users to access the *CLEARVIEW* reports service for so long as this Agreement is in effect. Each of CITY's designated users must be submitted in writing to CONSULTANT. CONSULTANT will provide the user with the necessary log-in information. Any passwords issued for this service may only be used by the person to whom the password is issued; sharing of passwords is **STRICTLY PROHIBITED**. CITY has the obligation to protect those passwords.
  - b. **Limitations of Liability.** CONSULTANT is not responsible for any breach of data resulting from CITY's failure to protect passwords or systems used to access the Service. CONSULTANT does not warrant that the service is error free. CONSULTANT **DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE SOFTWARE, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS.** Some jurisdictions do not allow the exclusion of implied warranties or limitations of how long an implied warranty may last, or the exclusion of limitation of incidental damages, so the above limitations or exclusions may not apply to CITY. In no event shall CONSULTANT or its licensors, suppliers, or licensees be liable to CITY for any consequential, special, incidental, or indirect damages of any kind arising out of the performance or use of the service, even if CONSULTANT has been advised of the possibility of such damages.
  - c. **Non-disclosure.** CITY's use of the *CLEARVIEW* services is conditioned on CITY's agreement not to make the service or any of output of the system available to CONSULTANT's anyone other than authorized CITY staff. Nothing in this provision prohibits the CITY from exporting data and formatting it for its own use or from making documents marked as 'public' known to the public.

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**PROPERTY TAX AUDITING & INFORMATION SERVICES**

**Property Tax Audit Services**

CONSULTANT's Property Tax audit service is designed to identify misallocated property tax revenue. Administrative errors and omissions combined with general compliance problems are inevitable given the non-standard, complex nature of state and local property taxes. Error rates rise with respect to property tax applicability, rates, exceptions, exemptions, quirks and other inconsistencies. Avenu/MuniServices' wealth of expertise in the recovery of property taxes allow for a quick correction of misallocations and revenue recovery process.

Avenu/MuniServices understands that the City requires assistance in monitoring and evaluating its property tax revenue and seeks an experienced consulting firm to perform property tax consulting, audit and analysis services.

In conducting the audit, Avenu/MuniServices will:

- **Inventory parcels in the City to facilitate comparison analysis.** Establish a comprehensive inventory of every parcel located within the City including the database elements needed to facilitate a comparison analysis with City secured and unsecured taxable values.
- **Examine records on behalf of the City.** Represent the City for purposes of examining records pertaining to property tax to identify and confirm any errors/omissions that are resulting in deficient payment of tax revenues to the City.
- **Document process.** For each error/omission identified and confirmed, prepare documentation to substantiate and facilitate recovery of revenue due from prior periods plus applicable interest and penalties (collectively "Misallocations").

We will provide further steps on behalf of the City to recover property tax allocation errors and omissions as follows:

- **Review findings and recommendations with City.** Meet with designated City official(s) as necessary to review our findings and recommendations. Avenu/MuniServices will also provide additional assistance as necessary to support the City in recovering and preventing tax allocation errors/omissions.
- **Develop requests for corrective action and establish Date of Knowledge.** Prepare and forward to the appropriate parties' requests for corrective action and revenue recovery for misallocations. The date appropriate parties receive and acknowledge these requests are the Date of Knowledge (DOK).
- **County Assessor reviews misallocations identified by Avenu/MuniServices for reallocation.** From the DOK, the County Assessor's office will review the identified misallocations, and for those misallocations for which a correction is required, an Assessor's Roll Correction (ARC) will be processed by the County correcting those Misallocations, typically triggering a reallocation. The Roll Year in which the assessments first appear corrected is the Date of Correction. Corrected assessments result in proper allocations in subsequent Roll Years ("Corrected Allocations").
- **County Auditor/Controller reallocation.** Once the Assessor's office confirms errors and makes corrections, the information is forwarded to the Auditor/Controller for redistribution of revenues. The reallocation process is monitored through to receipt of revenue by the City.

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**Property Tax Information Service (PropertyLINK™)**

The CONSULTANT will provide PropertyLINK™ data management software that provides secured and unsecured property tax data. Additionally, the system provides essential reports for the City and RDA successor agency. The customizable ad-hoc query tool, pre-defined reports and export capabilities turns the property tax data into a policymaking and economic development management tool. Reports to be produced by CONSULTANT and/or available within the PropertyLINK™ databases include:

1. Top (1 - 100) Property Owners
2. Top (1 - 100) Property Tax Payers
3. Top (1 - 100) Property Tax Detail
4. Property Transfers since prior period
5. Pre-Prop 13 Property Listing
6. Top (1 - 100) Taxable Value Changes
7. New Construction Activity (requires City building permit data)
8. Multiple Owned Parcel
9. Absentee Owner Parcel Listing
10. Taxable Value Summary Tax Rate Area, Land Use and Tax Type
11. Estimated City Share Revenue TRA
12. Tax Revenue Summary TRA
13. Taxable Value by Land Use
14. Taxable Value Change Summary by TRA
15. Tax Increment Revenue Summary

In addition to pre-defined reports, the CONSULTANT can provide the City with a variety of additional reports that can be customized for the City. The Ad-Hoc query capability enhanced by Avenu/MuniServices' report building tools to allow for:

1. Complete control of ad hoc report generation facilitated by the Integrated Custom Report Designer
2. Automatic report generation
3. Easy to use selection criteria for field selection
4. Full control of tabular field selection, sorting and display
5. Ability to export selected data to Excel, Delimited (Tab/Comma), or XML file formats

**Information and Data**

CONSULTANT will secure all primary sources of information and load them into PropertyLINK™. CONSULTANT will also purchase data as needed from other external sources. City will provide any authorizations needed to obtain the secured and unsecured property rolls.

**Forecast**

The property tax revenue forecast includes a preliminary estimate and a mid-year update. Mid-year forecast updates utilizing recent sales activities, current annual inflationary factors, and pending appeals potential impacts result in highly accurate annual growth estimates.

**Assessment Appeals**

The Assessment Appeal Reports analyze historical success rates; pending appeals and the potential impact they may have on the City and each RDA project area and are prepared quarterly. Assessment Appeals Reports will contain the following information:

1. Top 20 Property Tax Generators – Listing of top property tax generators combined by owner
2. Current Pending Appeals for Top 20 Property Tax Assessors – Lists appeals filed and pending by top property tax generators
3. Assessment Appeal History and Success Rate – Lists historical disposition of appeals with success rates and financial impact
4. Pending Appeals Total Impact Projections – Calculates potential impact of pending appeals based on historical rates
5. Pending Appeals Annual Impact Projections

**Statistical Reporting Package for the City's Comprehensive Annual Financial Report (CAFR)**

The CAFR basic package reports assist the city in preparing the statistical section of the cities CAFR reporting requirements and will be provided on an annual basis in the cities format and in compliance with GASB No. 44. The reports include:

1. Assessed and Estimated Market Value (city-wide, city-only and/or RDA)
2. Property Tax Land Use Distribution
3. Direct & Overlapping Property Tax Rates
4. Principal (Top 25) Property Tax Payers
5. Principal (Top 25) Sales Tax Producers

The Additional CAFR reports that are available include:

1. Direct and Overlapping Debt
2. Principal Employers
3. Demographics and Economic Statistics

**End of Exhibit A**

**EXHIBIT B**  
**COMPENSATION**

**SALES, TRANSACTIONS AND USE TAX AUDIT SERVICES (SUTA) SERVICES**

**What the CITY will pay CONSULTANT**

CONSULTANT's compensation for the Sales, Transactions and Use Tax Audit Service is as follows:

- 14% contingency fee (up to \$2 million)
- 10% contingency fee (between \$2 million to \$3 million)
- 5% contingency fee (over \$3 million)

This fee structure applies to revenue received for six quarters beginning with the quarter in which the Date of Correction falls and all eligible prior quarters back to and including the three quarters prior to the Date of Knowledge quarter for Bradley-Burns sales tax revenues and all eligible prior quarters back to and including all corrected quarters prior to the Date of Knowledge quarter for district tax revenues. As used herein, the Date of Knowledge is the quarter during which CONSULTANT notifies the CDTFA of the existence of a misallocation. As used herein, the Date of Correction refers to the quarter in which the taxpayer has correctly reported the local tax and the CDTFA distributes the local tax properly to CITY based on the taxpayer's reporting. For QDR Misallocations detected and corrected, CONSULTANT's compensation shall only include the quarters for which the misallocation actually occurred.

For clarification and to encourage communication and collaboration between CONSULTANT and the CITY, CONSULTANT shall be entitled to full payment of all compensation as provided herein even if any one or more of CITY, its personnel, agents, or representatives, or any third party or parties provide(s) information to CONSULTANT that assists or is used by CONSULTANT in the identification, detection, and correction of point-of-sale distribution errors or the reporting and/or misallocation of revenue.

Should the CITY identify, document, and notify the CDTFA in writing of a point-of-sale distribution error, reporting error or misallocation as those terms are used herein, the CITY agrees to notify CONSULTANT of the CITY's discovery no later than ten (10) days after the Date of Knowledge as defined in Title 18 of the California Code of Regulations, Regulation 1807 ("Date of Knowledge"). If the CITY fails to so notify CONSULTANT as provided above and CONSULTANT later detects, documents, and reports the misallocation or reporting error to the CDTFA, or if CONSULTANT has established a Date of Knowledge with the CDTFA prior to notification to the Board by the CITY, then CONSULTANT is entitled to full compensation for the affected account as provided herein.

**Invoicing/Billing**

CONSULTANT will invoice CITY quarterly based on past and/or prospective compliance secured on behalf of CITY. Invoices are due and payable upon receipt.

**Additional Consulting**

CITY may request that CONSULTANT provide additional consulting services at any time during the term of the Agreement. If CONSULTANT and CITY agree on the scope of the additional consulting services requested, then CONSULTANT shall provide the additional consulting on a Time and Materials basis. Depending on the personnel assigned to perform the work, CONSULTANT's standard hourly rates range from \$75 per hour to \$325 per hour.

These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred. All reimbursable expenses shall receive prior approval from the CITY and shall be reimbursed at cost to CONSULTANT.

### **Completion of Services**

Notwithstanding any other provision of this Agreement, because CONSULTANT's services performed hereunder result in corrections of misallocations and other revenue after cessation of services by CONSULTANT for CITY, CITY agrees that with regards to misallocations identified to the CDTFA whose Date of Knowledge occurred during CONSULTANT's performance of services for CITY or for other revenue resulting from CONSULTANT's actions taken during the term of this Agreement, that CITY's obligation to pay CONSULTANT in accordance with the compensation language of this Agreement shall survive expiration or termination of this Agreement for any reason. Additionally, notwithstanding any other provision of this Agreement, if this Agreement is terminated or expires, CONSULTANT shall continue to pursue corrections of accounts identified during the term of this Agreement that have not been corrected by the CDTFA as of the effective date of termination or expiration. The period after termination during which CONSULTANT is pursuing correction of accounts identified before termination is referred to as the "completion period." CITY shall compensate CONSULTANT in accordance with the compensation language of this Agreement for corrected misallocations that result from CONSULTANT's efforts during the completion period. CITY will also take all necessary steps to allow CONSULTANT to continue to receive the required information from the CDTFA during this completion period.

### **SALES/USE TAX ANALYTICS & REPORTING - 'CLEARVIEW'**

1. **Base Package Annual fee.** CITY shall pay CONSULTANT an annual fee of \$3,200 ("annual fee") payable in four equal quarterly payments of \$800. CONSULTANT will invoice the CITY on a quarterly. Invoices are due and payable within thirty (30) days of receipt. If this Agreement is terminated for any reason, the CITY remains obligated to pay CONSULTANT the quarterly payments of the annual fee for the quarters before the effective date of termination.
2. **Adjustments.** CONSULTANT will adjust the Base Package Annual Fee and any of the optional fees at the beginning of each calendar year by the percentage change in the Consumer Price Index that pertains to CITY's particular geographic area as reported by the Bureau of Labor Statistics. Annual Fee adjustment shall not be less than two percent (2%) or greater than ten percent (10%). Any adjustments shall not be revised during the term of the agreement (including any extension periods) without prior approval by CITY's City Council.

