



Finance Committee

Tuesday, November 29, 2022

8:30 a.m.

Executive Conference Room and via Zoom
Brea Civic & Cultural Center

MEMBERS: Council Member Christine Marick and Council Member Marty Simonoff
ALTERNATE: Mayor Cecilia Hupp

The Finance Committee meeting will be held on November 29, 2022 at 8:30 a.m. and the public is welcome to participate. To provide comments in person, the Executive Conference Room will be open to a limited number of members from the public. To provide comments by teleconference (Zoom), members of the public must contact City Staff at (714) 990-7676 or arlenem@cityofbrea.net no later than 12:00 p.m. Monday, November 28, 2022 to obtain the Zoom information. Participants will be muted until recognized at the appropriate time by the Committee. Written comments may be sent to the Administrative Services Department at arlenem@cityofbrea.net no later than 12:00 p.m. on Monday, November 28, 2022. Any comments received via email will be summarized aloud into record at the meeting.

The Finance Committee agenda packet can be viewed on the City of Brea website at: <https://www.ci.brea.ca.us/509/Meeting-Agendas-Minutes>. Hard copies of the agenda packet are available via USPS with proper notice by calling (714) 990-7676. Materials related to an item on the agenda submitted to the Finance Committee after distribution of the agenda packet are available for public inspection during normal business hours in the Administrative Services Department located on the third floor of the Civic & Cultural Center at 1 Civic Center Circle, Brea, CA 92821. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

CALL TO ORDER / ROLL CALL

1. Matters from the Audience

CONSENT

2. October 25, 2022 and November 8, 2022 Finance Committee Regular Meeting Minutes - Approve.

Attachments

Draft Minutes 10-25-2022

Draft Minutes 11-08-2022

DISCUSSION

3. **Orange County Transportation Authority Annual Measure M2 Expenditure Report** - Adopt Resolution concerning the Measure M expenditure report. Authorize staff to amend the Orange County Transportation Authority (OCTA) Measure M2 7-Year Capital Improvement Program for Fiscal Years 2022-23 through 2028-29 to include CIP 7251, SR-57 Freeway/Lambert Road Interchange Project.

Attachments

Resolution

Annual M2 Expenditure Report

4. **Annual Development Impact Fee Report and Five Year Findings for Fiscal Year Ended June 30, 2022** - Receive and file.

Attachments

Annual Report

Five Year Findings Report

5. **Approve Purchase and Replacement of Voice Logger System in Police Dispatch** - Staff recommend appropriating \$62,000 from the City's General Fund Operating Budget for FY 2022-23 to purchase a replacement voice logger system for Police Dispatch; and enter into a purchase order with Capture Technologies, Inc. for the purchase and replacement of the voice logger system.

Attachments

Quote

6. **City iPad Replacement Purchase** - Authorize the City's Procurement and Contracts Administrator, or designee, to provide a Purchase Order for the replacement of existing City iPads.

Attachments

Quote 1 - GCI

Quote 2 - CDWG

Quote 3 - Apple Store

7. **Budget Adjustments to the City Operating and Capital Improvement Program Budgets for Fiscal Year 2021-22** - Adopt the attached resolutions appropriating funds to adjust the Fiscal Year 2021-22 City Operating and Capital Improvement Program Budgets.

Attachments

Resolution - City

City - Exhibit A

Resolution - CIP

CIP - Exhibit A

8. **Lease and Maintenance of Digital Printing/Copying Equipment** - Issue annual purchase orders and execute lease and maintenance agreements with Xerox Corporation for a total cost of \$175,591 based on a 60-month lease of digital printing/copying equipment including as-needed print charges.

Attachments

Equipment Recommendation

Agreement (D110)

Agreement (VR280)

9. Schedule Next Meeting: December 13, 2022

cc: Mayor Pro Tem Glenn Parker and Council Member Steven Vargas

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)

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 11/29/2022

SUBJECT: October 25, 2022 and November 8, 2022 Finance Committee Regular Meeting Minutes

RECOMMENDATION

Approve.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Kristin Griffith, Director of Administrative Services

Attachments

Draft Minutes 10-25-2022

Draft Minutes 11-08-2022



DRAFT FINANCE COMMITTEE MINUTES

Tuesday, October 25, 2022

8:30 AM

Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

CALL TO ORDER / ROLL CALL

ATTENDEES: Council Member Christine Marick, Council Member Marty Simonoff, Kristin Griffith, Michael Ho, Faith Madrazo, Will Wenz and Alicia Brenner.

1. **Matters from the Audience - None**

CONSENT

2. **October 11, 2022 Finance Committee Regular Meeting Minutes – Approved**

DISCUSSION

3. **Professional Services Agreement (PSA) with Bucknam Infrastructure Group, Inc. for Biennial Pavement Management Plan Update and Inspection – *Committee discussed item and recommended to clarify the term language (section 2; subsection B.) in the agreement that the agreement may not be extended except by written amendment executed by CONTRACTOR and the City Council. Item recommended for City Council approval.***
4. **Schedule Next Meeting: Tuesday, November 8, 2022**

Meeting adjourned: 8:31 AM



DRAFT FINANCE COMMITTEE MINUTES

**Tuesday, November 8, 2022
8:30 AM**

Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

CALL TO ORDER / ROLL CALL

Meeting cancelled due to lack of quorum

1. **Matters from the Audience**

CONSENT

2. **October 25, 2022 Finance Committee Regular Meeting Minutes**

DISCUSSION

3. **Authorize Mayor to Execute Electric Vehicle Charging Station License Agreement with Carbon Solutions Group LLC**
4. **Police Department Recruiting and Hiring Incentives**
5. **Schedule Next Meeting: Tuesday, November 29, 2022**

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 11/29/2022

SUBJECT: Orange County Transportation Authority Annual Measure M2 Expenditure Report

RECOMMENDATION

Adopt Resolution concerning the Measure M expenditure report. Authorize staff to amend the Orange County Transportation Authority (OCTA) Measure M2 7-Year Capital Improvement Program for Fiscal Years 2022-23 through 2028-29 to include CIP 7251, SR-57 Freeway/Lambert Road Interchange Project.

BACKGROUND/DISCUSSION

On November 7, 2006, voters approved Renewed Measure M, which is commonly referred to as M2. M2 is a 30-year program extension of the original Measure M (1991-2011) to fund countywide transportation facility and service improvements by transactions and use tax of one-half of one percent (1/2%). M2 requires that each jurisdiction adopt an annual expenditure report to account for funds expended that satisfy the Measure M Maintenance of Effort (MOE) requirement and expenditures of all activities funded with M2 revenues within six (6) months of the jurisdiction's fiscal year-end.

Each year, the City must provide specific documentation to the Orange County Transportation Authority (OCTA) in order to maintain Measure M2 eligibility for local fair share and competitive grant funding. OCTA is the local transportation authority responsible for administering proceeds of the M2 sales tax. The City of Brea routinely applies for competitive funding through the Comprehensive Transportation Funding Program (CTFP), which is a component of M2. The CTFP brings a number of competitive grant programs through M2 under one set of procedures and guidelines. M2 funds enable the City to undertake significant capital projects that improve the transportation and circulation system in Brea.

To maintain eligibility to receive Measure M2 sales tax revenue, the City is required to submit annual documentation on its transportation related programs to OCTA. The submittal for Fiscal Year 2022-23 required documentation including the submittal of an Eligibility Checklist & Certification, the 7-Year Capital Improvement Program (CIP) Budget presented in OCTA OC Fundtracker format, the staff report and minutes for City Council adoption of the 7-Year CIP, a Maintenance of Effort (MOE) Documentation & Certification, and Letter regarding Transit/Non-Motorized Transportation in the General Plan.

The City's Measure M2 Eligibility Submittal Package for Fiscal Year 2022-23 was approved

by the City Council at the June 21, 2022, meeting, and staff completed the submittal to OCTA. The City's Measure M2 Eligibility Submittal Package was subsequently reviewed by OCTA, where it was identified that CIP 7251, the SR-57 Freeway/Lambert Road Interchange Project, would need to be added to the 7-Year CIP Budget as the project has not yet been completed, as the project schedule has been extended by the lead agency. Amending the OCTA Measure M2 7-Year CIP allows all projects on the M2 7-Year CIP to be eligible to receive Measure M2 funding.

As mentioned previously, this Measure M2 Expenditure Report is required to be submitted within six (6) months of year-end to complete our eligibility requirements. OCTA staff has reviewed a draft of this report and all attachments and provided preliminary approval. By adopting this resolution, the City will maintain its compliance with this requirement.

SUMMARY/FISCAL IMPACT

Continued compliance with the M2 Maintenance of Effort requirement will enable the City of Brea to continue being eligible for Local Fair Share and competitive grant funding. The annual submittal of the Measure M2 Eligibility Submittal Package to the Orange County Transportation Authority (OCTA) is required to confirm the City's ability to receive Measure M2 sales tax revenue funds. Approval of the recommended action will satisfy these requirements for Fiscal Year 2022-23. This action has no negative impact to the General Fund.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Wade Whitman, Management Analyst

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

Ryan Chapman, P.E., Assistant City Engineer

Attachments

Resolution

Annual M2 Expenditure Report

RESOLUTION NO. 2022-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA, CONCERNING THE MEASURE M2 (M2) EXPENDITURE REPORT FOR THE CITY OF BREA

A. RECITALS:

(i) Whereas, local jurisdictions are required to meet eligibility requirements and submit eligibility verification packages to the Orange County Transportation Authority (OCTA) in order to remain eligible to receive M2 funds; and

(ii) Local jurisdictions are required to adopt an annual M2 Expenditure Report as part of one of the eligibility requirements; and

(iii) Local jurisdictions are required to account for Net Revenues, developer/traffic impact fees, and funds expended by local jurisdiction in the M2 Expenditure Report that satisfy the Maintenance of Effort requirements; and

(iv) The M2 Expenditure Report shall include all Net Revenue fund balances, interest earned and expenditures identified by type and program or project; and

(v) The M2 Expenditure Report must be adopted and submitted to the OCTA each year within six months of the end of the local jurisdiction's fiscal year to be eligible to receive Net Revenues as part of M2.

B. RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Brea does hereby inform OCTA that:

1. The M2 Expenditure Report is in conformance with the template provided in the Measure M2 Eligibility Guidelines and accounts for Net Revenues including interest earned, expenditures during the fiscal year, and balances at the end of fiscal year.

2. The M2 Expenditure Report is hereby adopted by the City of Brea.

3. The City of Brea Administrative Services Director is hereby authorized to sign and submit the M2 Expenditure Report to OCTA for the fiscal year ending June 30, 2022

PASSED, APPROVED AND ADOPTED this 6th day of December 2022.

Cecilia Hupp, 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 6th day of December 2022, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAINED: COUNCIL MEMBERS:

Dated: _____

Lillian Harris-Neal, City Clerk

M2 Expenditure Report Fiscal Year Ended June 30, 2022 Beginning and Ending Balances

Description	Line No.	Amount	Interest
Balances at Beginning of Fiscal Year			
A-M Freeway Projects	1	\$ -	\$ -
O Regional Capacity Program (RCP)	2	\$ 1,455,415.00	\$ 103,116
P Regional Traffic Signal Synchronization Program (RTSSP)	3	\$ (22,092.00)	\$ -
Q Local Fair Share	4	\$ 1,281,914.00	\$ 180,263
R High Frequency Metrolink Service	5	\$ -	\$ -
S Transit Extensions to Metrolink	6	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	8	\$ 56,045.00	\$ 1,147
V Community Based Transit/Circulators	9	\$ -	\$ -
W Safe Transit Stops	10	\$ -	\$ -
X Environmental Cleanup Program (Water Quality)	11	\$ -	\$ -
Other*	12	\$ -	\$ -
Balances at Beginning of Fiscal Year	13	\$ 2,771,282.00	\$ 284,526
Monies Made Available During Fiscal Year	14	\$ 1,262,799.55	\$ 76,012
Total Monies Available (Sum Lines 13 & 14)	15	\$ 4,034,081.55	\$ 360,538
Expenditures During Fiscal Year	16	\$ 2,964,916.23	\$ -
Balances at End of Fiscal Year			
A-M Freeway Projects	17	\$ -	\$ -
O Regional Capacity Program (RCP)	18	\$ (106,361.32)	\$ 158,712
P Regional Traffic Signal Synchronization Program (RTSSP)	19	\$ (60,278.08)	\$ -
Q Local Fair Share	20	\$ 1,174,623.04	\$ 199,949
R High Frequency Metrolink Service	21	\$ -	\$ -
S Transit Extensions to Metrolink	22	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	23	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	24	\$ 61,181.68	\$ 1,877
V Community Based Transit/Circulators	25	\$ -	\$ -
W Safe Transit Stops	26	\$ -	\$ -
X Environmental Cleanup Program (Water Quality)	27	\$ -	\$ -
Other*	28	\$ -	\$ -

* Please provide a specific description

M2 Expenditure Report
Fiscal Year Ended June 30, 2022
Sources and Uses

Description	Line No.	Amount	Interest
Revenues:			
A-M Freeway Projects	1	\$ -	\$ -
O Regional Capacity Program (RCP)	2	\$ -	\$ 55,596
P Regional Traffic Signal Synchronization Program (RTSSP)	3	\$ -	\$ -
Q Local Fair Share	4	\$ 1,205,653	\$ 19,686
R High Frequency Metrolink Service	5	\$ -	\$ -
S Transit Extensions to Metrolink	6	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	7	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	8	\$ 57,147	\$ 730
V Community Based Transit/Circulators	9	\$ -	\$ -
W Safe Transit Stops	10	\$ -	\$ -
X Environmental Cleanup Program (Water Quality)	11	\$ -	\$ -
Other*	12	\$ -	\$ -
TOTAL REVENUES (Sum lines 1 to 12)	13	\$ 1,262,800	\$ 76,012
Expenditures:			
A-M Freeway Projects	14	\$ -	\$ -
O Regional Capacity Program (RCP)	15	\$ 1,561,776	\$ -
P Regional Traffic Signal Synchronization Program (RTSSP)	16	\$ 38,186	\$ -
Q Local Fair Share	17	\$ 1,312,944	\$ -
R High Frequency Metrolink Service	18	\$ -	\$ -
S Transit Extensions to Metrolink	19	\$ -	\$ -
T Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems	20	\$ -	\$ -
U Senior Mobility Program or Senior Non-Emergency Medical Program	21	\$ 52,010	\$ -
V Community Based Transit/Circulators	22	\$ -	\$ -
W Safe Transit Stops	23	\$ -	\$ -
X Environmental Cleanup Program (Water Quality)	24	\$ -	\$ -
Other*	25	\$ -	\$ -
TOTAL EXPENDITURES (Sum lines 14 to 25)	26	\$ 2,964,916	\$ -
TOTAL BALANCE (Subtract line 26 from 13)	27	\$ (1,702,117)	\$ 76,012

* Please provide a specific description

M2 Expenditure Report
Fiscal Year Ended June 30, 2022
Streets and Roads Detailed Use of Funds

Type of Expenditure	Line No.	MOE	Developer / Impact Fees*	O	O Interest	P	P Interest	Q	Q Interest	X	X Interest	Other M2 ²	Other M2 Interest	Other*	TOTAL
Indirect and/or Overhead	1	\$ -	\$ 67,364	\$ 65,053	\$ -	\$ 3,161	\$ -	\$ 13,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,658
Construction & Right-of-Way															
New Street Construction	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Reconstruction	3	\$ -	\$ 202,020	\$ 1,496,723	\$ -	\$ -	\$ -	\$ 345,038	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,043,781
Signals, Safety Devices, & Street Lights	4	\$ -	\$ -	\$ -	\$ -	\$ 35,025	\$ -	\$ 933,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 968,845
Pedestrian Ways & Bikepaths	5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Drains	6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Damage	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Construction¹	8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Right of Way Acquisition	9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Construction & Right-of-Way	10	\$ -	\$ 202,020	\$ 1,496,723	\$ -	\$ 35,025	\$ -	\$ 1,278,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,012,626
Maintenance															
Patching	11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Overlay & Sealing	12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Street Lights & Traffic Signals	13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Damage	14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Street Purpose Maintenance	15	\$ 1,367,404	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,367,404
Total Maintenance¹	16	\$ 1,367,404	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,367,404
Other	17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,010	\$ -	\$ -	\$ 52,010
GRAND TOTALS (Sum Lines 1, 10, 16, 17)	18	\$ 1,367,404	\$ 269,384	\$ 1,561,776	\$ -	\$ 38,186	\$ -	\$ 1,291,938	\$ -	\$ -	\$ -	\$ 52,010	\$ -	\$ -	\$ 4,580,698
Finance Director Confirmation	19	Any California State Constitution Article XIX streets and road eligible expenditure may be "counted" in local jurisdictions' calculation of MOE if the activity is supported (funded) by a local jurisdictions' discretionary funds (e.g. general fund). The California State Controller also provides useful information on Article XIX and the Streets and Highways Code eligible expenditures in its "Guidelines Relating to Gas Tax Expenditures for Cities and Counties". I have reviewed and am aware of these guidelines and their applicability in calculating and reporting on Maintenance of Effort expenditures. Finance Director initial: _____													

¹ Includes direct charges for staff time
² Other M2 includes A-M, R,S,T,U,V, and W
 + Transportation related only
 * Please provide a specific description

Legend

Project	Description
A-M	Freeway Projects
O	Regional Capacity Program (RCP)
P	Regional Traffic Signal Synchronization Program (RTSSP)
Q	Local Fair Share
R	High Frequency Metrolink Service
S	Transit Extensions to Metrolink
T	Convert Metrolink Station(s) to Regional Gateways that connect Orange County with High-Speed Rail Systems
U	Senior Mobility Program or Senior Non-Emergency Medical Program
V	Community Based Transit/Circulators
W	Safe Transit Stops
X	Environmental Cleanup Program (Water Quality)

**M2 Expenditure Report
Fiscal Year Ended June 30, 2022
Local Fair Share Project List**

PROJECT NAME	AMOUNT EXPENDED
Administrative	\$ 13,079.02
Traffic Signal Controller Upgrades - 7218	\$ 2,630.40
Citywide Slurry Seal Program - 7312	\$ 198,493.47
Country Hills Pavement & Water - 7322	\$ 731,070.62
Country Lane Street Rehabilitation - 7323	\$ 3,626.30
Pleasant Hills - 7457	\$ 26,172.05
S. Brea Water Mains - 7466	\$ 316,235.77
Regulatory Sign Replace - 7702	\$ 630.00
	\$ 1,291,937.63

**M2 Expenditure Report
Fiscal Year Ended June 30, 2022**

I hereby certify that:

All the information attached herein and included in schedules 1 through 4 is true and accurate to the best of my knowledge;

The interest earned on Net Revenues allocated pursuant to the Ordinance shall be expended only for those purposes for which the Net Revenues were allocated;

The City/County of _____ is aware of the State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties”, which is a guide for determining MOE Expenditures for M2 Eligibility purposes;

The City/County’s Expenditure Report is in compliance with direction provided in the State Controller’s “Guidelines Relating to Gas Tax Expenditures for Cities and Counties;” and

The City/County of _____ has expended in this fiscal year an amount of local discretionary funds for streets and roads purposes at least equal to one of the maintenance of effort requirements below¹⁰:

A) The City/County met the existing FY 2021-22 MOE benchmark dollar amount.

B) The City/County met a proportional MOE benchmark amount of FY 2021-22 General Funds Revenues that is at least equal to the percent listed in column C of Exhibit 2 in the M2 Eligibility Guidelines.¹³

Director of Finance (Print Name)

Date

Signature

¹³ An Actual General Fund Revenue excerpt from a jurisdiction's Annual Comprehensive Finance Report (ACFR) must be provided as backup documentation.

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 11/29/2022

SUBJECT: Annual Development Impact Fee Report and Five Year Findings for Fiscal Year Ended June 30, 2022

RECOMMENDATION

Receive and file.

BACKGROUND/DISCUSSION

The City Council established and adopted various Development Impact Fees in 1995 to pay for necessary infrastructure improvements, as well as infrastructure needed to support new development projects within Brea. These included Water, Traffic, Fire and Dispatch Impact Fees. An annual review of fees occurs with the budget process, with fee updates made as governed by the terms of the applicable impact fee ordinance or resolution.

Government Code § 66006, commonly referred to as AB1600, requires municipalities that impose Development Impact Fees undertake an annual accounting of such fees within 180 days after the close of the fiscal year and make this report available to the public. The report is to provide the beginning and ending balances for the fiscal year, the fees, interest income, expenditures, and any refunds pursuant to Government Code § 66001(f). In addition, for the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the City is required to make all findings with respect to that portion of the account or fund remaining unexpended. All Development Impact Fees collected by the City of Brea are committed to capital projects or to finance infrastructure improvements.

Some of the needs for capital facilities to accommodate new growth identified during past impact fee nexus studies have been addressed by completing capital projects and purchasing specified equipment and facilities. Many of the Traffic and Water system improvements identified as necessary to accommodate future growth in the City have not been completed. The capital improvement program to meet those needs continues to make progress annually.

SUMMARY/FISCAL IMPACT

Traffic, Water, Dispatch and Fire Impact Fees have realized revenues and incurred expenditures as detailed in the Annual Report for Fiscal Year ended June 30, 2022. This item has no General Fund impact.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Wade Whitman, Management Analyst

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

Ryan Chapman, P.E., Assistant City Engineer

Attachments

Annual Report

Five Year Findings Report

**CITY OF BREA
DEVELOPMENT IMPACT FEE PROGRAM**

Annual Report

Fiscal Year Ended June 30, 2022

Prepared on 11/16/22

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

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

District Fee Area	Pressure Zone	Fee	Unit of Fee
District #1	All Zones	\$551	Per 1" Meter Equivalent
District #2	Zone 790 & Below	\$4,237	Per 1" Meter Equivalent
District #2	Zone 900	\$31,520	Per 1" Meter Equivalent
District #2	Zone 1050 & Above	\$114,644	Per 1" Meter Equivalent
District #3	Zone 790 & Below	\$551	Per 1" Meter Equivalent
District #3	Zone 1000	\$23,061	Per 1" Meter Equivalent
District #3	Zone 1200	\$25,015	Per 1" Meter Equivalent
District #3	Zone 1400 & Above	\$25,015	Per 1" Meter Equivalent

The beginning balance was \$1,130,667.55 and the ending balance was \$1,145,792.53. The fees collected were \$11,059 and the interest earned was \$15,778.14.

For fiscal year 2021-22, \$11,577.90 was spent on administrative/operational costs and there were project expenditures of \$134.26 on CIP 7932, which is the City Reclaimed Water Conversion Project. There are \$9,005 of funds appropriated for capital projects in FY 2022-23 and the remainder of funds available are planned to be committed to CIP 7474, which is the AMR (Meter Reading) Upgrade to AMI project.

Traffic Impact Fees (Fund 540) was established to offset new traffic impacts and finance construction of new traffic improvements caused by new development projects within Brea, including areas within its sphere of influence.

Land Use Category	Fee	Unit of Fee
Low Density Residential (Up to 6 d.u. per acre)	\$1,974	Per Dwelling Unit
Medium Density Residential (7 to 12 d.u. per acre)	\$1,453	Per Dwelling Unit
High Density Residential (13 d.u. per acre & over)	\$1,203	Per Dwelling Unit
Commercial, General and Mixed Use	\$2.35	Per Gross Square Foot
Regional Commercial	\$2.24	Per Gross Square Foot
Office/Industrial	\$1.25	Per Gross Square Foot
School	\$0	Per Student
Other	\$89	Per Trip End

The beginning balance in this fund was \$5,356,256.24 for the fiscal year with an ending balance of \$5,684,089.03. The fees collected were \$535,877.55, the interest earned was \$66,459.35 and there were miscellaneous revenues of \$34,347.72. There are \$3,898,458.26 of funds appropriated for eligible capital projects in FY 2022-23 and remainder of funds available have been committed to future projects in the City's Seven-Year Capital Improvement Program. There were no funds uncommitted.

For fiscal year 2021-22, \$106,832.09 was spent on administrative/operational costs and \$202,019.74 was spent on project expenditures. The project expenditures were as follows:

<u>Project</u>		<u>Expenditures</u>
Project 7251	SR-57 Freeway/Lambert Road Interchange	\$131.25
Project 7278	Imperial Hwy. and Berry St. Intersection Improvements	\$23,280.83
Project 7306	Imperial Hwy./SR-57 Interchange Improvements	\$84,209.68
Project 7704	Emergency Changeable Message Signs	\$20,660.14
Project 7709	Birch Street Traffic Signal Synchronization	\$38,186.08
Project 7717	Cliffwood Neighborhood Traffic Calming Improvements	\$35,551.76

Total Impact Fee Expenditures **\$202,019.74**

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

Land Use Category	Fee	Unit of Fee
Single Family Residential	\$55	Per Dwelling Unit
Multifamily Residential	\$40	Per Dwelling Unit
Commercial	\$55	Per 1,000 Square Foot
Office	\$77	Per 1,000 Square Foot
Industrial	\$40	Per 1,000 Square Foot

The beginning balance in this fund was \$19,407.84 with an ending balance of \$26,071.14. The fees collected were \$6,572.95 and interest earned was \$347.87.

For fiscal year 2021-2022, \$257.52 was spent on administrative/operational costs, there were no project expenditures.

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

Land Use Category	Fee	Unit of Fee
Single Family Residential	\$1,029	Per Dwelling Unit
Multifamily Residential	\$731	Per Dwelling Unit
Commercial	\$191	Per 1,000 Square Foot
Office	\$267	Per 1,000 Square Foot
Industrial	\$138	Per 1,000 Square Foot

The beginning balance in this fund was \$726,729.48 with an ending balance of \$654,684.90. The fees collected were \$22,826.03 and the interest earned was \$8,866.61.

For fiscal year 2021-22, \$13,930.83 was spent on administrative/operational costs and \$89,806.39 was spent on project expenditures for 4641 Fire Command Vehicles & Equipment.

CITY OF BREA
DEVELOPMENT IMPACT FEE PROGRAM
Five Year Findings Report
FY 2016/2017 to 2021/2022
Issued on December 6th, 2022

Pursuant to Government Code Section 66006, for the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the City of Brea (the “City”) shall make findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

DISPATCH IMPACT FEES were established by Ordinance 968 in order to offset new dispatch/communications impacts and to finance acquisition, installation and/or construction of new dispatch/communications facilities necessitated by new development projects within the City, including annexed portions of its sphere of influence.