### **PROPERTY TAX INFORMATION SERVICE (PropertyLINK™)**

Property Tax Audit Services: Property Tax Audit service for a one-time fee of \$5,000 in the year an audit is completed. PropertyLINK™ and the Basic CAFR Reports are an annual fee of \$7,000 to be paid in quarterly installments of \$1,750.

Information services also includes the property tax forecast, semi-annual assessment appeals reports and the CAFR basic package reports.

### **Additional CAFR Reports**

Direct and Overlapping Debt (\$500)

Principal Employers (\$1,000)

Demographics and Economic Statistics (\$200)



**ADDITIONAL CONSULTING**

The City may request that Consultant provide additional consulting services at any time during term of the Agreement. If Consultant and the City agree on the scope of the additional consulting services requested, then Consultant shall provide the additional consulting services on a Time and Materials basis. Depending on the personnel assigned to perform the work, Consultant's standard hourly rates range from \$75 per hour to \$325 per hour. These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred. The following are sample hourly rates based on the job classification (these rates are subject to change):

**Consultant's Hourly Rate Schedule**

<b>Position</b>	<b>Hourly Rate</b>
Legal	\$325
Principal	\$200
Project Manager/Director	\$175
Client Services Executive	\$150
Senior Analyst	\$125
Information Technology	\$175
Analyst	\$100
Administrative	\$75

**End of Exhibit B**

**EXHIBIT C**  
**GENERAL PROVISIONS**

**I. Standard Requirements**

- A. **Assignment and Subcontracting.** To assignment of this Agreement or of any part or obligation of performance hereunder shall be made, nor shall any required performance be subcontracted, either in whole or in part, by CONSULTANT without the prior written consent of CITY.
- B. **Compliance with Law.** CONSULTANT shall forthwith undertake and complete the Services in accordance with Exhibit "A" attached to this Agreement and all in accordance with Federal, State and CITY statutes, regulations, ordinances and guidelines all to the reasonable satisfaction of CITY.
- C. **Confidentiality.** Any and all information and data provided to CONSULTANT pursuant to this Agreement shall be forever maintained as confidential by CONSULTANT, to the maximum extent permitted by law.
- D. **Standard of Care.** CONSULTANT shall provide exceptional Standard of Care while fulfilling the terms of this Agreement, is performing as a representative of CITY. Any negative contact with staff, residents/citizens, businesses, visitors or other CONSULTANTs shall be reported by CONSULTANT Immediately to CITY. CONSULTANT's management and supervisory personnel shall intercede to resolve or mitigate the negative contact in conjunction with CITY staff. CITY and CONSULTANT may agree in advance to a single person contact, a representative of either the CITY or CONSULTANT, for the investigation and response to complaints.
- E. **Hires.** CONSULTANT shall, at CONSULTANT's 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 hereby warrants that such persons shall be fully qualified to perform services required hereunder. CONSULTANT further agrees that no subCONSULTANT shall be retained by CONSULTANT except upon the prior written approval of CITY.
- F. **Independent CONSULTANT.** CONSULTANT is retained by CITY only to the extent set forth in this Agreement, and the CONSULTANT's relationship to the CITY is that of an independent CONSULTANT. CONSULTANT shall be free to dispose of all portions of CONSULTANT's time and activities which CONSULTANT is not obligated to devote to the CITY in such a manner and to such persons, firms, or corporations as the CONSULTANT sees fit except as expressly provided in this Agreement. Neither the CITY nor any of its agents shall have control over the conduct of the CONSULTANT or any of the CONSULTANT's employees, except as set forth in this Agreement. CONSULTANT shall not have the status of an employee under this Agreement, or be entitled to participate in any insurance, medical care, vacation, sick leave or other benefits provided for CITY's officers or employees. CONSULTANT shall have no power to incur any debt, obligation, or liability on behalf of CITY or otherwise act on behalf of the CITY as an agent. CONSULTANT shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of the CITY. CONSULTANT agrees to pay all required taxes on amounts paid to CONSULTANT under this Agreement, and to

indemnify and hold CITY harmless from any and all taxes, assessments, penalties, and interest asserted against CITY by reason of the independent CONSULTANT relationship created by this Agreement. CONSULTANT shall fully comply with the workers' compensation law regarding CONSULTANT and CONSULTANT's employees. CONSULTANT further agrees to indemnify and hold CITY harmless from any failure of CONSULTANT to comply with applicable workers' compensation laws. 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 arising under this Section.

- G. **Information and Assistance.** CITY will provide information and assistance as set forth in Exhibit "A" hereto; photographically reproducible copies of maps and other information, if available, which CONSULTANT considers necessary in order to complete the Project. Such information as is generally available from CITY files applicable to the Project. 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.
- H. **Governing Law.** This Agreement shall be governed by and construed in accordance with 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.
- I. **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 all parties.
- J. **Precedence of Documents.** In the event of any inconsistency or conflict between the Agreement and any of the Exhibits or any other attachments, the Agreement, then this Exhibit C, then the remaining Exhibits and attachments shall govern.
- K. **Termination.** This Agreement may be terminated by CITY for any or no reason upon the giving of a written notice of termination to CONSULTANT at least fifteen (15) days prior to the date of termination specified in said notice. In the event this Agreement is so terminated, CITY shall be obligated to pay CONSULTANT for services performed through the effective date of termination for which CONSULTANT has not been previously paid. In addition, because the services performed by CONSULTANT prior to termination or non-renewal of this Agreement may result in the CITY's receipt of revenue after termination which are subject to CONSULTANT's fee, the CITY shall remain obligated after termination or non-renewal to provide to CONSULTANT such information as is necessary for CONSULTANT to calculate compensation due as a result of the receipt of revenue by the CITY. In no event, however, shall CONSULTANT receive more than the compensation outlined in Exhibit B. CONSULTANT shall provide to CITY any and all Work Product including all documents, data, studies, surveys, drawings, maps, models, photographs and reports, whether in draft or

final form, prepared by CONSULTANT as of the date of termination.  
CONSULTANT may not terminate this Agreement except for cause.

**End of Exhibit C**

**EXHIBIT D**  
**INDEMNITY AND INSURANCE REQUIREMENTS**

**I. Indemnity Requirements**

**A. Indemnity for Professional Services.**

To the fullest extent permitted by law, the CONSULTANT shall, at its sole cost and expense, protect, defend, hold harmless and indemnify City, its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those CITY agents serving as independent CONSULTANTS in the role of CITY officials (collectively "Indemnitees" in this Section), from and against 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, attorneys and other professionals, and all costs associated therewith (collectively "Claims"), whether actual, alleged or threatened, arising out of, pertaining to, or relating to, in whole or in part, the negligence, recklessness or willful misconduct of CONSULTANT, and/or its officers, agents, servants, employees, subCONSULTANTS, CONSULTANTS or their officers, agents, servants or employees (or any entity or individual for that CONSULTANT shall bear the legal liability thereof) in the performance of professional services under this Agreement. CONSULTANT shall defend the Indemnitees in any action or actions filed in connection with any Claims with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONSULTANT shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.

**B. Other Indemnities.**

Other than in the performance of professional services, and to the fullest extent permitted by law, CONSULTANT shall, at its sole cost and expense, protect, defend, hold harmless and indemnify the Indemnitees from and against 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, attorneys and other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Damages"), in law or equity, whether actual, alleged or threatened, which arise out of, pertain to, or relate to the acts or omissions of CONSULTANT, its officers, agents, servants, employees, subCONSULTANTS, materialmen, suppliers, or CONSULTANTS, or their officers, agents, servants or employees (or any entity or individual that CONSULTANT shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Damages arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the Parties. CONSULTANT shall defend the Indemnitees in any action or actions filed in connection with any Damages with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONSULTANT shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.

- C. 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 required by this Agreement does not in any way relieve the CONSULTANT from liability under this Section.

**II. Insurance Requirements**

**A. General**

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.

**B. Coverages**

**1. Commercial General Liability (CGL)**

- a) 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.
- b) Limits shall be no less than \$2,000,000 per occurrence

**2. Products-Completed Operations (PCO)**

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)**

- a) 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.
- b) If CONSULTANT does not own any vehicles, CONSULTANT may satisfy this requirement by providing the following:
  - (1) A personal automobile liability policy for the CONSULTANT's own vehicle, if CONSULTANT is a one-person operation; and
  - (2) 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)**

- a) 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.
- b) Self-Employment Affidavit or Declaration, signed under the penalty of perjury, if CONSULTANT does not have any employees who will be performing work on behalf of City, CONSULTANT must provide the following:
  - (1) 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

- (2) A certification that CONSULTANT does not employ any individual(s) in the course and scope of business operations.

**5. Professional Liability Insurance (PL)**

- a) 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.
- b) Limits shall be no less than \$1,000,000 per claim; \$2,000,000 aggregate

**C. 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 & CONSULTANTs Pollution Liability**

**a) Additional Insured**

- (1) 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.
- (2) 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
- (3) 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.

**b) 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**

**a) 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.

**b) 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.

**D. 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.

**E. 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.

**F. 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.

**G. 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.

The 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 that 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 that the required insurance has been reinstated or has been provided through another insurance company or companies.

**H. 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.

**I. Contractual Liability**

The coverage provided shall apply to the obligations assumed by the CONSULTANT under the indemnity provisions of this Contract.

**J. 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.

**K. 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.

**L. 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 ☐ 2 years ☒ 3 years ☐ 5 years ☐ 10 years from termination or expiration of this Contract.

**M. Insurance for SubCONSULTANTS**

CONSULTANT shall be responsible for causing SubCONSULTANTS to purchase the same types and limits of insurance in compliance with the terms of this Contract/Agreement, including adding City as an Additional Insured, providing Primary and Non-Contributory coverage and Waiver of Subrogation to the

SubCONSULTANT's policies. The Commercial General Liability Additional Insured Endorsement shall be on a form at least as broad as CG 20 38 04 13.

**End of Exhibit D**

## **RESOLUTION NO. 2021-028**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA AUTHORIZING EXAMINATION OF SALES AND USE TAX RECORDS**

**WHEREAS**, pursuant to Ordinance Number 02-108 the City of Brea (City) entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of sales and use taxes; and

**WHEREAS**, pursuant to Revenue and Taxation Code section 7270, the City entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of transactions and use taxes; and

**WHEREAS**, the City Council of the City of Brea deems it desirable and necessary for authorized officers, employees and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to sales and use taxes collected by the Department for the City pursuant to that contract; and

**WHEREAS**, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BREA HEREBY  
RESOLVES AS FOLLOWS:**

**Section 1.** That the Administrative Services Director, Financial Services Manager, Revenue & Budget Manager, Senior Fiscal Analyst, or other officer or employee of the City designated in writing by the City Manager to the California Department of Tax and Fee Administration is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to sales and use taxes collected for the City by the Department pursuant to the contract between the City and the Department.

**Section 2.** The information obtained by examination of Department records shall be used only for purposes related to the collection of City sales and use taxes by the Department pursuant to that contract.

**Section 3.** That MuniServices, LLC. is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to sales and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and MuniServices, LLC:

- a) has an existing contract with the City to examine those sales or transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.

- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

**BE IT FURTHER RESOLVED** that the information obtained by examination of Department records shall be used only for purposes related to the collection of City sales and use taxes by the Department pursuant to the contract between the City and the Department.

**Section 4.** That MuniServices, LLC. is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to any petition or appeal for the reallocation/redistribution of sales or transactions and use taxes that was filed by MuniServices, LLC. on behalf of the City pursuant to the contract between the MuniServices, LLC. and City. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and the MuniServices, LLC.:

- a) has an existing contract with the City to examine those sales or transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;

d) is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

**Section 5.** That this resolution supercedes all prior resolutions of the City Council of the City of Brea adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

**APPROVED AND ADOPTED** this 18<sup>th</sup> day of May, 2021.

\_\_\_\_\_  
Steven Vargas, 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 18<sup>th</sup> day of May, 2021, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

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

\_\_\_\_\_  
Lillian Harris-Neal, City Clerk

**City of Brea**

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**COUNCIL COMMUNICATION**

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

**FROM:** Bill Gallardo, City Manager

**DATE:** 05/18/2021

**SUBJECT:** Outgoing Payment Log and May 7 and 14, 2021 City Disbursement Registers

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**RECOMMENDATION**

Receive and file.

**RESPECTFULLY SUBMITTED:**

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Cindy Russell, Administrative Services Director

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**Attachments**

Outgoing Payment Log

05-07-2021 City Disbursement Register

05-14-2021 City Disbursement Register

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**City of Brea**  
**Outgoing Payment Log**  
**April 2021**

Effective Date	Vendor	Description	Amount
<b><u>General Account Electronic payments</u></b>			
4/2/2021	CA Dept of Tax	Sales tax	40.36
4/2/2021	Elavon	Credit card processing fees	7,183.58
4/5/2021	Citizens Business Bank	Credit card processing fees	3,251.03
4/5/2021	Paypal	Paypal processing fees	114.75
4/9/2021	CALPERS	Medical payment	372,807.83
4/9/2021	ADP	ILJAOE Payroll service fee	126.45
4/9/2021	Brea Payroll	Brea staff payroll	797,640.36
4/9/2021	Brea Payroll	Employee deductions	96,587.10
4/9/2021	EDD	Payroll State taxes	49,936.48
4/9/2021	CA SDU	Child support payments	761.26
4/9/2021	IRS	Payroll Federal taxes	156,919.83
4/12/2021	CALPERS	Member retirement	215,962.05
4/13/2021	CALPERS	Member retirement	2,108.70
4/14/2021	Elavon	Credit card processing fees	120.00
4/14/2021	Paymentus	Monthly service fee	6,564.00
4/20/2021	Telecheck	Telecheck processing fees	1,845.68
4/22/2021	Citizens Business Bank	Monthly banking service fee	1,764.54
4/23/2021	Brea Payroll	Brea staff payroll	813,896.46
4/23/2021	Brea Payroll	Employee deductions	97,488.38
4/23/2021	EDD	Payroll State taxes	53,964.74
4/23/2021	CA SDU	Child support payments	737.20
4/23/2021	IRS	Payroll Federal taxes	167,822.06
4/23/2021	Elavon	Credit card processing fees	27.25
4/27/2021	CALPERS	Member retirement	215,900.14
4/29/2021	ILJAOE Payroll	ILJAOE staff salary & payroll taxes	12,999.74
4/29/2021	IRS	Payroll Federal taxes	2,599.74
			3,079,169.71
<b><u>Imprest Accounts</u></b>			
	Various	Workers Compensation Claims	80,467.68
	Various	General Liability Claims	20,755.01
		Subtotal	101,222.69
			\$ 3,180,392.40

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
187461	AIR EXCHANGE INC	05/07/2021	30200	542222223	RETENTION:FS VEH EXH	\$8,748.88
AIR EXCHANGE INC					Total Check Amount:	\$8,748.88
187462	ALBUS & ASSOCIATES, INC.	05/07/2021	30590	510707958	BRIDGE FDN EVAL JAN21	\$3,494.50
ALBUS & ASSOCIATES, INC.					Total Check Amount:	\$3,494.50
187463	AT&T CALNET	05/07/2021	20391	360515145	CALNET MAR/APR 2021	\$45.81
		05/07/2021	20391	475141471	CALNET MAR/APR 2021	\$7,132.37
		05/07/2021	20391	360515147	CALNET MAR/APR 2021	\$24.65
		05/07/2021	20391	420515131	CALNET MAR/APR 2021	\$276.88
AT&T CALNET					Total Check Amount:	\$7,479.71
187464	MARIA BALDERAS	05/07/2021	31018	110	REFUND DUE TO COVID19	\$87.20
MARIA BALDERAS					Total Check Amount:	\$87.20
187465	BREA ROTARY CLUB	05/07/2021	1338	110222211	QTRLY DUES JAN-MAR21	\$124.00
BREA ROTARY CLUB					Total Check Amount:	\$124.00
187466	BUSINESS CARD	05/07/2021	18749	110	BSCARD CS II 042321	(\$1.94)
		05/07/2021	18749	110	BSCARD FIRE 042321	(\$207.50)
		05/07/2021	18749	110212111	BSCARD PD 042321	\$119.40
		05/07/2021	18749	110212111	REVERSE 102320D PD	(\$301.38)
		05/07/2021	18749	950000000	ILJAO BSCARD JM 0421	\$59.25
		05/07/2021	18749	110404421	BSCARD CS II 042321	\$1,801.53
		05/07/2021	18749	174222222	BSCARD FIRE 042321	\$2,998.66
		05/07/2021	18749	480515161	BSCARD PD 042321	\$25.58
		05/07/2021	18749	110141481	BSCARD HR 042321	\$141.73
		05/07/2021	18749	110212111	BSCARD PD OCT 2020	\$33.53
		05/07/2021	18749	110222223	BSCARD FIRE 042321	\$57.95
		05/07/2021	18749	110404425	BSCARD CS 042321	\$287.28
		05/07/2021	18749	110404429	BSCARD CS 042321	\$5.00
		05/07/2021	18749	950000000	ILJAO BSCARD MJ 0421	\$279.96
		05/07/2021	18749	110212121	BSCARD PD 042321	\$259.00
		05/07/2021	18749	110212134	BSCARD PD OCT 2020	\$267.85
		05/07/2021	18749	110222231	BSCARD FIRE 042321	\$10.00
		05/07/2021	18749	420515131	BSCARD WATER 042321	\$273.34
BUSINESS CARD					Total Check Amount:	\$6,109.24
187467	DEBBIE AND/OR ERIC CHUNG	05/07/2021	31028	420000000	CLOSED WATER ACCOUNT	\$58.01
DEBBIE AND/OR ERIC CHUNG					Total Check Amount:	\$58.01
187468	CITY OF BREA - WATER DEPT	05/07/2021	2039	341515112	WATER 3/8-4/7	\$1,404.29
		05/07/2021	2039	880515113	WATER 3/8-4/7	\$20.11
		05/07/2021	2039	510707609	WATER 3/8-4/7	\$8.36
		05/07/2021	2039	343515112	WATER 3/8-4/7	\$2,276.64

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187468	CITY OF BREA - WATER DEPT	05/07/2021	2039	346515112	WATER 3/8-4/7	\$2,673.05
		05/07/2021	2039	345515112	WATER 3/8-4/7	\$2,070.31
		05/07/2021	2039	347515112	WATER 3/8-4/7	\$644.32
		05/07/2021	2039	465515149	WATER 3/8-4/7	\$18,169.25
<b>CITY OF BREA - WATER DEPT</b>					<b>Total Check Amount:</b>	<b>\$27,266.33</b>
187469	COUNTY OF ORANGE	05/07/2021	4799	110212131	OCC/RADIO REPAIRS	\$20.94
<b>COUNTY OF ORANGE</b>					<b>Total Check Amount:</b>	<b>\$20.94</b>
187470	COUNTY OF ORANGE	05/07/2021	4799	110212122	CLETS SUPPORT APR21	\$1,104.51
<b>COUNTY OF ORANGE</b>					<b>Total Check Amount:</b>	<b>\$1,104.51</b>
187471	JOHN CUYNO	05/07/2021	31023	830	FORFEITURE FEE REFUND	\$40.00
<b>JOHN CUYNO</b>					<b>Total Check Amount:</b>	<b>\$40.00</b>
187472	DOWNTOWN FORD SALES	05/07/2021	18138	480515161	NEW 2021 FORD F150	\$27,449.48
<b>DOWNTOWN FORD SALES</b>					<b>Total Check Amount:</b>	<b>\$27,449.48</b>
187473	SOUTHERN CALIFORNIA EDISON	05/07/2021	3343	110515121	ELECTRICITY APR 2021	\$1,495.43
		05/07/2021	3343	420515131	ELECTRICITY APR 2021	\$34,843.93
		05/07/2021	3343	110515143	ELECTRICITY APR 2021	\$731.43
		05/07/2021	3343	110515141	ELECTRICITY APR 2021	\$2,162.29
		05/07/2021	3343	110515144	ELECTRICITY APR 2021	\$1,862.39
		05/07/2021	3343	360515145	ELECTRICITY APR 2021	\$706.64
<b>SOUTHERN CALIFORNIA EDISON</b>					<b>Total Check Amount:</b>	<b>\$41,802.11</b>
187474	JENNIFER FOULTS	05/07/2021	31033	110	REFUND DUE TO COVID19	\$54.00
<b>JENNIFER FOULTS</b>					<b>Total Check Amount:</b>	<b>\$54.00</b>
187475	FRONTIER COMMUNICATIONS	05/07/2021	26183	475141471	5621820146 0416-0515	\$45.15
<b>FRONTIER COMMUNICATIONS</b>					<b>Total Check Amount:</b>	<b>\$45.15</b>
187476	NORMA GARCIA	05/07/2021	31020	830	FORFEITURE FEE REFUND	\$20.00
<b>NORMA GARCIA</b>					<b>Total Check Amount:</b>	<b>\$20.00</b>
187477	PATRICIA GIBBS	05/07/2021	31027	110	REFUND DUE TO COVID19	\$140.00
<b>PATRICIA GIBBS</b>					<b>Total Check Amount:</b>	<b>\$140.00</b>
187478	SEAN GOTTOWSKI	05/07/2021	31032	110	REFUND DUE TO COVID19	\$57.20
<b>SEAN GOTTOWSKI</b>					<b>Total Check Amount:</b>	<b>\$57.20</b>
187479	SARAH GOULD	05/07/2021	31024	110	REFUND DUE TO COVID19	\$25.10
<b>SARAH GOULD</b>					<b>Total Check Amount:</b>	<b>\$25.10</b>
187480	JENUS GUZMAN	05/07/2021	31031	110	REFUND DUE TO COVID19	\$57.20
<b>JENUS GUZMAN</b>					<b>Total Check Amount:</b>	<b>\$57.20</b>
187481	HARDY & HARPER, INC	05/07/2021	30669	510707278	PP#2 BERRY ST/IMP	\$70,436.80
<b>HARDY &amp; HARPER, INC</b>					<b>Total Check Amount:</b>	<b>\$70,436.80</b>
187482	IMPERIAL CAR WASH	05/07/2021	30976	480515161	PD UNIT CARWASHES	\$125.91
<b>IMPERIAL CAR WASH</b>					<b>Total Check Amount:</b>	<b>\$125.91</b>