The Development Impact Fee Nexus Study prepared by the consulting firm of MuniFinancial in November 2006 demonstrated the reasonable relationship between the fees and the purposes for which they have been used. In 2012, the Nexus Fee Study entitled “Fire and Dispatch Impact Fee Study” proposed updated impact fees, which increased from the 2006 study. However, this study was not approved and the 2006 fees remained unchanged (Exhibit ‘A’). A Dispatch Impact Fee Study is currently being prepared, and the results of the study are anticipated to be taken to City Council for adoption in calendar year 2023.

There are no funds uncommitted for five years or more.

FIRE IMPACT FEES were established on issuance of all building permits for any new development in the City of Brea, including portions of its sphere of influence when annexed into the city of Brea, to pay for certain fire improvements/facilities.

The Development Impact Fee Nexus Study prepared by the consulting firm of MuniFinancial in November 2006 demonstrated the reasonable relationship between the fees and the purposes for which they are being used. In 2012, the Nexus Fee Study entitled “Fire and Dispatch Impact Fee Study” proposed updated impact fees, which increased from the 2006 study. However, this study was not approved and the 2006 fees remained unchanged (Exhibit ‘B’). A Fire Impact Fee Study is currently being prepared, and the results of the study are anticipated to be taken to City Council for adoption in calendar year 2023.

Until new information is obtained, the cost estimates set forth in Exhibit “B” are reasonable, and the fees expected to be generated by new development are not anticipated to exceed the total of these costs. All fees collected will be deposited into the appropriate fund.

There are no funds uncommitted for five years or more.

TRAFFIC IMPACT FEES were established by Ordinance 966 on issuance of all building permits for any new development in the City of Brea, including portions of its sphere of influence when annexed into the city of Brea, to pay for certain traffic improvements.

The Transportation Improvement Nexus Program 2011 Update prepared by the consulting firm of Austin-Foust Associates, Inc. dated November 2011, demonstrates the reasonable relationship between the fees and the purposes for which they are being used. Since 2017, some progress has been made in the last five years and the needs for capital facilities to serve new residents and the program of capital projects to meet those needs remain unchanged.

Based on the 2011 update the cost estimates set forth in Exhibit “C” are considered low compared to the current 2022 costs estimates for constructing these facilities, therefore it is recommended that a Nexus Fee Study Update be completed in 2023 to reflect the increased costs. The fees expected to be generated by new development to date are not anticipated to exceed the total of these costs. All fees collected will be deposited into the appropriate fund.

There are no funds uncommitted for five years or more.

WATER IMPACT FEES were established by Ordinance 967 on issuance of all building permits for any new development in the City of Brea, including portions of its sphere of influence when annexed into the city of Brea, to pay for certain water improvements.

The Water Master Plan 2002 Update prepared by the consulting firm Daniel Boyle Engineering, established the water impact fees and methodology to calculate the fees. The Water Master Plan Update by Psomas Engineering in November 2009 demonstrated the reasonable relationship between the fees and the purposes for which they were proposed to be used. In the 2021 Water Master Plan Update, prepared by the consulting firm Civiltec Engineering Inc., this relationship was confirmed and identified further recommended improvements.

The 2002 cost estimates set forth in Exhibit “D” have been updated using the established acceptable method which is construction cost index (cci) information from Engineering News Record (ENR). These are reasonable cost estimates for constructing these facilities, and the fees expected to be generated by new development are not anticipated to exceed the total of these costs. All fees collected will be deposited into the appropriate fund. A Water Impact Fee Study is currently being prepared, and the results of the study are anticipated to be taken to City Council for adoption in calendar year 2023.

The City is actively working on a capital improvement program project to upgrade the existing automated meter reading system, to advance metering infrastructure technology within the city service area. The scope of this work is anticipated to be broken into two phases. Phase one for the meter infrastructure, and phase two for the required meter upgrades. A request for proposal is anticipated to be released for the phase one scope of work within 2023. Funds will be committed for this phase and all future phases of the project.

Table 4.5: Brea Dispatch Equipment - Planned Acquisitions

	Quantity	Unit Cost	Total Cost
<u>Equipment¹</u>			
CAD Upgrade ²	1	1,197,000	1,197,000
Furnishings	NA	NA	13,000
Total New Equipment			\$ 1,210,000
Percentage allocated (60.8%) to City of Brea ²			\$ 735,700
Percentage allocated (39.2%) to City of Yorba Linda ²			\$ 474,300

Fair Share of "Common Items" value:
 \$ 20,325
 Fair Share of Financing cost:
 \$ 144,983

¹ Planned equipment purchases from City of Brea.

² Total cost of the CAD upgrade is \$1,500,000. The cost including financing costs will be \$1,710,000. The value shown is net of the portions of the total cost allocated to RMS and fire.

³ Percentages determined from contract agreement between City of Brea and City of Yorba Linda.

Sources: Brea Police Department.

Cost Summary by Category:	Totals w/o Common		Percent	Spread Common Items - \$29,440	Spread Financing \$210,000	Adjusted Distribution
	Items	Items				
CAD Sub-System	CAD	1,028,496	70%	20,608	147,894	1,196,998
Police RMS Sub-System	PRMS	368,637	25%	7,386	53,009	429,032
Fire RMS Sub-System	FRMS	72,150	5%	1,446	10,375	83,971
Common Items	COM	29,440	0%	-	-	-
Total Cost for Complete System		1,498,723	100%	29,440	211,277	1,710,001

Table 3.6: Brea Fire Planned Facilities

	Amount	Unit Cost	Total Cost
<i>Planned Fire Station</i> ¹			
Land	1.00 acres	\$ 919,500	\$ 919,500
Building ²	6,000 sq. ft.	330	1,980,000
Subtotal			\$ 2,899,500
<i>Vehicles & Equipment</i> ³			
2003 KME 23012 ⁴			\$ 211,300
2003 KME 23014 ⁴			211,300
Other Equipment			79,300
Subtotal			\$ 501,900
<i>Other</i>			
Fire RMS Sub-System ^{5, 6}			\$ 84,000
Subtotal			\$ 84,000
Subtotal New Facilities			\$ 3,485,400

¹ Additional station to be built that may replace existing Station 4, which is under a monthly lease. This planned station is to be similar to that of existing Station 2.

² Estimated building cost from Brea Fire Department.

³ Assumes same inventory as Station 2 in Table 3.4.

⁴ 2003 KME planned value is the remaining balance that is yet to be paid on these two vehicles. Total cost for each 2003 KME is \$370,900 and the total amount paid to date for each 2003 KME is \$159,600. This leaves the amount of \$211,300 to be paid as the remainder of the balance for each of the 2003 KME vehicles.

⁵ Fire RMS Sub-System is part of CAD upgrade that is dedicated to fire, so Fire Department will assume the burden of cost.

⁶ Fire RMS Sub-System includes financing cost.

Sources: City of Brea Fire Department.

Table 5
SUMMARY OF NEXUS IMPROVEMENTS

IMPROVEMENT	DESCRIPTION
SR-57/Lambert Road Local Share	This project will reconfigure the on and off ramps in accordance with the Caltrans-approved project study report. The estimated cost is \$38 million. It is proposed to contribute \$10 million from the traffic impact fee program.
SR-57/Imperial Highway	This project will address traffic operational issues on Imperial Highway between Randolph Avenue and the freeway interchange. It would include modification of the southbound on-ramp to provide for additional queuing on the ramp as well as lane configuration modifications and traffic signal and overhead signing improvements. The proposed contribution from the impact fee program is \$2.5 million.
Traffic Control Technology Improvement Program	This project recognizes the limited opportunities to provide additional roadway capacity through roadway widening projects. The project will focus on operational enhancements using technology. It will include upgrades to the obsolescent traffic signal system, video detection and surveillance, emergency vehicle traffic signal pre-emption and other technology as it becomes available. The proposed contribution from the impact fee program is \$2 million.
Imperial Highway at Berry Street	This project will widen Imperial Highway to construct a westbound right turn lane. The proposed contribution from the impact fee program is \$200,000.
Imperial Highway and Kraemer Boulevard	This project will widen Imperial Highway and Kraemer Boulevard to construct a westbound right turn lane and a third northbound lane. The proposed contribution from the impact fee program is \$540,000.
Citywide Emergency Vehicle Traffic Signal Pre-empt System	This project will install equipment at traffic signals throughout the city that allows emergency vehicles to pre-empt the signals to green in the direction they are traveling. This will enhance safety and emergency response times. The proposed contribution from the impact fee program is \$150,000.
Lambert Road at Puente Street	This project will widen Lambert Road to construct a westbound right-turn lane. The proposed contribution from the impact fee program is \$260,000.
Traffic Signal Controller Upgrade	This project will partially fund replacement of obsolescent traffic signal control equipment with current vintage equipment. The proposed contribution from the impact fee program is \$860,000.
Central Avenue at Brea Boulevard	This project will widen Central Avenue to construct an eastbound right turn lane. The proposed contribution from the impact fee program is \$200,000.
Brea Boulevard north of Central Avenue	This project will widen Brea Boulevard to Master Plan of Arterial Highway standards from north of Central Avenue to the north city limit. The proposed contribution from the impact fee program is \$1,500,000.
Emergency Changeable Message Signs	This project will address traffic congestion problems resulting from closures on Carbon Canyon Road due to fire rock slides, traffic accidents, etc. It will install changeable message signs at five locations strategically selected to direct traffic away from the road closures. The signs will be linked to the Caltrans Transportation Management Center. The proposed contribution from the impact fee program is \$300,000.

TABLE 7
Water Impact Fee⁽¹⁾

Fee Area	Pressure Zone ⁽²⁾	Storage Fee per 1" M.E.	TM & BPS Fee for 1" M.E.	Total Water Impact Fee
AREA 1	790 & Below	\$0	\$300	\$300
AREA 2	790	\$0	\$2,305	\$2,305
	900	\$7,490	\$9,656	\$17,147
	1050	\$13,333	\$49,034	\$62,367
AREA 3	790	\$0	\$300	\$300
	1000	\$10,715	\$1,830	\$12,545
	1200	\$6,113	\$3,199 ⁽³⁾	\$13,608⁽³⁾
	1400	\$6,113	\$7,495	\$13,608

- (1) In addition to the above fees, any additional facilities not shown on Exhibit 3, such as hydro-pneumatic pump stations to serve localized higher zones and local water pipelines required to bring water service to a particular property will be the responsibility of the developer.
- (2) If water is pressure reduced to a lower zone, Water Impact Fees will be calculated based upon the highest zone through which water is conveyed to the service area.
- (3) Any development in 1200 zone will depend on 1400 zone facilities and pay same fee.

APPLICATION OF WATER IMPACT FEES

Step One – Determine Fee Area

Using Exhibit 2, determine in which of the three Fee Areas the property subject to fees is located.

Step Two – Determine the Number of Meter Equivalents by Pressure Zone

Using the information above, determine the number of meter equivalents by pressure zone. Exhibit 4 provides a general guide to pressure zones and their locations. Preliminary planning documents prepared by the developer are required which show topographic elevations and a preliminary layout of the water system by pressure zone.

As a general guide, the following indicates the approximate range of elevation that can be served by each pressure zone within Fee Areas 2 and 3:

Fee Area 2

<u>Pressure Zone</u>	<u>General Range of Service Elevation</u>
790	550' to 690'
900	650' to 800'
1050	800' to 950'

Fee Area 3

<u>Pressure Zone</u>	<u>General Range of Service Elevation</u>
790	550' to 690'
1000	690' to 900'
1200	900' to 1100'
1400	1100' to 1300'

Step Three - Calculate Water Impact Fee

Calculate the Water Impact Fee by applying the fees from Table 6 above, to the number of meter equivalents by zone, for the appropriate Fee Area.

RECOMMENDATIONS FOR FUTURE ADJUSTMENT

The Water Impact Fees should be analyzed and, if necessary, adjusted annually to account for changes in water system planning, proposed development, actual cost of facilities constructed, inflation and other relevant factors.

The estimated costs and resulting fees published in the 2002 Water Master Plan Update and contained herein were based upon the Engineering News Record (ENR) 20 City average Construction Cost Index (CCI) of 6589. The ENR is published by McGraw-Hill and available on the Internet at www.enr.construction.com. The water impact fees are directly proportional to construction cost, therefore the fees can be adjusted directly by the ratio of the base 20 City CCI (6589) divided by the current 20 City CCI at the time of the update.

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 11/29/2022

SUBJECT: Approve Purchase and Replacement of Voice Logger System in Police Dispatch

RECOMMENDATION

Staff recommend appropriating \$62,000 from the City's General Fund Operating Budget for FY 2022-23 to purchase a replacement voice logger system for Police Dispatch; and enter into a purchase order with Capture Technologies, Inc. for the purchase and replacement of the voice logger system.

BACKGROUND/DISCUSSION

A Voice Logging Recorder is a system of software and hardware installed in 9-1-1 dispatch centers that records and archives incoming and outgoing phone calls that come into the centers' lines. The system also records and archives all radio traffic between police and fire field personnel, dispatchers, surrounding agencies, and Public Works. Recording these communications is key to incident re-creation, and can be used for improving employee performance. Recordings capture details of critical incidents such as officer-involved shootings and police pursuits, and capture interactions between employees and the public. Recordings are routinely used as evidence in the prosecution of crimes, and in proving and disproving allegations of police employee misconduct.

There are legal requirements regarding these recording. California Penal Code Section 13730, for example, requires each law enforcement agency to have a system to record domestic violence-related calls for assistance to the Police Department. Using a system like this ensures adherence to this legal statute. Preservation of audio recordings is also essential to fulfill requirements of the California Public Records Act (PRA) and evidence disclosure laws under *Brady*.

The current voice logging recorder system was purchased and installed in 2012. The life expectancy of this system was five to seven years. In 2018, using funding from the State, and in conjunction with the replacement of the 9-1-1 call handling equipment, new hardware was installed to the Police Department's voice logging recorder system. This allowed the current system to exceed its life expectancy.

The current system has reached a point where it needs to be replaced urgently. The current hardware and software are no longer supported by the manufacturer, meaning new parts are unavailable and can no longer be repaired. Any technical support will stop in early 2023. The system continues to suffer failures that have resulted in lost recordings. In 2021, for example, the system suffered 13 hardware failures requiring replacement parts. Although

these failures were covered under warranty, they resulted in lost recordings from the radio and phone systems.

This trend has continued. Failures have increased, resulting in lost recordings. This is expected to continue and worsen as the system continues to age. The system seems to be on the verge of complete irreparable failure. If the system were to fail, it would not be able to be repaired (as replacement parts and software support will no longer be available). Audio may not be recorded and would not be archived. Audio recordings requested pursuant to a PRA, Freedom of Information Act (FOIA), or *Brady* discovery request would require a manual search of recordings. This would be a manpower-intensive process that might not result in any recordings being located.

Looking to the future, Next Generation 9-1-1 is set to be deployed throughout California by the end of 2023. The current standards and network infrastructure designed and deployed for the statewide delivery of 9-1-1 calls require an audio logging system to record Session Initiation Protocol (SIP) based 9-1-1 call traffic, including voice, text, video, and media elements. The existing system does not support Next Generation 9-1-1.

SUMMARY/FISCAL IMPACT

The Police Department obtained three quotes to replace the voice logger system. A company called Capture Technologies, Inc. maintains the current system, and provided the lowest quote at \$58,266.98. A copy of the quote is attached for reference. The quote includes all hardware and software, shipping installation, training, and a 36-month warranty with 24-hours per day service. It is worth noting that the other two quotes were higher than this and did not include warranties or a maintenance/service plan.

The Police Department currently budgets \$5,800 per year for maintenance of this existing system. The funding is budgeted in the General Fund and would no longer need to be budgeted in the next three fiscal years since the new system is under warranty. This represents a three-year offset of \$17,400 for future fiscal years.

For the current fiscal year, the Police Department recommends appropriating \$62,000 from the City's General Fund Operating Budget for FY 2022-23 to fund the immediate replacement of this system. The amount includes a small contingency to cover any unforeseen costs. There is sufficient fund balance in the General Fund for this request.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager
Prepared by: Tina Meyer, Dispatch Supervisor
Concurrence: Adam Hawley, Chief of Police

Attachments

Quote



An Employee-Owned Company

Capture Technologies, Inc.

6060 Sunrise Vista Dr. Suite 3000, Citrus Heights, CA 95610

t. 800.544.5050 f. 510.534.0202

Quotation

Number CAPQ7778-03

Date Nov 16, 2022

GSA# GS-35F-0415V

CMAS# 3-22-03-1070

DUNS# 00-923-9815

Sold To	Ship To	Account Executive										
BREA Police Department Tina Meyer 1 Civic Center Circle BREA, CA 92821	BREA Police Department Tina Meyer 1 Civic Center Circle BREA, CA 92821	Chris Williams 6060 Sunrise Vista Drive Suite 3000 Citrus Heights, CA 95610 CSL #876993 cwilliams@capturet.com										
Phone 714.990.7774 EMAIL tinam@ci.brea.ca.us	Phone 714.990.7774 EMAIL tinam@ci.brea.ca.us	Phone 510-967-2221 EMAIL cwilliams@capturet.com										
Deposit Requested	Terms	SUB-Total \$56,865.00										
\$29,133.49	MILESTONE Billing	<table border="1"> <tr> <td>Product</td> <td>Included</td> </tr> <tr> <td>Services</td> <td>Included</td> </tr> <tr> <td>S&H</td> <td>Included</td> </tr> <tr> <td>Tax</td> <td>\$1,401.98</td> </tr> <tr> <td colspan="2" style="text-align: right;">\$58,266.98</td> </tr> </table>	Product	Included	Services	Included	S&H	Included	Tax	\$1,401.98	\$58,266.98	
Product	Included											
Services	Included											
S&H	Included											
Tax	\$1,401.98											
\$58,266.98												
Description												

QUOTED: Capture Technologies Providing turnkey EVENTIDE Hardware & Software Recording

INCLUDES: VESTA IP integration + & REPORTS!

INCLUDES: 1 NexLog EVENTIDE 740-DX Recording system turnkey with 48 LICENSED channels to RECORD (24 channels ANALOG + 24 Channels VOIP) VESTA/MITEL

INCLUDES: DUAL Hard Drives & Power Supplies Hot Swap!

INCLUDES: 6 TB NAS for long term storage !

INCLUDES: SIP/REC integration licensing (NG911)

INCLUDES: Capture Technologies Certified Installing & Training & Project Management + Support ONSITE

INCLUDES: 36 months Onsite Tech support and Hardware & Software Warranty & SMA 24/7

INCLUDES: Shipping & Handling

Part #	Description	Qty	Unit Price	Ext. Price
EVENTIDE RECORDING HARDWARE & SOFTWARE				
	INCLUDES:	1	\$16,140.00	\$16,140.00
NexLog740DX	NexLog 740 DX-Series base system: 3U rack-mountable, Core i5 CPU, 16GB DDR4 RAM, 1 Blu-ray Multi-Drive, 2 Network Ports (100/1000), Embedded Linux, NexLog DX-Series software, web-based configuration manager, Dual Hot- swap 120-240VAC 50/60Hz power supplies			
DX705-1	UPGRADE-RAID Hard Drives Hot Swap! 2x2TB HotSwap MegaRAID1=2TB storage			
DX754	Dual Port 100MB/1000 PCIe (PCI Express) Network Card (for NexLog 740 DX-Series recorder only)			
324430	Rack Mount Slides - 4 Post, 3U (for NexLog 740+DX)			

Part #	Description	Qty	Unit Price	Ext. Price
(24) ANALOG RADIO Channels				
DXANA24 109033-007	24-Channel Analog PCIe (PCI Express) Card, 24 Ch. Licenses Quick Install Kit (23 ft Cable + "66" Block)			
NAS Auto Archiving Separate device (4TB) USABLE LONG TERM STORAGE				
RR230400-NAS	NETGEAR ReadyNAS 2304, (6TB in a RAID array) Rackmount 1U 4-bay, Dual Gigabit **(4TB Usable Storage)** Includes Install and Support Services for 24 months Warranty	1	\$1,950.00	\$1,950.00
(24) Channels VOIP + VESTA + MITEL Integration				
INCLUDES:				
271052	Internal IP Recorder with First (8) Channels VOIP	1	\$13,575.00	\$13,575.00
DX939	(2) Additional VOIP Licensing- 8 pack			
271140	Eventide Interface license (audio) for Motorola VESTA 911 (and Motorola CallWorks) IP/SPAN Recording			
271126	Integration to Mitel 3300 Secure Recording Connector (SRC)			
DISC	**EXISTING CUSTOMER added Discount INCLUDED!			
NEXLOG ADDED SOFTWARE LICENSING				
271070	INITIAL Screen Recording (First 5 PCs on recorder)			
271076	Additional Screen Recording (5 additional PCs on recorder)			
115021	Enhanced REPORTING Package			
271098	Geo Search/View (Requires Lat/Lon, MW PLUS, Google Maps)			
271083	8 pack MediaWorks PLUS (web) concurrent license			
271111	Eventide MP3 option for MediaWorks DX			
EVENTIDE NG911 SIP integration licensing				
*** INCLUDES:				
209029	INCLUDED! 911 NENA ANI/ALI Spill Integration	1	\$7,600.00	\$7,600.00
DX925	INCLUDED! SIPREC Enabler for recording enterprise SBC SIPREC and NG911 SIPREC;			
Installation Onsite & Training Services+ 24/7 Warranty for (36) Months				
Inst--PM	Project Management & Certified Local Installation & Training provided Onsite, Including 24 months 24/7 Onsite Support Warranty & SMA INCLUDED Project Management INCLUDED Server Burn In INCLUDED Server Install	1	\$17,600.00	\$17,600.00
TRAIN	INCLUDED Config & Training Services for SCREEN recording deployment			
CVNL-24MO	INCLUDED: 36 month Warranty Coverage (2023-2026) Includes: 800# Phone Remote & LOCAL Onsite Labor Support, Full Hardware & Software Warranty -24/7 --- With 3 hour response onsite			
DXSUS-24MO	INCLUDED: 36 month SMA Warranty Coverage (2023-2026) Software Update Subscription (DXSUS) for complete DX-Series recording Solution, --- With 3 hour response onsite			

Part #	Description	Qty	Unit Price	Ext. Price
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To accept this quotation and purchasing T&C's, sign here and return or Provide a Purchase Order

Signature Date

Thank You For Your Business!

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members
FROM: Bill Gallardo
DATE: 11/29/2022
SUBJECT: City iPad Replacement Purchase

RECOMMENDATION

Authorize the City's Procurement and Contracts Administrator, or designee, to provide a Purchase Order for the replacement of existing City iPads.

BACKGROUND/DISCUSSION

Since the introduction of iPads into the organization, these mobile devices have proven to be an effective tool for City staff to conduct business on a daily basis. With a wide range of uses, which include mobile document sharing, access to Microsoft applications (which will be enhanced through the future implementation of Microsoft 365), video conferencing, and electronic agenda management for City Council meetings, iPads provide a portable and reliable technology solution.

The replacement of iPads follows the same cycle as mobile phone replacements. Every four years we upgrade devices, which allows for maximum utilization of technology before any problems arise from software compatibility issues or hardware failure.

City staff is proposing an upgrade to the inventory of iPads deployed throughout the organization to the latest version. This also allows enough time between replacements for the City to take advantage of improvements in technology that result in better processing power, longer battery life, enhanced features and functions, as well as larger storage capacity. These improvements will help maintain and enhance the way City staff utilize these devices for daily operations.

SUMMARY/FISCAL IMPACT

The Fiscal Year 2022-23 budget includes funding for the iPad replacements. The total cost of the new iPads is approximately \$34,500. The new iPads will be purchased from the Apple Store in the Brea Mall, which additionally results in sales tax revenue generated for the City. There will be no further impact to the budget.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager
Prepared by: Anthony Godoy, Management Analyst II
Concurrence: Kristin Griffith, Director of Administrative Services
Randy Hornsby, Information Technology Manager

Attachments

Quote 1 - GCI
Quote 2 - CDWG
Quote 3 - Apple Store

SALES QUOTE

GovConnection, Inc.
732 Milford Road
Merrimack, NH 03054

Account Executive: Ian Padilla
Phone:
Fax:
Email: ian.padilla@connection.com

25411602.05

PLEASE REFER TO THE ABOVE
QUOTE # WHEN ORDERING

Date: 10/21/2022
Valid Through: 11/20/2022
Account #: Orange

Account Manager:
Phone:
Fax:
Email:

Customer Contact: Randy Hornsby
Email: randyh@cityofbrea.net

Phone: (714) 990-7600 x7263
Fax: (714) 671-3618

QUOTE PROVIDED TO:	SHIP TO:
City of Brea Randy Hornsby Information Systems 1 Civic Center Circle Brea, CA 92821-5732 (714) 990-7600 x7263	AB#: 14903146 CITY OF BREA, CA Randy Hornsby 1 CIVIC CENTER CIR Information Systems BREA, CA 92821 (714) 420-8710

DELIVERY	FOB	SHIP VIA	SHIP WEIGHT	TERMS	CONTRACT ID#
5-30 Days A/R/O	Destination	Small Pkg Ground Service Level	122.00 lbs		

Important Notice: --- THIS QUOTATION IS SUBJECT TO THE FOLLOWING Terms of Sale: All purchases from GovConnection, Inc. are subject to the Company's Standard Terms of Sale, which describe important legal rights and obligations. You may review the Company's Standard Terms of Sale on the Company's website: www.govconnection.com, or you may request a copy via fax, e-mail, or mail by calling your account representative. The only exception to this policy is if your order is being placed under any one of our many national, state, educational or cooperative Agreements, in which case the Terms and Conditions of your Purchase Order are already pre-negotiated and stated in that Agreement. No other Terms and Conditions shall apply and any other terms and conditions referenced or appearing in your Purchase Order are considered null and void. Due to the industry-wide constraints and fluctuations, we reserve the right to change pricing at any time. Please refer to our Quote Number in your order.