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
187483	INLAND WATER WORKS SUPPLY CO	05/07/2021	23904	420515131	ERT'S FOR METERS	\$12,102.48
INLAND WATER WORKS SUPPLY CO					Total Check Amount:	\$12,102.48
187484	ALICIA IREI	05/07/2021	31030	110	REFUND DUE TO COVID19	\$54.00
ALICIA IREI					Total Check Amount:	\$54.00
187485	ELIZABETH KANASHIRO	05/07/2021	30987	110	REFUND DUE TO COVID19	\$187.20
ELIZABETH KANASHIRO					Total Check Amount:	\$187.20
187486	TANIA KHAMIS	05/07/2021	31036	110	REFUND DUE TO COVID19	\$42.18
TANIA KHAMIS					Total Check Amount:	\$42.18
187487	LAKEMAN CHASSIS	05/07/2021	12885	480515161	2104 COMMUNICATN BOX	\$1,008.52
LAKEMAN CHASSIS					Total Check Amount:	\$1,008.52
187488	LANGUAGE LINE SERVICES	05/07/2021	19704	110212133	OTP INTERPRETATION	\$5.64
LANGUAGE LINE SERVICES					Total Check Amount:	\$5.64
187489	ASHLEY LIU	05/07/2021	31002	420000000	CLOSED WATER ACCOUNT	\$70.46
ASHLEY LIU					Total Check Amount:	\$70.46
187490	CLAUDIA LONOWSKI	05/07/2021	31035	110	REFUND DUE TO COVID19	\$79.40
CLAUDIA LONOWSKI					Total Check Amount:	\$79.40
187491	ERICA MARTINEZ	05/07/2021	31034	110	REFUND DUE TO COVID19	\$57.20
ERICA MARTINEZ					Total Check Amount:	\$57.20
187492	JENNA MARTINEZ	05/07/2021	31022	110	REFUND DUE TO COVID19	\$995.50
JENNA MARTINEZ					Total Check Amount:	\$995.50
187493	CARI NOEL	05/07/2021	28000	110404542	MERMAID MKT PAINTING	\$150.00
CARI NOEL					Total Check Amount:	\$150.00
187494	OFFICE DEPOT, INC	05/07/2021	4743	110404311	OFFICE SUPPLIES	\$243.45
		05/07/2021	4743	110212111	OFFICE SUPPLIES	\$108.35
		05/07/2021	4743	110141441	OFFICE SUPPLIES	\$55.90
		05/07/2021	4743	110212121	P&E SUPPLIES	\$414.71
OFFICE DEPOT, INC					Total Check Amount:	\$822.41
187495	OMEGA INDUSTRIAL SUPPLY	05/07/2021	22075	480515161	MEGA ABSORB	\$243.64
OMEGA INDUSTRIAL SUPPLY					Total Check Amount:	\$243.64
187496	PERFORMANCE TRUCK REPAIR, INC.	05/07/2021	29371	480515161	23012 A/C REPAIR	\$540.00
PERFORMANCE TRUCK REPAIR, INC.					Total Check Amount:	\$540.00
187497	PUENTE HILLS FORD	05/07/2021	25742	480515161	TIRE PRESSURE SENSORS	\$274.67
		05/07/2021	25742	480515161	BRACKET / PIN	\$51.04
		05/07/2021	25742	480515161	FRONT BUMPER	\$1,168.55
PUENTE HILLS FORD					Total Check Amount:	\$1,494.26
187498	PATRICK ROONEY	05/07/2021	31029	110	REFUND DUE TO COVID19	\$187.20
PATRICK ROONEY					Total Check Amount:	\$187.20
187499	MATTHEW RUSSELL	05/07/2021	29407	110404145	INTRO TO KARATE	\$240.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
MATTHEW RUSSELL					Total Check Amount:	\$240.00
187500	SHORT LOAD CONCRETE	05/07/2021	30420	110515121	CONCRETEPOUR:VALENCIA	\$743.48
SHORT LOAD CONCRETE					Total Check Amount:	\$743.48
187501	SOUTHERN CALIFORNIA NEWS GROUP	05/07/2021	26287	110323231	LEGAL NOTICES MAR21	\$532.00
SOUTHERN CALIFORNIA NEWS GROUP					Total Check Amount:	\$532.00
187502	CORY TAYLOR	05/07/2021	30995	420000000	CLOSED WATER ACCOUNT	\$40.90
CORY TAYLOR					Total Check Amount:	\$40.90
187503	TS GOVERNMENT SOLUTIONS, LLC	05/07/2021	28596	110404215	LIFE FITNESS EQPT SVC	\$1,532.55
TS GOVERNMENT SOLUTIONS, LLC					Total Check Amount:	\$1,532.55
187504	UNIFIRST CORPORATION	05/07/2021	27988	110212131	PD LAUNDRY SVCS 4/26	\$24.88
		05/07/2021	27988	110212131	PD LAUNDRY SVCS 4/19	\$24.88
UNIFIRST CORPORATION					Total Check Amount:	\$49.76
187505	SARA VINCENT	05/07/2021	31017	420000000	CLOSED WATER ACCOUNT	\$59.96
SARA VINCENT					Total Check Amount:	\$59.96
Check Subtotal						\$215,985.01
V44395	ALL CITY MANAGEMENT SERVICES INC	05/07/2021	6604	110212132	CROSSNG GRDS 4/4-4/17	\$1,493.10
ALL CITY MANAGEMENT SERVICES INC					Total Check Amount:	\$1,493.10
V44396	AM-TEC TOTAL SECURITY INC	05/07/2021	30658	475141471	INSTALL ONSSI MGMT SW	\$545.00
AM-TEC TOTAL SECURITY INC					Total Check Amount:	\$545.00
V44397	ARC IMAGING RESOURCES	05/07/2021	23273	110141441	PLOTTER SUPPLIES	\$80.00
		05/07/2021	23273	110404211	PLOTTER SUPPLIES	\$79.51
ARC IMAGING RESOURCES					Total Check Amount:	\$159.51
V44398	BEST LAWN MOWER SERVICE	05/07/2021	16230	480515161	AIR CLEANERS	\$103.88
		05/07/2021	16230	480515161	OIL FILTER	\$12.98
BEST LAWN MOWER SERVICE					Total Check Amount:	\$116.86
V44399	CHRISTINE BOATNER	05/07/2021	18460	110404215	B.PUMP/LOW IMP APR21	\$406.00
CHRISTINE BOATNER					Total Check Amount:	\$406.00
V44400	BREA AUTO SERVICE	05/07/2021	12780	480515161	29025 A/C REPAIR	\$212.00
BREA AUTO SERVICE					Total Check Amount:	\$212.00
V44401	BREA/ORANGE COUNTY PLUMBING	05/07/2021	3781	490515151	BLOWFLOW SERVICE	\$227.50
BREA/ORANGE COUNTY PLUMBING					Total Check Amount:	\$227.50
V44402	KATHY A BREAUX	05/07/2021	5320	110404145	ACRYLIC PAINTING	\$204.00
KATHY A BREAUX					Total Check Amount:	\$204.00
V44403	ARLINDA CANTU	05/07/2021	26312	110404215	PSNL TRAINER APR21	\$352.70
ARLINDA CANTU					Total Check Amount:	\$352.70
V44404	CI TECHNOLOGIES INC	05/07/2021	22893	110212111	IAPRO/BLUE TEAM MNT	\$1,948.38
CI TECHNOLOGIES INC					Total Check Amount:	\$1,948.38
V44405	CIGNA BEHAVIORAL HEALTH, INC.	05/07/2021	26628	110141481	EAP SVCS MAY 2021	\$901.03

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<b>CIGNA BEHAVIORAL HEALTH, INC.</b>					<b>Total Check Amount:</b>	<b>\$901.03</b>
V44406	CLINICAL LABORATORY OF	05/07/2021	3390	420515131	WATER QLTY TEST MAR21	\$1,296.00
<b>CLINICAL LABORATORY OF</b>					<b>Total Check Amount:</b>	<b>\$1,296.00</b>
V44407	COMLOCK SECURITY-GROUP	05/07/2021	13625	110212131	KEYS	\$268.30
<b>COMLOCK SECURITY-GROUP</b>					<b>Total Check Amount:</b>	<b>\$268.30</b>
V44408	ANA P CONRIQUE	05/07/2021	21521	110	REFUND 103118 OVRPYMT	\$27.43
<b>ANA P CONRIQUE</b>					<b>Total Check Amount:</b>	<b>\$27.43</b>
V44409	CORE & MAIN LP	05/07/2021	27049	420515131	WATER METER + ENCODER	\$1,410.33
		05/07/2021	27049	420515131	WATER METER ENCODERS	\$3,194.05
<b>CORE &amp; MAIN LP</b>					<b>Total Check Amount:</b>	<b>\$4,604.38</b>
V44410	DANIELS TIRE SERVICE	05/07/2021	3133	480515161	TIRES	\$406.92
<b>DANIELS TIRE SERVICE</b>					<b>Total Check Amount:</b>	<b>\$406.92</b>
V44411	MYRA DUVALL	05/07/2021	18083	110404215	YOGA APR 2021	\$516.00
<b>MYRA DUVALL</b>					<b>Total Check Amount:</b>	<b>\$516.00</b>
V44412	ELLIOT AUTO SUPPLY CO., INC.	05/07/2021	3504	480515161	DISC BRAKE	\$176.95
<b>ELLIOT AUTO SUPPLY CO., INC.</b>					<b>Total Check Amount:</b>	<b>\$176.95</b>
V44413	EQUIPMENT DIRECT INC	05/07/2021	4522	420515131	GLOVES	\$29.09
<b>EQUIPMENT DIRECT INC</b>					<b>Total Check Amount:</b>	<b>\$29.09</b>
V44414	FIDELITY SECURITY LIFE INSURANCE	05/07/2021	23035	110	9827288 VISION APR21	\$3,225.51
<b>FIDELITY SECURITY LIFE INSURANCE</b>					<b>Total Check Amount:</b>	<b>\$3,225.51</b>
V44415	GIS PLANNING INC	05/07/2021	30438	110323214	COMM PROFILE SOFTWARE	\$3,500.00
<b>GIS PLANNING INC</b>					<b>Total Check Amount:</b>	<b>\$3,500.00</b>
V44416	RAY GONZALEZ	05/07/2021	31019	110404424	OFFICIAL FEES APR21	\$306.00
<b>RAY GONZALEZ</b>					<b>Total Check Amount:</b>	<b>\$306.00</b>
V44417	GRAINGER	05/07/2021	13634	110212131	BATTERIES	\$251.65
		05/07/2021	13634	480515161	SPRAY GUN KIT	\$57.97
<b>GRAINGER</b>					<b>Total Check Amount:</b>	<b>\$309.62</b>
V44418	GABRIEL HANNAH	05/07/2021	17533	110404424	FORFEITURE FEES 4/26	\$102.00
<b>GABRIEL HANNAH</b>					<b>Total Check Amount:</b>	<b>\$102.00</b>
V44419	HCI SYSTEMS INC	05/07/2021	25112	110515125	FIRE SYSTEM RPR DTPS3	\$489.00
<b>HCI SYSTEMS INC</b>					<b>Total Check Amount:</b>	<b>\$489.00</b>
V44420	INTERWEST CONSULTING GROUP, INC.	05/07/2021	28473	510707251	CIP MGMT SVCS OCT20	\$11,325.00
		05/07/2021	28473	510707251	CIP MGMT SVCS JUN20	\$11,550.00
		05/07/2021	28473	510707251	CIP MGMT SVCS NOV20	\$8,250.00
		05/07/2021	28473	510707251	CIP MGMT SVCS DEC20	\$6,487.50
		05/07/2021	28473	510707470	BP#3-SCE ASSIST MAR21	\$1,240.94
<b>INTERWEST CONSULTING GROUP, INC.</b>					<b>Total Check Amount:</b>	<b>\$38,853.44</b>
V44421	JAX AUTO	05/07/2021	20187	480515161	28028 SMOG INSPECTION	\$49.95

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<b>JAX AUTO</b>						<b>Total Check Amount: \$49.95</b>
V44422	PAMELA JOHNSTON	05/07/2021	28025	110404215	ZUMBA APR 2021	\$380.72
<b>PAMELA JOHNSTON</b>						<b>Total Check Amount: \$380.72</b>
V44423	KELLY PAPER	05/07/2021	7039	110404541	PAPER	\$199.15
<b>KELLY PAPER</b>						<b>Total Check Amount: \$199.15</b>
V44424	ALFONS KUNZE	05/07/2021	17789	110212131	HMLESS OUTREACH 4/28	\$99.14
<b>ALFONS KUNZE</b>						<b>Total Check Amount: \$99.14</b>
V44425	FRANCESCO LA TORRE	05/07/2021	24398	110404521	APRIL 2021 MILEAGE	\$31.36
<b>FRANCESCO LA TORRE</b>						<b>Total Check Amount: \$31.36</b>
V44426	BERRY LIANG	05/07/2021	25640	110404215	PSNL TRAINER APR21	\$580.89
		05/07/2021	25640	110404215	BREA MOVEMENT/TRX APR	\$989.85
<b>BERRY LIANG</b>						<b>Total Check Amount: \$1,570.74</b>
V44427	LIFE-ASSIST, INC.	05/07/2021	10530	174222222	PM SUPPLIES FS#2	\$141.80
<b>LIFE-ASSIST, INC.</b>						<b>Total Check Amount: \$141.80</b>
V44428	LINCOLN AQUATICS	05/07/2021	17902	110404422	SODIUM BICARBONATE	\$1,200.62
		05/07/2021	17902	110404422	CHEMICAL TESTER	\$167.01
<b>LINCOLN AQUATICS</b>						<b>Total Check Amount: \$1,367.63</b>
V44429	TANYA LOSCUTOFF	05/07/2021	22092	110404215	SUPER SCULPT APR 2021	\$66.00
<b>TANYA LOSCUTOFF</b>						<b>Total Check Amount: \$66.00</b>
V44430	ANDREA MCGRANAHAN	05/07/2021	26046	110404215	CYCLE/BARRE/TRX FLOW	\$456.00
		05/07/2021	26046	110404215	PSNL TRAINER APR21	\$150.66
<b>ANDREA MCGRANAHAN</b>						<b>Total Check Amount: \$606.66</b>
V44431	JENNIFER MONZON-SCROFINI	05/07/2021	20158	110404215	STRENGTH+STRTCH APR21	\$210.00
<b>JENNIFER MONZON-SCROFINI</b>						<b>Total Check Amount: \$210.00</b>
V44432	MIGUEL OJEDA	05/07/2021	25161	110212111	TRAINING MILEAGE	\$13.55
<b>MIGUEL OJEDA</b>						<b>Total Check Amount: \$13.55</b>
V44433	RICHARDS, WATSON & GERSHON	05/07/2021	8978	110111112	0001 GEN LGL SVCS FEB	\$11,009.83
		05/07/2021	8978	510707470	9999 GEN LGL SVCS FEB	\$66.00
		05/07/2021	8978	280323215	0001 GEN LGL SVCS FEB	\$361.00
		05/07/2021	8978	110111112	TO REVERSE 229335 DEF	(\$3,311.00)
		05/07/2021	8978	110404311	193 WVRO PETITION FEB	\$2,175.13
		05/07/2021	8978	840141412	0116 REIMB WORK OCT20	\$3,311.00
		05/07/2021	8978	110111112	9999 GEN LGL SVCS FEB	\$16,488.50
		05/07/2021	8978	465515149	0001 GEN LGL SVCS FEB	\$665.00
		05/07/2021	8978	840141412	9999 GEN LGL SVCS FEB	\$155.00
<b>RICHARDS, WATSON &amp; GERSHON</b>						<b>Total Check Amount: \$30,920.46</b>
V44434	ISMAEL O SILVA	05/07/2021	24370	110404215	ZUMBA APR 2021	\$188.09
<b>ISMAEL O SILVA</b>						<b>Total Check Amount: \$188.09</b>