* Line #	Qty	Item #	Mfg. Part #	Description	Mfg.	Price	Ext
1	58	41410076	MM9C3LL/A	iPad Air, 10.9", 64GB, Wi-Fi, Space Gray Apple Computer Cto	Apple Computer Cto	\$ 548.00	\$ 31,784.00
2	58	5823891		**CA Recycling Fee State Environmental Fees	State Environmental Fees	\$ 4.00	\$ 232.00
Subtotal						\$	32,016.00
Fee						\$	0.00
Shipping and Handling						\$	0.00
Tax						\$	2,481.24
Total						\$	34,497.24



ORDERING INFORMATION
GovConnection, Inc. DBA Connection

Please contact your account manager with any questions.

Ordering Address
GovConnection, Inc.
732 Milford Road
Merrimack, NH 03054

Remittance Address
GovConnection, Inc.
Box 536477
Pittsburgh, PA 15253-5906

Please reference the Contract # on all purchase orders.

TERMS & CONDITIONS

Payment Terms:	NET 30 (subject to approved credit)
FOB Point:	DESTINATION (within Continental US)
Maximum Order Limitation:	NONE
FEIN:	52-1837891
DUNS Number:	80-967-8782
CEC:	80-068888K
Cage Code:	OGTJ3
Business Size:	LARGE
Erate Spin Number:	143026005

WARRANTY: Manufacturer's Standard Commercial Warranty

NOTE: It is the end user's responsibility to review, understand and agree to the terms of any End User License Agreement (EULA).

Important Notice: --- THIS QUOTATION IS SUBJECT TO THE FOLLOWING Terms of Sale: All purchases from GovConnection, Inc. are subject to the Company's Standard Terms of Sale, which describe important legal rights and obligations. You may review the Company's Standard Terms of Sale on the Company's website: www.govconnection.com or you may request a copy via fax, e-mail, or mail by calling your account representative. The only exception to this policy is if your order is being placed under any one of our many national, state, educational or cooperative Agreements, in which case the Terms and Conditions of your Purchase Order are already pre-negotiated and stated in that Agreement. No other Terms and Conditions shall apply and any other terms and conditions referenced or appearing in your Purchase Order are considered null and void. Due to the industry-wide constraints and fluctuations, we reserve the right to change pricing at any time. Please refer to our Quote Number in your order.

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RANDY HORNSBY,

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For all other customers, click below to convert your quote to an order.

Convert Quote to Order

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
NBWJ162	11/2/2022	APPLE 10.9 IPAD AIR WIFI	0376884	\$36,987.81

IMPORTANT - PLEASE READ

Fees applied to item(s): 6901682

QUOTE DETAILS

ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
Apple 10.9" iPad Air Wi-Fi 64GB - Space Grey	58	6901682	\$588.14	\$34,112.12
Mfg. Part#: MM9C3LL/A				
Contract: National IPA Technology Solutions (2018011-01)				

RECYCLING FEE DETAILS

ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
RECYCLING FEE 4" TO LESS THAN 15"	58	654809	\$4.00	\$232.00
Fee Applied to Item: 6901682				

SUBTOTAL	\$34,112.12
SHIPPING	\$0.00
RECYCLING FEE	\$232.00
SALES TAX	\$2,643.69
GRAND TOTAL	\$36,987.81

PURCHASER BILLING INFO	DELIVER TO
Billing Address: CITY OF BREA ACCOUNTS PAYABLE 1 CIVIC CENTER CIR BREA, CA 92821-5792 Phone: (714) 990-7600 Payment Terms: Net 30 Days-Govt State/Local	Shipping Address: CITY OF BREA RANDY HORNSBY 1 CIVIC CENTER CIR BREA, CA 92821-5792 Shipping Method: UPS Ground (1 - 2 Day)
	Please remit payments to: CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515



Sales Contact Info

Ryan Cox | 800.808.4239 | ryacox@cdwg.com

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**Quote:**2211552407 –
18000008324605**Date:**

Friday, October 21, 2022

Valid until:Wednesday, November 16,
2022**Prepared for:**

Cliff Flaughner

CITY OF BREA

1 CIVIC CENTER CIR

BREA, CA 92821-5792

cliff@cityofbrea.net

Customer ID: 38060850850369

Ship to:

Cliff Flaughner

CITY OF BREA

1 CIVIC CENTER CIR

BREA, CA 92821-5792

Prepared by:

David Choi

Apple Business Team

1714989 5553

breamallbusiness@apple.com

Product / Description	Qty	Price	Total
10.9-inch iPad Air Wi-Fi 64GB – Space Gray MM9C3LL/A	58	\$549.00	\$31,842.00
		Subtotal	\$31,842.00
		Estimated Tax	\$2,467.76
		Eco Fee	\$232.00
		Estimated Total (USD)	\$34,541.76

Terms and Conditions

This is a quote invoice, not a receipt of purchase. The applicable sales tax and any additional surcharges (such as recycling fees) are subject to verification and will be reflected on your final invoice.

Product availability and pricing are subject to change without notification. The configurations and pricing noted in this quote are generally valid for up to 30 days, and are specifically intended for purchase by the entity indicated above. Quotes that reflect promotional or special sales event discounts are valid only for the duration of the promotion or special sales event.

Consideration for business pricing is made based on the type of product, the quantity and the availability of the products ordered. For further information regarding this proposal, please contact your Apple Business Team. Our full sales and refund terms and conditions can be found at <http://www.apple.com/legal/sales-support/>.

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members

FROM: Bill Gallardo

DATE: 11/29/2022

SUBJECT: Budget Adjustments to the City Operating and Capital Improvement Program Budgets for Fiscal Year 2021-22

RECOMMENDATION

Adopt the attached resolutions appropriating funds to adjust the Fiscal Year 2021-22 City Operating and Capital Improvement Program Budgets.

BACKGROUND/DISCUSSION

Budget adjustments are presented to the City Council periodically for review. These adjustments represent the appropriation of items previously approved by the City Council during the fiscal year, or staff recommended adjustments for City Council consideration, as well as requested adjustments to revenue estimates. The recommended adjustments to the City Operating Budget are listed in City - Exhibit A. These adjustments are separated by funding source and the accounts are identified as either revenue or expenditure accounts.

In addition, as part of the year-end process, staff administratively carries over continued appropriations previously approved by the City Council from the prior fiscal year to the current fiscal year as outlined in the City's Fiscal Policies Statement under Expenditure Policies. Expenditures budgeted in one fiscal year may be carried over to the next fiscal year automatically if the purpose for which the expenditures were budgeted had not been completed. Such carryovers shall not occur for more than two budget cycles without City Council approval with only a few exceptions. Carryovers have been processed by staff from FY 2021-22 to FY 2022-23 and are separate from budget adjustments being requested tonight. The total carryover amount for the General Fund is \$1,513,916 and the below chart summarizes the overall revenues over expenditures number for the City's General Fund (110) for FY 2021-22:

GENERAL FUND (110)	
	FY 2021-22
Revenues	\$57,853,840
Carryovers from FY 2020-21	1,595,714
Transfer-In	729,500
Total Revenues	\$60,179,054

Expenditures	\$57,132,350
Held for Carryovers for FY 2021-22	1,513,916
Transfer-Out	4,118,985
Total Expenditures	\$62,765,251
Revenues over Expenditures	(\$2,586,197)

The revenues over expenditures for the City's General Fund (110) is negative \$2,586,197 and is mainly attributed to the timing of the receipt of American Rescue Plan Act (ARPA) Federal funds. With the passing of ARPA, the City was projected to receive the second installment (\$5,173,758) of the Federal stimulus funding in Fiscal Year 2021-22, however the funds were received in Fiscal Year 2022-23. This change is reflected in these budget adjustments for the General Fund (110) and the Disaster Recovery Fund (911). A \$5,173,758 decrease of budgeted revenues in the Disaster Recovery Fund (911) and a corresponding decrease in budgeted transfers-out to the General Fund (110). Likewise, a \$5,713,758 decrease in budgeted transfers-in for the General Fund (110) is proposed.

To record the actual receipt date, a Fiscal Year 2022-23 budget adjustment will be proposed at a later date. As a reminder, these funds have been identified to be used for revenue replacement as a result of the COVID-19 pandemic so that the City is able to maintain service levels to the community. A General Fund balance is available to be used to cover this shortage, and all ARPA funds must be used by December 31, 2024.

Sales tax revenues are rebounding from the pandemic and are slowly increasing as a result of inflation and continued economic activity in various sectors including transportation, restaurant and construction. For Fiscal Year 2021-22, sales tax revenues received exceeded estimates by \$1,453,831 which is sufficient to cover a portion of the presented fourth quarter budget adjustments as highlighted below for the City's General Fund. The complete list including non-General Fund adjustments are provided in City – Exhibit A.

- On June 21, 2022, the City Council directed staff to transfer \$269,234, which is five percent of the Fiscal Year 2021-22 year-end estimate of \$5,384,689, to the City's Other Post Employment Benefit Fund (150). This Fund (150) was established as a savings account for post-employment medical benefits for retired employees and supplemental funds budgeted annually for Other Post Employment Benefit (OPEB) obligations.
- The General Fund supports the Paramedic Service Fund (174) for costs that exceed the Paramedic service revenues. Overall expenditures were higher than budgeted primarily due to salaries, benefits, and overtime costs incurred due to disability claims, as well as shift coverage for paid time off for personnel. The proposed adjustment of \$853,861 also maintains the three-month operating reserve limit.
- Sanitation and Street Sweeping Fund (440) - an annual transfer is made from the General Fund (110) in lieu of franchise fees collected on trash collection. For Fiscal Year 2021-22, staff is proposing an increase in the transfer from the General Fund (110) to the Sanitation and Street Sweeping Fund (440) of \$483,303 to fund those costs not covered by revenues, as well as to maintain the three-month operating reserve limit.
- The Fire Services Department continues to respond to mutual aid throughout

California. Fire Administration continues to be diligent in seeking reimbursement for costs incurred. The mutual aid response cost of \$19,701 includes the 2022 Emerald Bay Fire Incident in Laguna Beach which was fully reimbursed. In addition, Fire Suppression's budget was over \$167,153 primarily due to salaries, benefits and overtime costs incurred due to disability claims, as well as shift coverage for paid time off for personnel.

- The Parks Division in the Public Works Department incurred water costs of \$48,502 for park landscaping and maintenance from May 5, 2022 through July 7, 2022 that was not budgeted.

For Capital Improvement Projects, \$6,174 in funding from the Water Fund (420) and Sewer Fund (430) was needed to complete and close out the Replacement of Fence at the City Yard Project (CIP No. 7966). This is a result of fluctuating prices due to supply chain issues throughout the construction of the project. The Capital Improvement Program Budget adjustment is provided in CIP - Exhibit A and consists of an increase in expenditures of \$6,174 and corresponding adjustments to revenues and transfers-in as follows:

Water Fund (420)	\$ 3,087
Sewer Fund (430)	3,087
TOTAL	\$ 6,174

SUMMARY/FISCAL IMPACT

For FY 2021-22, the revenues over expenditures for the City's General Fund (110) is negative \$2,586,197 and the proposed budget adjustments amend the City's General Fund Operating Budget by a net decrease in budgeted revenues and transfers-in of \$4,654,292 as presented in City - Exhibit A. A General Fund balance is available to be used to cover this shortage, and all ARPA funds must be used by December 31, 2024.

The City Operating Budget adjustments for all funds including the General Fund resulted in a decrease in budgeted revenues and transfers-in of \$7,229,126 and a decrease in budgeted expenditures and transfers-out of \$3,657,377 for a net increase in budgeted revenue and transfers-in of \$3,571,749.

The Capital Improvement Program Budget adjustments resulted in an increase in budgeted expenditures of \$6,174 and a corresponding adjustment to revenues and transfers-in. Funding is available from the City's Water Fund (420) and Sewer Fund (430).

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Alicia Brenner, Senior Fiscal Analyst

Concurrence: Kristin Griffith, Director of Administrative Services

Attachments

Resolution - City

City - Exhibit A

Resolution - CIP

CIP - Exhibit A

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA
AMENDING THE CITY OPERATING BUDGET FOR FY 2021-22 AS
AMENDED**

A. RESOLUTION:

The City Council of the City of Brea does hereby find, determine and resolve that the City Operating Budget for FY 2021-22, Resolution No. 2021-040, as heretofore amended, be further amended as set forth in City – Exhibit A, attached.

APPROVED AND ADOPTED this 6th day of December, 2022.

Mayor

ATTEST: _____

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 6th day of December, 2022 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DATED: _____

City Clerk

City of Brea
BUDGET ADJUSTMENTS
FY 2021-22 OPERATING BUDGET

December 6, 2022

Account Number		Current Budget	Revised Budget	Funding Required	Description
<u>GENERAL FUND (110)</u>					
3111 (REV)	Secured Property Taxes	13,309,934	12,625,555	(684,379)	Due to the change in disbursement of property taxes from the County, the timing of funds differ than what was initially projected
3121 (REV)	Sales Tax	22,644,171	24,098,002	1,453,831	Increase in sales tax receipts more than projected
3985 (REV)	Transfer in from Fund 911	5,173,758	-	(5,173,758)	American Rescue Plan Act (ARPA) funds anticipated to come in FY 2021-22 however came in FY 2022-23
9150 (EXP)	Transfer Out to Fund 150	-	269,234	269,234	Per City Council direction on 6/21/22, 5% of FY 2021-22 estimate of \$5,384,689 approved to be transferred to the City's Other Post Employment Benefit (OPEB) Fund
9174 (EXP)	Transfer Out to Fund 174	1,154,830	2,008,691	853,861	Transfer to Fund 174 to cover paramedic services and fund reserve limit amount
9440 (EXP)	Transfer Out to Fund 440	196,758	680,061	483,303	Transfer to Fund 440 in lieu of franchise fees collected for trash collection and fund reserve limit amount
<u>Management Services</u>					
11** (EXP)	Management Services	3,719,165	3,540,324	(178,841)	Department realized vacancy and operational savings
<u>Administrative Services</u>					
14** (EXP)	Administrative Services	3,886,738	3,841,222	(45,516)	Department realized vacancy savings
<u>Police Services</u>					
21** (EXP)	Police Services	25,845,300	25,243,740	(601,560)	Department realized vacancy and operational savings
<u>Fire Services</u>					
3549 (REV)	State Grant - Other	134,021	153,722	19,701	Reimbursement for Strike Team Responses
2221 (EXP)	Fire Operations	5,672,367	5,692,068	19,701	Expenses related to Strike Team Responses
2221 (EXP)	Fire Operations	5,692,068	5,859,221	167,153	Increase in overtime due to shift coverage of fire staff on leave (vacation, sick, etc.) and cover shifts related to vacancies

City of Brea
BUDGET ADJUSTMENTS
FY 2021-22 OPERATING BUDGET

December 6, 2022

Account Number		Current Budget	Revised Budget	Funding Required	Description
<u>Community Development</u>					
32** (EXP)	Community Development	3,678,537	2,932,387	(746,150)	Department realized vacancy and operational savings
<u>Community Services</u>					
3643 (REV)	Youth Programming	140,871	155,623	14,752	Additional revenue from youth and teen programs
3644 (REV)	Classes	101,000	168,676	67,676	Additional revenue from contract classes
4145 (EXP)	Classes	163,495	209,391	45,896	Funding for contract class instructors
4211 (EXP)	Operations	1,069,500	1,085,773	16,273	Increase in unanticipated banking fees
4215 (EXP)	Fitness/Wellness Program	396,011	416,270	20,259	Increase in demand for additional fitness classes
3698 (REV)	Special Events	93,000	128,450	35,450	Additional revenue from various special events
4421 (EXP)	Special Events	218,714	254,164	35,450	Funding for special event activities including part-time hours, supplies, etc.
<u>Public Works</u>					
5141 (EXP)	Parks	1,121,316	1,169,818	48,502	A portion of the City's share of water costs for parks from May 5, 2022 through July 7, 2022
				(4,266,727)	
				387,565	
Net Decrease in Fund Revenues				(4,654,292)	

City of Brea

**BUDGET ADJUSTMENTS
FY 2021-22 OPERATING BUDGET**

December 6, 2022

Account Number		Current Budget	Revised Budget	Funding Required	Description
<u>OTHER POST EMPLOYMENT BENEFIT (150)</u>					
3985 (REV)	Transfer In from Fund 110	-	269,234	269,234	Per City Council direction on 6/21/22, 5% of FY 2021-22 estimate of \$5,384,689 approved to be transferred to the City's Other Post Employment Benefit (OPEB) Fund
1482 (EXP)	Benefit	972,434	977,031	4,597	Additional number retiree benefits paid than what was originally budgeted. Offset will come from future collections from applicable funds.
				269,234	
				4,597	
Net Increase in Fund Revenues				264,637	
<u>SUPPLEMENTAL LAW ENFORCEMENT SERVICES (173)</u>					
3411 (EXP)	Interest Earnings	300	440	140	Due to a change in accounting practices, investment fees are distributed proportionally to each fund based upon investment earnings for the quarter and are no longer netted in interest revenue
1424 (EXP)	Treasury	-	140	140	
				140	
				140	
Net Increase in Fund Expenditures				-	
<u>PARAMEDIC SERVICES FUND (174)</u>					
3116 (REV)	Paramedic Tax	4,843,000	4,778,533	(64,467)	Reduction in paramedic tax revenue
3636 (REV)	Special Fire Department Services	225,000	215,284	(9,716)	Reduction in Advanced Life Support (ALS) reimbursement from the City's ambulance provider than initially assumed at budget adoption
3985 (REV)	Transfer-in from Fund 110	1,154,830	2,008,691	853,861	Additional support from the General Fund (110) to support the Paramedic Program
2222 (EXP)	Paramedic Services	6,280,880	6,704,273	423,393	Increase in overtime due to shift coverage of fire staff on leave (vacation, sick, etc.)
				779,678	
				423,393	
Net Increase in Fund Revenues				356,285	

City of Brea
BUDGET ADJUSTMENTS
FY 2021-22 OPERATING BUDGET

December 6, 2022

Account Number		Current Budget	Revised Budget	Funding Required	Description
<u>AFFORDABLE HOUSING TRUST FUND (270)</u>					
3411 (REV)	Interest Earnings	46,500	47,778	1,278	Due to a change in accounting practices, investment fees are distributed proportionally to each fund based upon investment earnings for the quarter
1424 (EXP)	Treasury	-	1,278	1,278	
	Change in Fund Revenues			1,278	
	Change in Fund Expenditures			1,278	
	Net Increase in Fund Expenditures			-	
<u>SUCCESSOR AGENCY HOUSING FUND (280)</u>					
3727 (REV)	Miscellaneous Revenues	17,000	22,000	5,000	Consultant cost reimbursement from Trumark Homes for each affordable housing unit sold
3753 (REV)	Loan Repayments	124,900	129,934	5,034	Due to receipt of unanticipated loan repayments more than originally budgeted
1424 (EXP)	Treasury	-	6,196	6,196	Due to a change in accounting practices, investment fees are distributed proportionally to each fund based upon investment earnings for the quarter
3215 (EXP)	Housing	318,676	322,514	3,838	Unspent appropriation from FY 2020-21 that was not requested by department to be carried over for Housing monitoring services
	Change in Fund Revenues			10,034	
	Change in Fund Expenditures			10,034	
	Net Increase in Fund Expenditures			-	
<u>LANDSCAPE & LIGHTING MAINTENNACE DISTRICT NO. 7 FUND (347)</u>					
1424 (EXP)	Treasury	-	9	9	Due to a change in accounting practices, investment fees are distributed proportionally to each fund based upon investment earnings for the quarter
5112 (EXP)	Maintenance Districts	30,552	36,287	5,735	Increase due to change in maintenance services contractor and unanticipated irrigation main line breaks.
	Increase in Fund Expenditures			5,744	Budget adjustment needed from available fund balance and reduction may be needed for FY 2022-23 to offset increased expenditures in FY 2021-22
<u>WATER FUND (420)</u>					
9510 (EXP)	Transfer Out to Fund 510	20,385,644	20,388,731	3,087	Funding for CIP No. 7966 - Replace Fence at City Yard
	Increase in Fund Expenditures			3,087	

City of Brea

**BUDGET ADJUSTMENTS
FY 2021-22 OPERATING BUDGET**

December 6, 2022

Account Number		Current Budget	Revised Budget	Funding Required	Description
<u>SEWER FUND (430)</u>					
9510 (EXP)	Transfer Out to Fund 510	2,980,127	2,983,214	3,087	Funding for CIP No. 7966 - Replace Fence at City Yard
Increase in Fund Expenditures				3,087	
<u>SANITATION AND STREET SWEEPING FUND (440)</u>					
3985 (REV)	Transfer-in from Fund 110	196,758	680,061	483,303	Transfer to Fund 440 in lieu of franchise fees collected for trash collection and fund reserve limit amount
Increase in Fund Revenues				483,303	
<u>GOLF COURSE FUND (465)</u>					
363G (REV)	Golf Course Revenue	3,391,944	4,049,980	658,036	Revenues received exceeded original projections
5149 (EXP)	Golf Course	3,166,533	3,824,569	658,036	Primarily attributed to the management incentive pay to Western Golf Properties for the period of March 2021 through June 2022, per the agreement
Change in Fund Revenues				658,036	
Change in Fund Expenditures				658,036	
Net Increase in Fund Expenditures				-	
<u>TRAFFIC IMPACT FEES FUND (540)</u>					
1424 (EXP)	Treasury	-	5,090	5,090	Due to a change in accounting practices, investment fees are distributed proportionally to each fund based upon investment earnings for the quarter
Increase in Fund Expenditures				5,090	
<u>STORM DRAN CONSTRUCTION FUND (550)</u>					
1424 (EXP)	Treasury	-	369	369	Due to a change in accounting practices, investment fees are distributed proportionally to each fund based upon investment earnings for the quarter
Increase in Fund Expenditures				369	
<u>CAPITAL MITIGATION IMPROVEMENT FUND (560)</u>					
1424 (EXP)	Treasury	-	4,095	4,095	Due to a change in accounting practices, investment fees are distributed proportionally to each fund based upon investment earnings for the quarter
Increase in Fund Expenditures				4,095	

City of Brea

**BUDGET ADJUSTMENTS
FY 2021-22 OPERATING BUDGET**

December 6, 2022

Account Number		Current Budget	Revised Budget	Funding Required	Description
<u>SUCCESSOR AGENCY SUPPORT AREA AB FUND (630)</u>					
1432 (EXP)	Agency Accounting	-	210	210	Due to increased banking fees
				210	
<u>PARS POST EMPLOYMENT BENEFIT FUND (810)</u>					
3412 (REV)	Interest Earnings	408,700	418,356	9,656	Due to a change in accounting practices, investment fees are distributed proportionally to each fund based upon investment earnings for the quarter
1424 (EXP)	Treasury	-	9,656	9,656	
				9,656	
				9,656	
				-	
<u>DISASTER RECOVERY FUND (911)</u>					
3569 (REV)	Federal Grants - Other	5,173,758	-	(5,173,758)	American Rescue Plan Act (ARPA) funds anticipated to come in FY 2021-22 however came in FY 2022-23.
9110 (EXP)	Transfer Out to Fund 510	5,173,758	-	(5,173,758)	
				(5,173,758)	
				(5,173,758)	
				-	
				(7,229,126)	
				(3,657,377)	
				3,571,749	

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA
AMENDING THE CITY OPERATING BUDGET FOR FY 2021-22 AS
AMENDED**

A. RESOLUTION:

The City Council of the City of Brea does hereby find, determine and resolve that the City Operating Budget for FY 2021-22, Resolution No. 2021-040, as heretofore amended, be further amended as set forth in City – Exhibit A, attached.

APPROVED AND ADOPTED this 6th day of December, 2022.

Mayor

ATTEST: _____

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 6th day of December, 2022 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DATED: _____

City Clerk

City of Brea

QUARTERLY BUDGET ADJUSTMENTS
FY 2021-22 CAPITAL IMPROVEMENT PROGRAM BUDGET

December 6, 2022

Account Number		Current Budget	Revised Budget	Funding Required	Description
9420	(REV) Transfers-in from Fund 420	130,355	133,442	3,087	
9430	(REV) Transfers-in from Fund 430	130,355	133,442	3,087	
7966	(EXP) Replace Fence at City Yard	<u>48,938</u>	<u>55,112</u>	<u>6,174</u>	Funding from the Water Fund (420) and Sewer Fund (430) to close-out the Replacement of Fence at the City Yard Project (CIP No. 7966). This is a result of fluctuating prices due to supply chain issues through out the construction of the project.
				-	

City of Brea

FINANCE COMMITTEE COMMUNICATION

TO: Finance Committee Members
FROM: Bill Gallardo
DATE: 11/29/2022
SUBJECT: Lease and Maintenance of Digital Printing/Copying Equipment

RECOMMENDATION

Issue annual purchase orders and execute lease and maintenance agreements with Xerox Corporation for a total cost of \$175,591 based on a 60-month lease of digital printing/copying equipment including as-needed print charges.

BACKGROUND/DISCUSSION

The City's Reprographics Services Division utilizes digital printing and copying equipment to facilitate its operations. This equipment generates an estimated 1.4 million documents per year for the City and its client agencies. Among the items produced are color brochures, business cards, catalogs, event programs, invitations, postcards, and presentation documents for various meetings.

In 2017, City staff conducted an internal review of reprographic needs and selected the proposal from Xerox Corporation (Xerox) based on a competitively bid National Joint Powers Alliance (NJPA) cooperative purchasing contract for the current lease agreement. The leased equipment has met the City's print production needs and has provided a significant cost savings from earlier agreements with previous vendors. To ensure that the proposed agreements remain competitively priced, staff has analyzed and reviewed proposals from Xerox and Canon, two of the top providers in the industry. The current lease and maintenance agreements will be reaching the end of their 60-month term in December 2022 and staff is recommending Xerox due to the annual cost difference of \$13,575.

The first two years of the new proposed agreement will allow the City to continue utilizing two separate machines, one specifically for black-and-white projects and the other with capabilities for both color and black-and-white. The proposed equipment, maintenance, and supplies, excluding paper, is about \$28,667 annually for years one and two. These leases also include a per page print charge, which is in addition to the equipment lease and maintenance fees. Based on the fixed meter rates and an estimated annual volume of 1.4 million documents, the print charges would be approximately \$11,232 per year.