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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V44435	SKYHAWKS SPORTS ACADEMY, INC.	05/07/2021	18097	110404145	SKYHAWKS SPORTS	\$1,374.38
SKYHAWKS SPORTS ACADEMY, INC.					Total Check Amount:	\$1,374.38
V44436	KYLE BRADFORD SMITH	05/07/2021	31025	174222222	REIMB EMT RECERT	\$162.00
KYLE BRADFORD SMITH					Total Check Amount:	\$162.00
V44437	SNAP-ON INDUSTRIAL	05/07/2021	17125	480515161	TOOL BATTERY	\$142.25
SNAP-ON INDUSTRIAL					Total Check Amount:	\$142.25
V44438	SO. CALIFORNIA FLEET SVCS. INC	05/07/2021	27570	480515161	1815 A/C REPAIR	\$419.18
SO. CALIFORNIA FLEET SVCS. INC					Total Check Amount:	\$419.18
V44439	SPECTRUM GAS PRODUCTS, INC.	05/07/2021	16060	174222222	OXYGEN	\$40.50
SPECTRUM GAS PRODUCTS, INC.					Total Check Amount:	\$40.50
V44440	STAPLES TECHNOLOGY SOLUTIONS	05/07/2021	22888	110212111	TONERS (4)	\$464.35
		05/07/2021	22888	110212111	TONERS (7)	\$879.79
		05/07/2021	22888	110212111	TONERS (6)	\$1,245.77
		STAPLES TECHNOLOGY SOLUTIONS				
V44441	KRISTIN STEYERMAN	05/07/2021	24362	110	REFUND 020619 OVRPYMT	\$19.40
KRISTIN STEYERMAN					Total Check Amount:	\$19.40
V44442	TECHNICOLOR PRINTING	05/07/2021	24354	110404424	YOUTH SPORTS SHIRTS	\$2,453.47
TECHNICOLOR PRINTING					Total Check Amount:	\$2,453.47
V44443	LETICIA TRUJILLO	05/07/2021	22054	110404521	SR CTR ZUMBA APR21	\$90.00
LETICIA TRUJILLO					Total Check Amount:	\$90.00
V44444	EDEN TURNER	05/07/2021	21951	110404215	B.PUMP/LOW IMP APR21	\$21.00
EDEN TURNER					Total Check Amount:	\$21.00
V44445	UNICORN METALS	05/07/2021	17181	480515161	METAL STOCK	\$86.60
UNICORN METALS					Total Check Amount:	\$86.60
V44446	UNITED ROTARY BRUSH CORPORATION	05/07/2021	16649	480515161	SWEEPER GUTTER BROOM	\$148.30
UNITED ROTARY BRUSH CORPORATION					Total Check Amount:	\$148.30
V44447	JUANA VENTURA	05/07/2021	17752	110404215	CYCLE:ENERGIZE APR21	\$78.00
JUANA VENTURA					Total Check Amount:	\$78.00
V44448	WESTCOAST SHIRTWORKS, INC.	05/07/2021	22572	110515141	PW DEPT SHIRTS	\$381.38
		05/07/2021	22572	110515144	PW DEPT SHIRTS	\$381.38
		05/07/2021	22572	420515131	PW DEPT SHIRTS	\$381.38
		05/07/2021	22572	110515125	PW DEPT SHIRTS	\$381.37
		05/07/2021	22572	430515123	PW DEPT SHIRTS	\$381.38
WESTCOAST SHIRTWORKS, INC.					Total Check Amount:	\$1,906.89
V44449	WESTERN GOLF PROPERTIES, LLC	05/07/2021	29071	465000000	BIRCH HLLS S/TX APR21	\$4,303.00
		05/07/2021	29071	465515149	BIRCH HILLS CGS APR21	\$18,377.65
		05/07/2021	29071	465000000	BREA CREEK S/TX APR21	\$1,169.69
		05/07/2021	29071	465000000	BIRCH HLLS TIPS APR21	\$6,817.58



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V44449	WESTERN GOLF PROPERTIES, LLC	05/07/2021	29071	465515149	BREA CREEK CGS APR21	\$6,947.45
WESTERN GOLF PROPERTIES, LLC					Total Check Amount:	\$37,615.37
Voucher Subtotal						\$143,669.22
TOTAL						\$359,654.23

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
187506	AEP SERVICES	05/14/2021	30268	110212131	NEW K-9/HANDLER TRNG	\$7,542.50
		05/14/2021	30268	110212131	HANDLER TRAINING COURSES;	\$10,000.00
<b>AEP SERVICES</b>						<b>Total Check Amount:</b>
						<b>\$17,542.50</b>
187507	AGA ENGINEERS, INC	05/14/2021	30567	510707709	BIRCH ST TSSP MAR21	\$3,400.00
<b>AGA ENGINEERS, INC</b>						<b>Total Check Amount:</b>
						<b>\$3,400.00</b>
187508	ALICIA DANIELLE PHOTOGRAPHY	05/14/2021	31073	110404421	MERMAID MARKET PHOTOS	\$750.00
<b>ALICIA DANIELLE PHOTOGRAPHY</b>						<b>Total Check Amount:</b>
						<b>\$750.00</b>
187509	ARDURRA GROUP, INC.	05/14/2021	29147	840141412	ENGG SVCS JAN 2020	\$1,896.25
		05/14/2021	29147	510707323	DESIGN SVCS JAN21	\$165.00
		05/14/2021	29147	840141412	ENGG SVCS APR 2021	\$647.50
		05/14/2021	29147	840141412	ENGG SVCS FEB 2021	\$416.25
<b>ARDURRA GROUP, INC.</b>						<b>Total Check Amount:</b>
						<b>\$3,125.00</b>
187510	ASBURY ENVIRONMENTAL SERVICES	05/14/2021	9144	480515161	OIL/FILTER DISPOSAL	\$55.00
<b>ASBURY ENVIRONMENTAL SERVICES</b>						<b>Total Check Amount:</b>
						<b>\$55.00</b>
187511	AT&T CALNET	05/14/2021	20391	475141471	CALNET APRIL 2021	\$3,933.53
<b>AT&amp;T CALNET</b>						<b>Total Check Amount:</b>
						<b>\$3,933.53</b>
187512	JAANA ESGUERRA BAKER	05/14/2021	31061	110404541	SOLO SHOW-36TH MICA	\$350.00
<b>JAANA ESGUERRA BAKER</b>						<b>Total Check Amount:</b>
						<b>\$350.00</b>
187513	BAZZAZ INC	05/14/2021	31040	420000000	CLOSED WATER ACCOUNT	\$48.01
<b>BAZZAZ INC</b>						<b>Total Check Amount:</b>
						<b>\$48.01</b>
187514	JIE CHEN	05/14/2021	27938	420000000	CLOSED WATER ACCOUNT	\$50.78
<b>JIE CHEN</b>						<b>Total Check Amount:</b>
						<b>\$50.78</b>
187515	CITY OF BREA - WATER DEPT	05/14/2021	2039	346515112	WATER 3/8-4/7	\$300.00
<b>CITY OF BREA - WATER DEPT</b>						<b>Total Check Amount:</b>
						<b>\$300.00</b>
187516	CONCORD THEATRICALS	05/14/2021	17942	110404542	ANYTHING GOES RENTAL	\$3,545.76
<b>CONCORD THEATRICALS</b>						<b>Total Check Amount:</b>
						<b>\$3,545.76</b>
187517	COUNTY OF ORANGE	05/14/2021	4799	110212131	ANIMAL CARE JAN-MAR21	\$52,775.96
<b>COUNTY OF ORANGE</b>						<b>Total Check Amount:</b>
						<b>\$52,775.96</b>
187518	DEPARTMENT OF TRANSPORTATION	05/14/2021	13722	510707251	HWY CONST MGMT JAN21	\$56,342.62
<b>DEPARTMENT OF TRANSPORTATION</b>						<b>Total Check Amount:</b>
						<b>\$56,342.62</b>
187519	DEPARTMENT OF TRANSPORTATION	05/14/2021	13722	510707251	HWY CONST MGMT FEB21	\$53,971.49
<b>DEPARTMENT OF TRANSPORTATION</b>						<b>Total Check Amount:</b>
						<b>\$53,971.49</b>
187520	SOUTHERN CALIFORNIA EDISON	05/14/2021	3343	110515143	ELECTRICITY APR 2021	\$66.32
		05/14/2021	3343	341515112	ELECTRICITY APR 2021	\$110.10
		05/14/2021	3343	345515112	ELECTRICITY APR 2021	\$58.75
		05/14/2021	3343	110515121	ELECTRICITY APR 2021	\$21,251.62
		05/14/2021	3343	110515141	ELECTRICITY APR 2021	\$89.08
		05/14/2021	3343	343515112	ELECTRICITY APR 2021	\$251.19