To maintain a reduced cost, the black-and-white copier has a lease term of 24 months, which will allow staff to evaluate the need for this specific copier. In year three, the City could contractually eliminate the machine designated for black-and-white only projects to assess the ongoing viability of utilizing the color copier for all jobs. The annual fees in years three through five for equipment, maintenance, and supplies, excluding paper, is \$14,692. The

annual print charge rate would increase resulting in an estimated \$17,239 in print charges for an annual total cost of \$31,931. The net effect is an overall savings; however, further review will need to be completed to determine if this single unit will become a permanent change to the lease agreement moving forward.

In an effort to provide the City with the most up-to-date technology and graphics capabilities, Xerox recommends replacing the legacy Versant 180 with the Versant 280 production platform and modifying the agreement. This will allow for increases in productivity, media flexibility, and project turnaround time while reducing print usage rate.

The terms of the lease and maintenance agreements allow for termination with 30-days' notice prior to the beginning of each fiscal year, should the City's printing needs change.

SUMMARY/FISCAL IMPACT

The lease and maintenance agreement will secure the necessary equipment for the City to continue providing the best possible reprographics services for our organization and our client agencies, while maximizing savings through a competitively secured proposal. The estimated five-year costs associated with the new agreements are provided below:

	Lease Fees	Print Charges	TOTAL
Year 1	\$28,667	\$11,232	\$39,899
Year 2	\$28,667	\$11,232	\$39,899
Year 3	\$14,692	\$17,239	\$31,931
Year 4	\$14,692	\$17,239	\$31,931
Year 5	\$14,692	\$17,239	\$31,931
TOTAL	\$101,410	\$74,181	\$175,591

The lease with Xerox will result in projected savings to the General Fund of \$67,874 over the five-year agreement. Sufficient funds for the execution of the lease agreements are available in the General Fund operating budget.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager
Prepared by: Anthony Godoy, Management Analyst II
Concurrence: Kristin Griffith, Director of Administrative Services
Monica Lo, Deputy Director of Administrative Services

Attachments

Equipment Recommendation
Agreement (D110)
Agreement (VR280)

In an effort to provide City of Brea cutting edge graphics color technology, Xerox recommends replacing the legacy Versant 180 with the Versant 280 production platform and modifying the D110 agreement. Allowing for increases in productivity, media flexibility, turnaround and a decreased in print spend.

CURRENT COST OF OPERATION (60 Month Agreement)

Model	Serial Number	Type	Approx. Volume	Print Allowance	Lease	Meter Rate	Meter Charge	Total
V180P w/FFPS DFE	1AB190252 3PA607062	COLOR	17,005	0	\$695	0.0490	\$833	\$1,528
		MONO	14,700			0.0115	\$169	\$169
		COLOR LRG	10,970			0.0058	\$64	\$64
		COLOR XL	1			0.0510	\$0	\$0
D110 w/FFPS DFE	BG0962090 L0A733710	MONO	77,775	0	\$1,101	0.0068	\$529	\$1,630
\$1,796						Total Cost Of Operation		\$3,391

Lower Usage Meters

PROPOSED COST OF OPERATION (60 Month Agreement)

Model	Serial Number	Type	Approx. Volume	Print Allowance	Monthly Payment	Meter Rate	Meter Charge	Total
V280P w/EFI DFE	TBD	COLOR	17,005	0	\$1,225	0.0390	\$663	\$1,888
		MONO	14,700			0.0079	\$116	\$116
		COLOR LRG	10,970			0.0039	\$43	\$43
		COLOR XL	1			0.0300	\$0	\$0

PROPOSED COST OF OPERATION (24 Month Agreement)

D110 w/FFPS DFE	BG0962090 L0A733710	MONO	77,775	50,000	\$1,181	0.0041	\$114	\$1,295
\$2,406						Total Cost Of Operation		\$3,342

-Xerox will provide all the initial set up and training for the new device



Image for display purposes only



Proposed System:

Xerox Versant 280P w/EFI Print Server (Graphic Color Production Press)

- 80 Color/B & W Pages Per Minute
- 2400 x 2400 dpi Print Resolution
- 1200 x 1200 x 10 bit rendering resolution
- UltraHD Resolution for extremely fine details from rendering and VCSEL ROS technologies
- **Simplified Image Quality Adjustment (SIQA)** for automated Image-to-Media Alignment, Density Uniformity and Image Transfer Adjustments
- An X-Rite® Inline Spectrophotometer automates once-tedious color calibration, eliminating guesswork, saving time and upping your color game
- Smart Decurler calculates coverage, paper and humidity for flattest possible output
- Xerox® Stock Library Manager
- **Integrated Registration Alignment (IRA)**—Over 50 sensors and switches to intelligently control paper transport that is accurate and automated
- **Can feed up to 13 x 47.2 Banner media**
- Feeds up to 400 gsm and Auto Duplexes up to 350 gsm
- Compact Belt Fuser for higher speeds, image consistency, runs heavyweight and mixed media
- Bias Charge Rolls with auto cleaning technology improves press productivity
- **Closed-loop color process controls**
- "Hot Swap" kits allows for maximum uptime
- Registration tolerance +/- .1 mm

Lease Agreement



Customer: CITY OF BREA

BillTo: CITY OF BREA
 BSMT P2
 1 CIVIC CENTER CIR
 BREA, CA 92821-5792
 Tax ID#: X

Install: CITY OF BREA
 BSMT P2
 1 CIVIC CENTER CIR
 BREA, CA 92821-5792

Solution

Item	Product Description	Agreement Information	Requested Effective Date
1. D110CPC (SOT-D110 COPIER/PRTR)	S/N BG0962090 - Standard Install - Integrated Sq Trimr - D4 Z-folder - 2 Tray Oversize Hcf - D5 Bkltfinshr Xc 2/3	Lease Term: 24 months Purchase Option: FMV This agreement modifies the current Xerox Agreement 957992431 for D110CPC S/N BG0962090 as of payment 59.	12/1/2022
2. FFSRVR (SOT-FFPS D95/110/125)	S/N L0A733710 - D110 Cp Serv License - Vsel-required On Cp	Lease Term: 24 months Purchase Option: FMV This agreement modifies the current Xerox Agreement 956485494 for FFSRVR S/N L0A733710 as of payment 59.	12/1/2022

Monthly Pricing

Item	Lease Minimum Payment	Print Charges			Maintenance Plan Features
		Meter	Volume Band	Per Print Rate	
1. D110CPC	\$890.37	1: Black and White Impressions	1 - 50,000 50,001+	Included \$0.0041	- Consumable Supplies Included for all prints - Pricing Fixed for Term
2. FFSRVR	\$274.24	N/A	N/A	N/A	- Full Service Maintenance Included
Total	\$1,164.61	Minimum Payments (Excluding Applicable Taxes)			

Authorized Signature

<p>Customer acknowledges receipt of the terms of this agreement which consists of 5 pages including this face page.</p> <p>Signer: _____ Phone: (714)990-7125</p> <p>Signature: _____ Date: _____</p>	<p>Thank You for your business! This Agreement is proudly presented by Xerox and Darren Lundrigan (855)828-5658</p> <p>For information on your Xerox Account, go to www.xerox.com/AccountManagement</p>
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Terms and Conditions

SOLUTION/SERVICES:

1. PRODUCTS. "Products" means the equipment ("Equipment"), Software and supplies identified in this Agreement. You agree the Products are for your business use (not resale) in the United States and its territories and possessions ("U.S.") and will not be used for personal, household or family purposes.

2. CONSUMABLE SUPPLIES. Consumable Supplies vary depending upon the Equipment model. If "Consumable Supplies" is identified in Maintenance Plan features, Consumable Supplies include: (i) for black and white Equipment, standard black toner and/or dry ink, black developer, Copy Cartridges, and, if applicable, fuser agent required to make impressions; (ii) for full color Equipment, the items in (i) plus standard cyan, magenta, and yellow toners and dry inks (and their associated developers); and, (iii) for Equipment identified as "Phaser", only, if applicable, black solid ink, color solid ink, imaging units, waste cartridges, transfer rolls, transfer belts, transfer units, belt cleaner, maintenance kits, print Cartridges, drum Cartridges, waste trays and cleaning kits. Unless otherwise set forth herein, Consumable Supplies exclude paper and staples. Xerox may charge a shipping fee for Consumable Supplies. Consumable Supplies are Xerox's property until used by you, and you will use them only with the Equipment for which "Consumable Supplies" is identified in Maintenance Plan Features. If Consumables Supplies are furnished with recycling information, you will return the used item to Xerox for remanufacturing. Shipping information is available at Xerox.com/GWA. Upon expiration of this Agreement, you will include any unused Consumable Supplies with the Equipment for return to Xerox at the time of removal. If your use of Consumable Supplies exceeds Xerox's published yield by more than 10%, Xerox will notify you of such excess usage. If such excess usage does not cease within 30 days after such notice, Xerox may charge you for such excess usage. Upon request, you will provide current meter reads and/or an inventory of Consumable Supplies in your possession.

3. CARTRIDGES. If Xerox is providing Maintenance Services for Equipment utilizing cartridges designated by Xerox as customer replaceable units, including copy/print cartridges and xerographic modules or fuser modules ("Cartridges"), you agree to use only unmodified Cartridges purchased directly from Xerox or its authorized resellers in the U.S. Cartridges packed with Equipment and replacement Cartridges may be new, remanufactured or reprocessed. Remanufactured and reprocessed Cartridges meet Xerox's new Cartridge performance standards and contain new or reprocessed components. To enhance print quality, Cartridge(s) for many models of Equipment have been designed to cease functioning at a predetermined point. In addition, many Equipment models are designed to function only with Cartridges that are newly manufactured original Xerox Cartridges or with Cartridges intended for use in the U.S.

4. MAINTENANCE SERVICES. Except for Equipment identified as "No Svc.", Xerox (or a designated servicer) will keep the Equipment in good working order ("Maintenance Services"). The provision of Maintenance Services is contingent upon you facilitating timely and efficient resolution of Equipment issues by: (a) utilizing customer-implemented remedies provided by Xerox; (b) replacing Cartridges; and (c) providing information to and implementing recommendations provided by Xerox telephone support personnel. If an Equipment issue is not resolved after completion of (a) through (c) above, Xerox will provide on-site support as provided herein. Maintenance Services will be provided during Xerox's standard working hours in areas open for repair service for the Equipment. Maintenance Services excludes repairs due to: (i) misuse, neglect or abuse; (ii) failure of the installation site or the PC or workstation used with the Equipment to comply with Xerox's published specifications; (iii) use of options, accessories or products not serviced by Xerox; (iv) non-Xerox alterations, relocation, service or supplies; or (v) failure to perform operator maintenance procedures identified in operator manuals. Replacement parts may be new, reprocessed or recovered and all replaced parts become Xerox's property. As your exclusive remedy for Xerox's failure to provide Maintenance Services, Xerox will, for 5 years after the installation date of the initial unit or the initial Term of the Agreement, whichever is longer, replace the Equipment with an identical model or, at Xerox's option, another model with comparable features and capabilities. There will be no additional charge for the replacement Equipment during the remainder of the initial Term. Xerox has no obligation to maintain or replace Equipment beyond the "End of Service" for that particular model of Equipment. End of Service ("EOS") means the date announced by Xerox after which Xerox will no longer offer Maintenance Services for a particular Equipment model. An EOS Equipment List is available upon request. If Xerox is unable to keep a unit of Equipment in good working order after the period noted above, either party may terminate Maintenance Services for that unit without any penalties or early termination charges upon not less than 30 days written notice to the

other party. If meter reads are a component of your Maintenance Plan, you will provide them using the method and frequency identified by Xerox. If you do not provide a meter reading for Equipment not capable of Remote Transmission, or if Remote Transmission is interrupted, Xerox may estimate the reading and bill you accordingly.

5. EQUIPMENT STATUS. Unless you are acquiring "Previously Installed" Equipment, Equipment will be (1) "Newly Manufactured", which may contain some reconditioned components; (2) "Factory Produced New Model", which is manufactured and newly serialized at a Xerox factory, adds functions and features to a product previously disassembled to a Xerox predetermined standard, and contains new and reconditioned components; or (3) "Remanufactured", which has been factory produced following disassembly to a Xerox predetermined standard and contains new and reconditioned components.

6. SOFTWARE LICENSE. Xerox grants you a non-exclusive, non-transferable license to use in the U.S.: (a) software and accompanying documentation provided with Xerox-brand Equipment ("Base Software") only with the Xerox-brand Equipment with which it was delivered; and (b) software and accompanying documentation identified in this Agreement as "Application Software" only on any single unit of equipment for as long as you are current in the payment of all applicable software license fees. "Base Software" and "Application Software" are referred to collectively as "Software". You have no other rights and may not: (1) distribute, copy, modify, create derivatives of, decompile, or reverse engineer Software; (2) activate Software delivered with the Equipment in an inactivated state; or (3) allow others to engage in same. Title to, and all intellectual property rights in, Software will reside solely with Xerox and/or its licensors (who will be considered third-party beneficiaries of this Section). Software may contain code capable of automatically disabling the Equipment. Disabling code may be activated if: (x) Xerox is denied access to periodically reset such code; (y) you are notified of a default under this Agreement; or (z) your license is terminated or expires. The Base Software license will terminate; (i) if you no longer use or possess the Equipment; (ii) you are a lessor of the Equipment and your first lessee no longer uses or possesses it; or (iii) upon the expiration or termination of this Agreement, unless you have exercised your option to purchase the equipment. Neither Xerox nor its licensors warrant that Software will be free from errors or that its operation will be uninterrupted. The foregoing terms do not apply to Diagnostic Software or to software/documentation accompanied by a clickwrap or shrinkwrap license agreement or otherwise made subject to a separate license agreement.