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187520	SOUTHERN CALIFORNIA EDISON	05/14/2021	3343	346515112	ELECTRICITY APR 2021	\$190.99
		05/14/2021	3343	420515131	ELECTRICITY APR 2021	\$4,438.51
		05/14/2021	3343	490515151	ELECTRICITY APR 2021	\$3,562.01
		05/14/2021	3343	880515113	ELECTRICITY APR 2021	\$14.80
		05/14/2021	3343	110515125	ELECTRICITY APR 2021	\$4,720.45
		05/14/2021	3343	430515123	ELECTRICITY APR 2021	\$501.69
<b>SOUTHERN CALIFORNIA EDISON</b>					<b>Total Check Amount:</b>	<b>\$35,255.51</b>
187521	FRANCHISE TAX BOARD/ST OF CALIF	05/14/2021	12043	110	571810253 050721 PR	\$125.00
<b>FRANCHISE TAX BOARD/ST OF CALIF</b>					<b>Total Check Amount:</b>	<b>\$125.00</b>
187522	FRONTIER COMMUNICATIONS	05/14/2021	26183	420515131	5622821220 4/28-5/27	\$190.73
<b>FRONTIER COMMUNICATIONS</b>					<b>Total Check Amount:</b>	<b>\$190.73</b>
187523	THE GAS COMPANY	05/14/2021	3749	420515131	GAS APR 2021	\$21.90
<b>THE GAS COMPANY</b>					<b>Total Check Amount:</b>	<b>\$21.90</b>
187524	KABBARA ENGINEERING	05/14/2021	23694	510707626	DESIGN SVCS THRU 3/12	\$12,772.50
		05/14/2021	23694	510707467	CONST ENG NOV20-MAR21	\$5,030.00
		05/14/2021	23694	510707454	DESIGN SVCS THRU 3/12	\$12,220.00
		05/14/2021	23694	510707466	DESIGN SVCS THRU 3/12	\$15,585.00
<b>KABBARA ENGINEERING</b>					<b>Total Check Amount:</b>	<b>\$45,607.50</b>
187525	ARMEN KARA	05/14/2021	31041	420000000	CLOSED WATER ACCOUNT	\$76.79
<b>ARMEN KARA</b>					<b>Total Check Amount:</b>	<b>\$76.79</b>
187526	NAM KIM	05/14/2021	31042	420000000	CLOSED WATER ACCOUNT	\$118.24
<b>NAM KIM</b>					<b>Total Check Amount:</b>	<b>\$118.24</b>
187527	LAKE PARK BREA LP	05/14/2021	5289	110141411	LL WTR DISC SEPT 2020	\$271.51
<b>LAKE PARK BREA LP</b>					<b>Total Check Amount:</b>	<b>\$271.51</b>
187528	LAW OFFICES OF JONES & MAYER	05/14/2021	12144	110111112	LEGAL SVCS:PD MAR21	\$264.44
<b>LAW OFFICES OF JONES &amp; MAYER</b>					<b>Total Check Amount:</b>	<b>\$264.44</b>
187529	RICHARD A LENNING	05/14/2021	28409	830	FORFEITURE FEE REFUND	\$20.00
<b>RICHARD A LENNING</b>					<b>Total Check Amount:</b>	<b>\$20.00</b>
187530	MANHATTAN STITCHING CO., INC.	05/14/2021	31054	110404523	LOVE BREA SHIRTS	\$4,024.46
<b>MANHATTAN STITCHING CO., INC.</b>					<b>Total Check Amount:</b>	<b>\$4,024.46</b>
187531	CARI NOEL	05/14/2021	28000	110404542	ALLEY CATS PAINTING	\$150.00
<b>CARI NOEL</b>					<b>Total Check Amount:</b>	<b>\$150.00</b>
187532	DANY PARAGOUTEVA	05/14/2021	31057	110404541	STAFF PICK-36TH MICA	\$100.00
<b>DANY PARAGOUTEVA</b>					<b>Total Check Amount:</b>	<b>\$100.00</b>
187533	HANNAH PIERCE	05/14/2021	31060	110404541	2ND PLACE-36TH MICA	\$500.00
<b>HANNAH PIERCE</b>					<b>Total Check Amount:</b>	<b>\$500.00</b>
187534	ANDREA LUNA REECE	05/14/2021	28357	110404541	ARTGALLERY CONS SALES	\$34.42
<b>ANDREA LUNA REECE</b>					<b>Total Check Amount:</b>	<b>\$34.42</b>

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187535	RENNE SLOAN HOTLZMAN SAKAI, LLP	05/14/2021	27580	110141481	PROF LEGAL SVCS APR20	\$238.00
<b>RENNE SLOAN HOTLZMAN SAKAI, LLP</b>						<b>Total Check Amount: \$238.00</b>
187536	SBSD-EVOC	05/14/2021	20415	110212111	PIT COURSE 5/27/21	\$2,400.00
<b>SBSD-EVOC</b>						<b>Total Check Amount: \$2,400.00</b>
187537	PAOLA GUADALUPE SEGURA	05/14/2021	31059	110404541	3RD PLACE-36TH MICA	\$250.00
<b>PAOLA GUADALUPE SEGURA</b>						<b>Total Check Amount: \$250.00</b>
187538	JENNIFER STARK	05/14/2021	31045	420000000	CLOSED WATER ACCOUNT	\$24.97
<b>JENNIFER STARK</b>						<b>Total Check Amount: \$24.97</b>
187539	U.S. POSTAL SERVICE	05/14/2021	19260	110404421	PET EXPO 2021 POSTAGE	\$1,294.34
<b>U.S. POSTAL SERVICE</b>						<b>Total Check Amount: \$1,294.34</b>
187540	CF UNITED LLC	05/14/2021	30700	480515161	POLICE UNIT CARWASHES	\$280.00
<b>CF UNITED LLC</b>						<b>Total Check Amount: \$280.00</b>
187541	MARIA ELENA VAZQUEZ	05/14/2021	31026	110000000	RETURN EVIDENCE	\$130.00
<b>MARIA ELENA VAZQUEZ</b>						<b>Total Check Amount: \$130.00</b>
187542	VERIZON WIRELESS	05/14/2021	21122	420515131	9878524236 3/27-4/26	\$38.01
<b>VERIZON WIRELESS</b>						<b>Total Check Amount: \$38.01</b>
187543	MIRABEL WIGON	05/14/2021	31058	110404541	COMM CHOICE-36TH MICA	\$100.00
<b>MIRABEL WIGON</b>						<b>Total Check Amount: \$100.00</b>
187544	DR. ROBERT L. WILKINSON	05/14/2021	19024	110141481	DOT PHYSICALS APR21	\$155.00
<b>DR. ROBERT L. WILKINSON</b>						<b>Total Check Amount: \$155.00</b>
187545	HANNAH YOKOO	05/14/2021	29328	110404541	ARTGALLERY CONS SALES	\$27.37
<b>HANNAH YOKOO</b>						<b>Total Check Amount: \$27.37</b>
<b>Check Subtotal</b>						<b>\$287,888.84</b>
V44450	ADMINISTRATIVE & PROF	05/14/2021	3344	110	DED:4010 APEA MEMBR	\$504.00
<b>ADMINISTRATIVE &amp; PROF</b>						<b>Total Check Amount: \$504.00</b>
V44451	THE ADVANTAGE GROUP	05/14/2021	24539	110	DED:808C FSA UR MED	\$5,981.96
		05/14/2021	24539	110	DED:808B FSA DEPCAR	\$1,787.23
<b>THE ADVANTAGE GROUP</b>						<b>Total Check Amount: \$7,769.19</b>
V44452	JESUS A BARBOSA	05/14/2021	6423	110212111	TRAINING EXPENSES	\$24.00
<b>JESUS A BARBOSA</b>						<b>Total Check Amount: \$24.00</b>
V44453	BPSEA MEMORIAL FOUNDATION	05/14/2021	14990	110	DED:4050 MEMORIAL	\$187.00
<b>BPSEA MEMORIAL FOUNDATION</b>						<b>Total Check Amount: \$187.00</b>
V44454	BREA CITY EMPLOYEES ASSOCIATION	05/14/2021	3236	110	DED:4005 BCEA MEMBR	\$540.00
<b>BREA CITY EMPLOYEES ASSOCIATION</b>						<b>Total Check Amount: \$540.00</b>
V44455	BREA DISPOSAL, INC	05/14/2021	3330	440515122	REFUSE COLLECTN APR21	\$166,989.04
<b>BREA DISPOSAL, INC</b>						<b>Total Check Amount: \$166,989.04</b>
V44456	BREA FIREFIGHTERS ASSOCIATION	05/14/2021	3237	110	DED:4016 ASSOC MEMB	\$2,749.50
<b>BREA FIREFIGHTERS ASSOCIATION</b>						<b>Total Check Amount: \$2,749.50</b>

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V44457	BREA POLICE ASSOCIATION	05/14/2021	3769	110	DED:4030 BPA REG	\$3,200.00
BREA POLICE ASSOCIATION					Total Check Amount:	\$3,200.00
V44458	BREA POLICE ATHLETIC LEAGUE	05/14/2021	1068	110	DED:5010 B.P.A.L.	\$135.00
BREA POLICE ATHLETIC LEAGUE					Total Check Amount:	\$135.00
V44459	BREA POLICE MANAGEMENT ASSOCIATION	05/14/2021	21189	110	DED:4020 PMA MEMBRS	\$195.00
BREA POLICE MANAGEMENT ASSOCIATION					Total Check Amount:	\$195.00
V44460	BREA TOWING	05/14/2021	16399	110212121	IMPOUND/STORAGE APR21	\$1,655.15
BREA TOWING					Total Check Amount:	\$1,655.15
V44461	C. WELLS PIPELINE MATERIALS INC	05/14/2021	13055	420515131	WATER METER BOXES	\$3,249.42
		05/14/2021	13055	510707459	WATER METER BOXES	\$9,831.12
C. WELLS PIPELINE MATERIALS INC					Total Check Amount:	\$13,080.54
V44462	CALIFORNIA DOMESTIC WATER CO	05/14/2021	3388	420515131	WTR CONSUMPTION APR21	\$303,761.50
CALIFORNIA DOMESTIC WATER CO					Total Check Amount:	\$303,761.50
V44463	CHANDLER ASSET MANAGEMENT, INC.	05/14/2021	4375	875000000	INV MGMT SVCS APR21	\$45.96
		05/14/2021	4375	110000000	INV MGMT SVCS APR21	\$17.59
		05/14/2021	4375	930000000	INV MGMT SVCS APR21	\$6,293.46
CHANDLER ASSET MANAGEMENT, INC.					Total Check Amount:	\$6,357.01
V44464	BRANDON CHUNG	05/14/2021	18773	460141474	APRIL 2021 MILEAGE	\$166.32
		05/14/2021	18773	460141474	MARCH 2021 MILEAGE	\$166.32
BRANDON CHUNG					Total Check Amount:	\$332.64
V44465	CLINICAL LABORATORY OF	05/14/2021	3390	420515131	WATER QLTY TEST APR21	\$1,652.00
CLINICAL LABORATORY OF					Total Check Amount:	\$1,652.00
V44466	CODING MINDS, INC	05/14/2021	29939	110404145	MINECRAFT/GAME DEV	\$560.00
CODING MINDS, INC					Total Check Amount:	\$560.00
V44467	CORE & MAIN LP	05/14/2021	27049	420515131	WATER METER+ENCODER	\$1,626.28
		05/14/2021	27049	420515131	WATER METER ENCODERS	\$2,419.53
CORE & MAIN LP					Total Check Amount:	\$4,045.81
V44468	CPS HR CONSULTING	05/14/2021	2971	110141481	RECRUITMENT SVCS	\$2,550.00
CPS HR CONSULTING					Total Check Amount:	\$2,550.00
V44469	NATHAN A. DARNELL	05/14/2021	14017	110212111	TRAINING EXPENSES	\$24.00
NATHAN A. DARNELL					Total Check Amount:	\$24.00
V44470	AMANDA DIAZ DBA PANACHE	05/14/2021	27402	110404541	ARTGALLERY CONS SALES	\$196.45
AMANDA DIAZ DBA PANACHE					Total Check Amount:	\$196.45
V44471	DOOLEY ENTERPRISES INC	05/14/2021	5421	110212131	AMMO (PATROL)	\$1,042.50
DOOLEY ENTERPRISES INC					Total Check Amount:	\$1,042.50
V44472	ERIN VAUGHAN ILLUSTRATION	05/14/2021	26610	110404541	ARTGALLERY CONS SALES	\$171.41
ERIN VAUGHAN ILLUSTRATION					Total Check Amount:	\$171.41
V44473	FIBER AND GLOSS LLC	05/14/2021	29673	110404541	ARTGALLERY CONS SALES	\$99.00

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<b>FIBER AND GLOSS LLC</b>						<b>Total Check Amount: \$99.00</b>
V44474	FIDELITY SECURITY LIFE INSURANCE	05/14/2021	23035	110	9827288 VISION MAY21	\$3,200.45
<b>FIDELITY SECURITY LIFE INSURANCE</b>						<b>Total Check Amount: \$3,200.45</b>
V44475	FILARSKY & WATT LLP	05/14/2021	2043	470141483	PROF LEGAL SVCS APR21	\$1,102.94
<b>FILARSKY &amp; WATT LLP</b>						<b>Total Check Amount: \$1,102.94</b>
V44476	DON GOLDEN	05/14/2021	10729	110000000	INSP SVCS 4/22-5/5	(\$4,889.25)
		05/14/2021	10729	840323241	INSP SVCS 4/22-5/5	\$13,833.00
<b>DON GOLDEN</b>						<b>Total Check Amount: \$8,943.75</b>
V44477	RAY GONZALEZ	05/14/2021	31019	110404424	SOFTBALL UMPIRE FEES	\$102.00
<b>RAY GONZALEZ</b>						<b>Total Check Amount: \$102.00</b>
V44478	GRAINGER	05/14/2021	13634	110212131	BATTERIES	\$69.82
<b>GRAINGER</b>						<b>Total Check Amount: \$69.82</b>
V44479	GABRIEL HANNAH	05/14/2021	17533	110404424	SOFTBALL UMPIRE FEES	\$102.00
<b>GABRIEL HANNAH</b>						<b>Total Check Amount: \$102.00</b>
V44480	ADAM C HAWLEY	05/14/2021	5028	110212111	BECOMING A POLICE CHF	\$138.00
<b>ADAM C HAWLEY</b>						<b>Total Check Amount: \$138.00</b>
V44481	HOUSING PROGRAMS	05/14/2021	26542	290323215	HSG REHAB MAR 2021	\$2,625.00
<b>HOUSING PROGRAMS</b>						<b>Total Check Amount: \$2,625.00</b>
V44482	INK LINK INC	05/14/2021	22423	110404215	FITNESS PROG PATCHES	\$217.66
<b>INK LINK INC</b>						<b>Total Check Amount: \$217.66</b>
V44483	JACKSON'S AUTO SUPPLY	05/14/2021	1143	490515151	HVAC BELTS	\$24.16
		05/14/2021	1143	480515161	AUTO SUPPLIES APR21	\$2,627.87
<b>JACKSON'S AUTO SUPPLY</b>						<b>Total Check Amount: \$2,652.03</b>
V44484	KEENAN & ASSOCIATES	05/14/2021	22439	470141483	2021 WORKERS' COMP #6	\$9,839.33
<b>KEENAN &amp; ASSOCIATES</b>						<b>Total Check Amount: \$9,839.33</b>
V44485	KELLY PAPER	05/14/2021	7039	110404541	PAPER	\$92.89
		05/14/2021	7039	110141441	PAPER	\$104.02
<b>KELLY PAPER</b>						<b>Total Check Amount: \$196.91</b>
V44486	KIMBALL MIDWEST	05/14/2021	23053	480515161	DRILL BITS	\$216.33
<b>KIMBALL MIDWEST</b>						<b>Total Check Amount: \$216.33</b>
V44487	KIMLEY-HORN AND ASSOCIATES, INC.	05/14/2021	26302	510707306	57/IMP HWY INT MAR21	\$7,525.54
<b>KIMLEY-HORN AND ASSOCIATES, INC.</b>						<b>Total Check Amount: \$7,525.54</b>
V44488	RYAN JOSEPH KLUG	05/14/2021	29363	110212111	BASIC MOTORCYCLE CRSE	\$356.00
<b>RYAN JOSEPH KLUG</b>						<b>Total Check Amount: \$356.00</b>
V44489	WILLIAM H KOFFMAN	05/14/2021	30608	110404541	ARTGALLERY CONS SALES	\$149.37
<b>WILLIAM H KOFFMAN</b>						<b>Total Check Amount: \$149.37</b>
V44490	MAHNAZ KOHSARI	05/14/2021	12368	475141471	APRIL 2021 MILEAGE	\$8.40
<b>MAHNAZ KOHSARI</b>						<b>Total Check Amount: \$8.40</b>

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V44491	KRONOS INCORPORATED	05/14/2021	22688	110222223	IVR SVC MAR 2021	\$23.10
<b>KRONOS INCORPORATED</b>					<b>Total Check Amount:</b>	<b>\$23.10</b>
V44492	DANYELL LAGRAFFE	05/14/2021	27892	110404541	ARTGALLERY CONS SALES	\$65.25
<b>DANYELL LAGRAFFE</b>					<b>Total Check Amount:</b>	<b>\$65.25</b>
V44493	MARION LEE	05/14/2021	29317	110404541	ARTGALLERY CONS SALES	\$262.46
<b>MARION LEE</b>					<b>Total Check Amount:</b>	<b>\$262.46</b>
V44494	LEHR	05/14/2021	26035	480	TAX ADJ:SPEAKERS	(\$0.92)
		05/14/2021	26035	480515161	750 REMOVE EQUIPMENT	\$475.00
		05/14/2021	26035	480515161	965 INSTALL SIREN	\$579.33
<b>LEHR</b>					<b>Total Check Amount:</b>	<b>\$1,053.41</b>
V44495	CHRISTINA LEONETTE	05/14/2021	28711	110404541	ARTGALLERY CONS SALES	\$186.90
<b>CHRISTINA LEONETTE</b>					<b>Total Check Amount:</b>	<b>\$186.90</b>
V44496	LINEGEAR	05/14/2021	23894	110222221	BOOTS (2 PR)	\$859.85
<b>LINEGEAR</b>					<b>Total Check Amount:</b>	<b>\$859.85</b>
V44497	DEBBIE MACLAURIN	05/14/2021	30609	110404541	ARTGALLERY CONS SALES	\$33.60
<b>DEBBIE MACLAURIN</b>					<b>Total Check Amount:</b>	<b>\$33.60</b>
V44498	CATHERINE MAGPAYO	05/14/2021	30610	110404541	ARTGALLERY CONS SALES	\$23.24
<b>CATHERINE MAGPAYO</b>					<b>Total Check Amount:</b>	<b>\$23.24</b>
V44499	TAWNY MCCANN	05/14/2021	27895	110404541	ARTGALLERY CONS SALES	\$61.60
<b>TAWNY MCCANN</b>					<b>Total Check Amount:</b>	<b>\$61.60</b>
V44500	THEA MERRITT	05/14/2021	29316	110404541	ARTGALLERY CONS SALES	\$29.40
<b>THEA MERRITT</b>					<b>Total Check Amount:</b>	<b>\$29.40</b>
V44501	EVE MARIE MOBLEY	05/14/2021	28356	110404541	ARTGALLERY CONS SALES	\$37.87
<b>EVE MARIE MOBLEY</b>					<b>Total Check Amount:</b>	<b>\$37.87</b>
V44502	NORDIC FOX DESIGN CO., LLC	05/14/2021	28087	110404541	ARTGALLERY CONS SALES	\$84.82
<b>NORDIC FOX DESIGN CO., LLC</b>					<b>Total Check Amount:</b>	<b>\$84.82</b>
V44505	ONWARD ENGINEERING	05/14/2021	22106	510707251	INSP SVCS MAR 2021	\$1,925.00
		05/14/2021	22106	510707430	INSP SVCS MARCH 2021	\$14,445.00
		05/14/2021	22106	510707457	CONST MGMT/INSP MAR21	\$3,740.00
		05/14/2021	22106	840515171	INSP SVCS FEB 2021	\$8,241.00
		05/14/2021	22106	840515171	INSP SVCS NOV 2020	\$201.00
		05/14/2021	22106	110000000	INSP SVCS FEB 2021	(\$1,556.00)
		05/14/2021	22106	840515171	INSP SVCS JAN 2021	\$4,958.00
		05/14/2021	22106	110000000		(\$36.00)
		05/14/2021	22106	110000000	INSP SVCS FEB 202	(\$24.00)
		05/14/2021	22106	510707251	INSP SVCS JAN 2021	\$3,685.00
		05/14/2021	22106	510707430	CONST MGMT MARCH 2021	\$2,730.00
		05/14/2021	22106	510707959	INSP SVCS MARCH 2021	\$3,025.00



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V44505	ONWARD ENGINEERING	05/14/2021	22106	840515171	INSP SVCS FEB 202	\$134.00
		05/14/2021	22106	110000000	INSP SVCS DEC 2020	(\$628.00)
		05/14/2021	22106	110000000	INSP SVCS JAN 2021	(\$908.00)
		05/14/2021	22106	110515171	INSP SVCS MAR 2021	\$385.00
		05/14/2021	22106	510707453	CONST MGMT/INSP MAR21	\$3,800.00
		05/14/2021	22106	840515171	INSP SVCS DEC 2020	\$3,450.50
<b>ONWARD ENGINEERING</b>					<b>Total Check Amount:</b>	<b>\$47,567.50</b>
V44506	PACIFIC TELEMAGEMENT SERVICES	05/14/2021	19696	475141471	7147920398 MAY 2021	\$75.00
<b>PACIFIC TELEMAGEMENT SERVICES</b>					<b>Total Check Amount:</b>	<b>\$75.00</b>
V44507	PELLETIER & ASSOCIATES	05/14/2021	25222	470141483	ERGONOMIC EVAL:GE	\$275.00
		05/14/2021	25222	470141483	ERGONOMIC EVAL RN/TS	\$550.00
<b>PELLETIER &amp; ASSOCIATES</b>					<b>Total Check Amount:</b>	<b>\$825.00</b>
V44508	SCARLET PEÑALOZA	05/14/2021	27890	110404541	ARTGALLERY CONS SALES	\$23.80
<b>SCARLET PEÑALOZA</b>					<b>Total Check Amount:</b>	<b>\$23.80</b>
V44509	QUARTECH CORRECTIONS LLC	05/14/2021	29933	950000000	ILAJAOC DEC ENH APR21	\$1,950.00
		05/14/2021	29933	950000000	ILJAOC BAIL MOTN DECL	\$9,225.00
		05/14/2021	29933	950000000	ILJAOC SW SUPP APR21	\$1,500.00
<b>QUARTECH CORRECTIONS LLC</b>					<b>Total Check Amount:</b>	<b>\$12,675.00</b>
V44510	RICHARDS, WATSON & GERSHON	05/14/2021	8978	510707929	189 LUCAS BLDRS MAR21	\$1,064.00
		05/14/2021	8978	911111112	0187 COVID-19 MAR21	\$171.00
		05/14/2021	8978	110404311	193 WVRO PETITION MAR	\$1,224.00
		05/14/2021	8978	420141421	0182 WTR RATES MAR21	\$2,606.88
<b>RICHARDS, WATSON &amp; GERSHON</b>					<b>Total Check Amount:</b>	<b>\$5,065.88</b>
V44511	MONICA RINCON	05/14/2021	27401	110404541	ARTGALLERY CONS SALES	\$228.81
<b>MONICA RINCON</b>					<b>Total Check Amount:</b>	<b>\$228.81</b>
V44512	RUST AND ROZE	05/14/2021	28714	110404541	ARTGALLERY CONS SALES	\$73.50
<b>RUST AND ROZE</b>					<b>Total Check Amount:</b>	<b>\$73.50</b>
V44513	SC FUELS	05/14/2021	16654	480515161	REG UNL ETH 3987 GALS	\$13,831.99
<b>SC FUELS</b>					<b>Total Check Amount:</b>	<b>\$13,831.99</b>
V44514	ROBERT SCHULTZ	05/14/2021	28354	110404541	ARTGALLERY CONS SALES	\$21.00
<b>ROBERT SCHULTZ</b>					<b>Total Check Amount:</b>	<b>\$21.00</b>
V44515	SITEONE LANDSCAPE SUPPLY, LLC	05/14/2021	25942	110515141	TOOLS	\$246.05
		05/14/2021	25942	110515143	IRRIGATION PARTS	\$120.48
		05/14/2021	25942	110515141	IRRIGATION PARTS	\$830.78
		05/14/2021	25942	110515148	IRRIGATION PARTS	\$31.95
		05/14/2021	25942	360515145	IRRIGATION PARTS	\$172.51
		05/14/2021	25942	110515144	IRRIGATION PARTS	\$271.01
<b>SITEONE LANDSCAPE SUPPLY, LLC</b>					<b>Total Check Amount:</b>	<b>\$1,672.78</b>



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V44516	SITMATIC	05/14/2021	24416	420141421	BLACK CHAIR	\$595.10
SITMATIC					Total Check Amount:	\$595.10
V44517	SMART & FINAL	05/14/2021	3269	110404217	COOKING CLUB SUPPLIES	\$59.95
SMART & FINAL					Total Check Amount:	\$59.95
V44518	STAGELIGHT FAMILY PRODUCTIONS	05/14/2021	7825	110404542	CHARLIE BROWN/LSH #2	\$4,131.00
STAGELIGHT FAMILY PRODUCTIONS					Total Check Amount:	\$4,131.00
V44519	SUPERIOR ALARM SYSTEMS	05/14/2021	11074	110404211	BCC ALARM PROGRAMMING	\$99.00
SUPERIOR ALARM SYSTEMS					Total Check Amount:	\$99.00
V44520	RITA TARRAB	05/14/2021	30770	110404541	ARTGALLERY CONS SALES	\$126.44
RITA TARRAB					Total Check Amount:	\$126.44
V44521	JACKIE TEMPLIN	05/14/2021	24802	110404541	ARTGALLERY CONS SALES	\$70.00
JACKIE TEMPLIN					Total Check Amount:	\$70.00
V44522	LAMARR LATAZE TINNIN	05/14/2021	19215	110212111	TRAINING MILEAGE	\$10.30
LAMARR LATAZE TINNIN					Total Check Amount:	\$10.30
V44523	TOWNSEND PUBLIC AFFAIRS, INC.	05/14/2021	18881	110111145	CONSULTING SVCS MAY21	\$1,250.00
		05/14/2021	18881	410111145	CONSULTING SVCS MAY21	\$1,250.00
		05/14/2021	18881	430111145	CONSULTING SVCS MAY21	\$1,250.00
		05/14/2021	18881	420111145	CONSULTING SVCS MAY21	\$1,250.00
TOWNSEND PUBLIC AFFAIRS, INC.					Total Check Amount:	\$5,000.00
V44524	TURBO DATA SYSTEMS, INC.	05/14/2021	1472	110212122	CITATION PROC APR21	\$336.02
		05/14/2021	1472	110212122	HH LEASE TPM APR 2021	\$193.95
TURBO DATA SYSTEMS, INC.					Total Check Amount:	\$529.97
V44525	JORDAN TYSON	05/14/2021	27893	110404541	ARTGALLERY CONS SALES	\$49.70
JORDAN TYSON					Total Check Amount:	\$49.70
V44526	UNDERGROUND SERVICE ALERT/SC	05/14/2021	4537	420515131	UGTICKETS SEWER APR21	\$313.60
		05/14/2021	4537	420515131	DSB FEE 5/1/2021	\$70.95
		05/14/2021	4537	420515131	UGTICKETS WATER APR21	\$161.80
UNDERGROUND SERVICE ALERT/SC					Total Check Amount:	\$546.35
V44527	UNICORN CRAFTS	05/14/2021	27894	110404541	ARTGALLERY CONS SALES	\$114.10
UNICORN CRAFTS					Total Check Amount:	\$114.10
V44528	US BANK XX0338 CITY MGR	05/14/2021	24704	110111151	CALCARD MS 042221	\$177.21
		05/14/2021	24704	110	CALCARD MS 042221	\$323.82
		05/14/2021	24704	110111111	CALCARD MS 042221	\$3,796.94
		05/14/2021	24704	110111143	CALCARD MS 042221	\$328.70
US BANK XX0338 CITY MGR					Total Check Amount:	\$4,626.67
V44529	US BANK XX0312 HR	05/14/2021	24776	110141481	CALCARD HR 042221	\$2,166.30
US BANK XX0312 HR					Total Check Amount:	\$2,166.30
V44531	US BANK XX0593 COMM SVC	05/14/2021	24777	110	CALCARD CS ST 042221	(\$23.89)

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V44531	US BANK XX0593 COMM SVC	05/14/2021	24777	110	CALCARD-CP-042221	\$95.17
		05/14/2021	24777	110111143	CALCARD-MM-042221	\$154.38
		05/14/2021	24777	110404217	CALCARD-VU-042221	\$84.76
		05/14/2021	24777	110404311	CALCARD-JM-042221	\$157.68
		05/14/2021	24777	110404422	CALCARD-BH-042221	\$300.00
		05/14/2021	24777	110404425	CALCARD-SS-042221	\$242.73
		05/14/2021	24777	110404521	CALCARD-NG-042221	\$68.94
		05/14/2021	24777	110404541	CALCARD-HB-042221	\$241.19
		05/14/2021	24777	110404542	CALCARD-NY-042221	\$22.97
		05/14/2021	24777	110	CALCARD-NY-042221	\$5.99
		05/14/2021	24777	110404215	CALCARD-AC-042221	\$287.46
		05/14/2021	24777	110404311	CALCARD-LT-042221	\$12.00
		05/14/2021	24777	110404311	CALCARD-RH-042221	\$274.93
		05/14/2021	24777	110404311	CALCARD-SM-042221	(\$129.00)
		05/14/2021	24777	110404521	CALCARD-FL-042221	\$626.00
		05/14/2021	24777	110404542	CALCARD-EF-042221	\$168.40
		05/14/2021	24777	110404211	CALCARD-NA-042221	\$465.00
		05/14/2021	24777	110404215	CALCARD-DA-042221	\$2,412.41
		05/14/2021	24777	110404311	CALCARD-KS-042221	\$341.74
		05/14/2021	24777	110404523	CALCARD-CP-042221	\$326.67
		05/14/2021	24777	110404542	CALCARD-HB-042221	\$45.08
		05/14/2021	24777	110	CALCARD-HB-042221	(\$2,100.14)
		05/14/2021	24777	110404421	CALCARD-KS-042221	\$575.88
		05/14/2021	24777	110404429	CALCARD-VU-042221	\$477.77
		05/14/2021	24777	110404521	CALCARD-KM-042221	\$67.74
		05/14/2021	24777	110404542	CALCARD-KK-042221	\$1,312.57
<b>US BANK XX0593 COMM SVC</b>					<b>Total Check Amount:</b>	<b>\$6,514.43</b>
V44532	US BANK XX0502 COMM & MKTG	05/14/2021	24778	110111151	CALCARD CMKT 042221	\$10.00
		05/14/2021	24778	110111143	CALCARD CMKT 042221	\$53.86
		05/14/2021	24778	110111152	CALCARD CMKT 042221	\$81.61
<b>US BANK XX0502 COMM &amp; MKTG</b>					<b>Total Check Amount:</b>	<b>\$145.47</b>
V44533	US BANK XX0353 COMM DEV	05/14/2021	24779	110323231	CALCARD CD 042221	\$174.84
		05/14/2021	24779	110323241	CALCARD CD 042221	\$240.68
		05/14/2021	24779	110	CALCARD CD 042221	(\$114.19)
<b>US BANK XX0353 COMM DEV</b>					<b>Total Check Amount:</b>	<b>\$301.33</b>
V44534	US BANK XX0270 ADMIN SVCS	05/14/2021	24781	110111161	CALCARD CCLK 042221	\$759.55
		05/14/2021	24781	110404311	CALCARD ASFIN 042221	\$83.55

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V44534	US BANK XX0270 ADMIN SVCS	05/14/2021	24781	911212121	CALCARD ASFIN 042221	\$20.25
		05/14/2021	24781	110141411	CALCARD ASFIN 042221	\$29.80
		05/14/2021	24781	490515151	CALCARD ASFIN 042221	\$3,744.32
		05/14/2021	24781	110141441	CALCARD ASFIN 042221	\$631.44
<b>US BANK XX0270 ADMIN SVCS</b>						<b>Total Check Amount:</b>
						<b>\$5,268.91</b>
V44535	US BANK XX0650 FIRE	05/14/2021	24782	110222211	CALCARD FIRE 042221	\$679.82
		05/14/2021	24782	110222221	CALCARD FIRE 042221	\$65.38
		05/14/2021	24782	110222223	CALCARD FIRE 042221	\$819.09
		05/14/2021	24782	480515161	CALCARD FIRE 042221	\$342.30
		05/14/2021	24782	110	CALCARD FIRE 042221	(\$1.28)
		05/14/2021	24782	110222231	CALCARD FIRE 042221	\$134.67
		05/14/2021	24782	174222222	CALCARD FIRE 042221	\$370.47
<b>US BANK XX0650 FIRE</b>						<b>Total Check Amount:</b>
						<b>\$2,410.45</b>
V44536	US BANK XX0346 IT	05/14/2021	24783	110404154	CALCARD IT 042221	\$160.62
		05/14/2021	24783	911141471	CALCARD IT 042221	\$551.86
		05/14/2021	24783	110404421	CALCARD IT 042221	\$243.60
		05/14/2021	24783	110515125	CALCARD IT 042221	\$190.74
		05/14/2021	24783	460141474	CALCARD IT 042221	\$1,683.79
		05/14/2021	24783	475141471	CALCARD IT 042221	\$1,089.56
		05/14/2021	24783	110212111	CALCARD IT 042221	\$227.94
		05/14/2021	24783	280323215	CALCARD IT 042221	\$25.00
<b>US BANK XX0346 IT</b>						<b>Total Check Amount:</b>
						<b>\$4,173.11</b>
V44538	US BANK XX0221 PW	05/14/2021	24784	110515121	CALCARD PW 042221	\$477.14
		05/14/2021	24784	110515142	CALCARD PW 042221	\$117.39
		05/14/2021	24784	430515123	CALCARD PW 042221	\$4,757.74
		05/14/2021	24784	110	CALCARD PW ST 042221	(\$8.44)
		05/14/2021	24784	343515112	CALCARD PW 042221	\$120.09
		05/14/2021	24784	911515151	CALCARD PW 042221	\$1,051.88
		05/14/2021	24784	360515145	CALCARD PW 042221	\$68.80
		05/14/2021	24784	410515124	CALCARD PW 042221	\$135.70
		05/14/2021	24784	480515161	CALCARD PW 042221	\$2,225.83
		05/14/2021	24784	110515125	CALCARD PW 042221	\$1,317.49
		05/14/2021	24784	110515148	CALCARD PW 042221	\$523.39
		05/14/2021	24784	510707958	CALCARD PW 042221	\$30.00
		05/14/2021	24784	110222221	CALCARD PW 042221	\$4.08
		05/14/2021	24784	110515141	CALCARD PW 042221	\$145.42
		05/14/2021	24784	420515131	CALCARD PW 042221	\$450.00

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V44538	US BANK XX0221 PW	05/14/2021	24784	490515151	CALCARD PW 042221	\$2,675.84
		05/14/2021	24784	490515152	CALCARD PW 042221	\$202.15
<b>US BANK XX0221 PW</b>					<b>Total Check Amount:</b>	<b>\$14,294.50</b>
V44539	US BANK XX0544 POLICE	05/14/2021	24785	480515161	CALCARD PD 042221	\$892.89
		05/14/2021	24785	911212131	CALCARD PD 042221	\$79.19
		05/14/2021	24785	110212111	CALCARD PD 042221	\$1,473.72
		05/14/2021	24785	110212121	CALCARD PD 042221	\$474.09
		05/14/2021	24785	110212133	CALCARD PD 042221	\$136.60
		05/14/2021	24785	110141481	CALCARD PD 042221	\$267.43
		05/14/2021	24785	110212131	CALCARD PD 042221	\$6,662.62
		05/14/2021	24785	110212134	CALCARD PD 042221	\$53.44
		05/14/2021	24785	110	CALCARD PD 042221	(\$101.46)
		05/14/2021	24785	110212122	CALCARD PD 042221	\$20.26
<b>US BANK XX0544 POLICE</b>					<b>Total Check Amount:</b>	<b>\$9,958.78</b>
V44540	US BANK XX3401 PW- ADMIN	05/14/2021	24786	410515132	CALCARD PWA 042221	\$21.54
		05/14/2021	24786	110515111	CALCARD PWA 042221	\$171.75
		05/14/2021	24786	110515141	CALCARD PWA 042221	\$120.87
<b>US BANK XX3401 PW- ADMIN</b>					<b>Total Check Amount:</b>	<b>\$314.16</b>
V44541	WESTERN GOLF PROPERTIES, LLC	05/14/2021	29071	465515149	BIRCH HLLS MGMT APR21	\$142,875.00
		05/14/2021	29071	465515149	BREA CREEK MGMT APR21	\$58,909.00
<b>WESTERN GOLF PROPERTIES, LLC</b>					<b>Total Check Amount:</b>	<b>\$201,784.00</b>
V44542	WILLDAN ENGINEERING	05/14/2021	12445	510707311	INSP SVCS THRU 11/27	\$8,958.14
		05/14/2021	12445	510707464	CM/INSP SVCS 2/26	\$3,478.45
		05/14/2021	12445	510707311	CM/INSP SVCS 2/26	\$7,410.47
		05/14/2021	12445	510707453	INSP SVCS THRU 11/27	\$5,118.96
		05/14/2021	12445	510707459	CONST MGMT SVCS 2/26	\$15,291.93
		05/14/2021	12445	510707453	CM/INSP SVCS 2/26	\$4,234.58
		05/14/2021	12445	510707459	CONST MGMT SVCS 1/29	\$15,863.24
		05/14/2021	12445	510707460	CONST MGMT SVCS 1/29	\$10,103.76
		05/14/2021	12445	510707460	CONST MGMT SVCS 2/26	\$9,723.07
		05/14/2021	12445	510707464	INSP SVCS THRU 11/27	\$4,204.90
<b>WILLDAN ENGINEERING</b>					<b>Total Check Amount:</b>	<b>\$84,387.50</b>
					<b>Voucher Subtotal</b>	<b>\$987,725.55</b>

**TOTAL \$1,275,614.39**