7. SOFTWARE SUPPORT. Xerox (or a designated servicer) will provide the software support set forth below ("Software Support"). For Base Software, Software Support will be provided during the initial Term and any renewal period but in no event longer than 5 years after Xerox stops taking customer orders for the subject model of Equipment. For Application Software, Software Support will be provided as long as you are current in the payment of all applicable software license and support fees. Xerox will maintain a web-based or toll-free hotline during Xerox's standard working hours to report Software problems and answer Software-related questions. Xerox, either directly or with its vendors, will make reasonable efforts to: (a) assure that Software performs in material conformity with its user documentation; (b) provide available workarounds or patches to resolve Software performance problems; and (c) resolve coding errors for (i) the current Release and (ii) the previous Release for a period of 6 months after the current Release is made available to you. Xerox will not be required to provide Software Support if you have modified the Software. New releases of Software that primarily incorporate compliance updates and coding error fixes are designated as "Maintenance Releases" or "Updates". Maintenance Releases or Updates that Xerox may make available will be provided at no charge and must be implemented within six months. New releases of Software that include new content or functionality ("Feature Releases") will be subject to additional license fees at Xerox's then-current pricing. Maintenance Releases, Updates and Feature Releases are collectively referred to as "Releases". Each Release will be considered Software governed by the Software License and Software Support provisions of this Agreement (unless otherwise noted). Implementation of a Release may require you to procure, at your expense, additional hardware and/or software from Xerox or another entity. Upon installation of a Release, you will return or destroy all prior Releases.

8. DIAGNOSTIC SOFTWARE. Software used to evaluate or maintain the Equipment ("Diagnostic Software") is included with the Equipment. Diagnostic Software is a valuable trade secret of Xerox. Title to Diagnostic Software will remain with Xerox or its licensors. Xerox does not grant you any right to use Diagnostic Software, and you will not access, use, reproduce, distribute or disclose Diagnostic Software for any purpose (or allow third parties to do so). You will allow Xerox reasonable access to the

Terms and Conditions

Equipment to remove or disable Diagnostic Software if you are no longer receiving Maintenance Services from Xerox; provided that any on-site access to your facility will be during your normal business hours.

9. FREEFLOW LICENSE. The following terms apply to Xerox FreeFlow Print Server /DocuSP software included in Base Software ("FreeFlow Base Software") and/or Application Software identified as Xerox FreeFlow software (including, but not limited to, FreeFlow Makeready and FreeFlow Process Manager) (collectively, "FreeFlow Application Software"), and are additive to and supplement those found elsewhere in the Agreement. FreeFlow Base Software and FreeFlow Application Software are collectively referred to as "FreeFlow Software."

1. FreeFlow Software may include and/or incorporate font programs ("Font Programs") and other software provided by Adobe Systems Incorporated ("Adobe Software"). You may embed copies of the Font Programs into your electronic documents for the purpose of printing and viewing the document. You are responsible for ensuring that you have the right and are authorized by any necessary third parties to embed any Font Programs in electronic documents created with the FreeFlow Application Software. If the Font Programs are identified as "licensed for editable embedding" at www.adobe.com/type/browser/legal/embeddingeula, you may also embed copies of those Font Programs for the additional purpose of editing your electronic documents. No other embedding rights are implied or permitted under this license.

2. You will not, without the prior written consent of Xerox and its licensors: (a) alter the digital configuration of the FreeFlow Software, or solicit others to cause the same, so as to change the visual appearance of any of the FreeFlow Software output; (b) use the FreeFlow Software in any way that is not authorized by the Agreement; (c) use the embedded code within the FreeFlow Software outside of the Equipment on which it was installed or in a stand-alone, time-share or service bureau model; (d) disclose the results of any performance or benchmark tests of the FreeFlow Software; (e) use the FreeFlow Software for any purpose other than to carry out the purposes of the Agreement; or (f) disclose or otherwise permit any other person or entity access to the object code of the FreeFlow Software.

3. FreeFlow Process Manager contains Oracle Database Express Edition database software and documentation licensed from Oracle America, Inc. ("Oracle"). Oracle grants you a nonexclusive, nontransferable limited license to use Database Express Edition for purposes of developing, prototyping and running your applications for your own internal data processing operations. Database Express Edition may be installed on a multiple CPU server, but may only be executed on one processor in any server. Upon not less than 45 days prior written notice, Xerox and/or its licensors may, at their expense, directly or through an independent auditor, audit your use of FreeFlow Process Manager and all relevant records not more than once annually. Any such audit will be conducted at a mutually agreed location and will not unreasonably interfere with your business activities.

4. The Copyright Management feature of FreeFlow Makeready ("FFCM") contains the optional Copyright Clearance Center, Inc. ("CCC") copyright licensing services feature of FFCM ("CCC Service"). If this option is ordered, you will comply with any applicable terms and conditions contained on the CCC website, www.copyright.com, and any other rights holder terms governing use of materials, which are accessible in FFCM. If CCC terminates Xerox's right to offer access to the CCC Service through FFCM, Xerox may, upon written notice and without any liability to you, terminate your right to access the CCC Service through FFCM. THE CCC SERVICE IS PROVIDED "AS IS," WITHOUT ANY WARRANTIES, WHETHER EXPRESS OR IMPLIED. XEROX DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF NONINFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. You will defend and indemnify Xerox from any and all losses, claims, damages, fines, penalties, interest, costs and expenses, including reasonable attorney fees, arising from or relating to your use of the CCC Service.

5. If you install FreeFlow Application Software on a computer that you supply, the following terms apply: (a) Xerox will only be obligated to support FreeFlow Application Software if it is installed on hardware and software meeting Xerox's published specifications (collectively "Workstation"); (b) IF YOU USE FREEFLOW APPLICATION SOFTWARE WITH ANY HARDWARE OR SOFTWARE OTHER THAN A WORKSTATION, ALL REPRESENTATIONS AND WARRANTIES ACCOMPANYING SUCH FREEFLOW APPLICATION SOFTWARE WILL BE VOID AND ANY SUPPORT/MAINTENANCE YOU CONTRACT FOR IN CONNECTION WITH SUCH FREEFLOW APPLICATION SOFTWARE WILL BE VOIDABLE AND/OR SUBJECT TO

ADDITIONAL CHARGES; and (c) you are solely responsible for: (i) the acquisition and support, including any and all associated costs, charges and other fees, of any Workstation you supply; (ii) compliance with all terms governing such Workstation acquisition and support, including terms applicable to any non-Xerox software associated with such Workstation; and (iii) ensuring that such Workstation meets Xerox's published specifications.

6. The following terms apply to FreeFlow Software licensed to U.S. government customers:

a. Java technology contained in FreeFlow Software is subject to: (i) FAR 52.227-14(g)(2) and FAR 52.227-19; and (ii) if licensed to the U.S. Department of Defense ("DOD"), DFARS 252.227-7015(b) and DFARS 227.7202-3(a).

b. Adobe Software is a "commercial item," as that term is defined at FAR 2.101, consisting of "commercial computer software" and "commercial computer software documentation" as such terms are used in FAR 12.212, and is licensed to civilian agencies consistent with the policy set forth in FAR 12.212, or to the DOD consistent with the policies set forth in DFARS 227.7202-1.

c. Oracle Database Express Edition is "commercial computer software" and is subject to the restrictions as set forth in the Rights in Technical Data and Computer Software Clauses in DFARS 252.227-7015 and FAR 52.227-19 as applicable.

7. FreeFlow Software may include Microsoft Embedded Standard operating system software to which the following terms apply:

a. You agree to and will comply with the Microsoft terms and conditions contained on the Xerox website, <http://www.support.xerox.com/support/open-source-disclosures/file-redirect/enus.html?&contentId=136023>.

b. Any updates, upgrades or reinstallations of Microsoft Embedded Standard operating system software are subject to the terms and conditions of this license and may be used only with the Xerox-brand Equipment with which it was delivered. Any other use of the software is strictly prohibited and may subject you to legal action.

c. If the Equipment includes Remote Desktop Services that enable it to connect to and access applications running on a server, such as Remote Desktop Protocol, Remote Assistance and Independent Computer Architecture, such Desktop Functions will not run locally on the system, except for network/Internet browsing functions.

d. The FreeFlow Base Software contains the Windows Update feature that allows you to access Windows Updates directly through the Microsoft Corp. Windows Update server. If you elect to activate this feature, any Windows Updates installed by you using the Windows Update feature may not function on the Equipment or may cause malfunctions or cause harm to the Equipment. Before you download a Windows Update using this feature, you should contact Xerox so that Xerox can ensure that each Windows Update is suitable for use on the Equipment and provide any necessary technical support for the installation and use of such Windows Update.

e. No High Risk Use. WARNING: The Windows Embedded 7 Standard operating system is not fault-tolerant.

The Windows Embedded 7 Standard operating system is not designed or intended for any use in any computing device where failure or fault of any kind of the Windows Embedded 7 Standard operating system could reasonably be seen to lead to death or serious bodily injury of any person, or to severe physical or environmental damage ("High Risk Use"). Xerox is not licensed to use, distribute, or sublicense the use of the Windows Embedded 7 Standard operating system in High Risk Use. High Risk Use is STRICTLY PROHIBITED.

PRICING PLAN/OFFERING SELECTED:

10. COMMENCEMENT & TERM. This Agreement is valid when accepted by Xerox. The Term for each unit of Equipment will commence upon: (i) the delivery of customer-installable Equipment; or (ii) the installation of Xerox-installable Equipment ("Commencement Date") and will continue for the number of full calendar months shown as "Lease Term" on the face of this Agreement. Any partial month in the Term will be billed on a pro rata basis, based on a 30 day month. Unless either party provides notice of termination at least thirty days before the expiration of the initial Term, it will renew automatically on a month-to-month basis on the same terms and conditions. During this renewal period, either party may terminate the Equipment upon at least 30 days notice. Upon termination, you will make the Products available for removal by Xerox. At the time of removal, the Equipment will be in the same condition as when delivered (reasonable wear and tear excepted).

11. PAYMENT. Payment must be received by Xerox within 30 days after the invoice date. All invoice payments under this Agreement shall be made via check, Automated Clearing House debit, Electronic Funds Transfer, or direct debit from your bank account. If you have any special or customized invoicing requirements, Xerox reserves

Terms and Conditions

the right to charge you a customization fee of \$100 per invoice. Restrictive covenants on payment instruments will not reduce your obligations.

12. OTHER CHARGES. If a payment is not received by Xerox by the due date, Xerox may charge, and you will pay, a late charge of 5% of the amount due or \$25, whichever is greater. If after the signature date of this Agreement, you request a copy of this Agreement, Xerox reserves the right to charge you a documentation fee of \$125 per copy.

13. FIXED PRICING. If "Pricing Fixed for Term" is identified in Maintenance Plan Features, the maintenance component of the Minimum Payment and Print Charges will not increase during the initial Term of this Agreement.

14. PRICE INCREASES. Xerox may annually increase the maintenance component of the Minimum Payment and Print Charges. For Application Software, Xerox may annually increase the software license or support fees. These adjustments will occur at the commencement of each annual contract cycle.

15. DELIVERY, REMOVAL & RELOCATION. Xerox will be responsible for all standard delivery charges for Equipment. You will be responsible for (a) all removal charges for Equipment; (b) any non-standard delivery charges; and (c) any Equipment relocation. Relocation of Xerox-owned Equipment must be arranged (or approved in advance) by Xerox and may not be to a location outside of the U.S.

16. TAXES. You will be responsible for all applicable taxes, fees or charges of any kind (including interest and penalties) assessed by any governmental entity on this Agreement or the amounts payable under this Agreement ("Taxes"), which will be included in Xerox's invoice unless you timely provide proof of your tax exempt status. Taxes do not include personal property taxes in jurisdictions where Xerox is required to pay personal property taxes, and taxes on Xerox's income. This Agreement is a lease for all income tax purposes and you will not claim any credit or deduction for depreciation of the Equipment, or take any other action inconsistent with your role as lessee of the Equipment.

17. PURCHASE OPTION. If not in default, you may purchase the Equipment, "AS IS, WHERE IS" and WITHOUT ANY WARRANTY AS TO CONDITION OR VALUE, at the end of the initial Term for the "Purchase Option" indicated on the face of this Agreement (i.e., either a set dollar amount or the fair market value of the Equipment at the expiration of the initial Term), plus all applicable Taxes.

18. DEFAULT & REMEDIES. You will be in default under this Agreement if (1) Xerox does not receive any payment within 15 days after the date it is due, or (2) you breach any other obligation in this or any other agreement with Xerox. If you default, Xerox may, in addition to its other remedies (including cessation of Maintenance Services), remove the Equipment at your expense and require immediate payment, as liquidated damages for loss of bargain and not as a penalty, of: (a) all amounts then due, plus interest from the due date until paid at the rate of 1.5% per month; (b) the Minimum Payments (less the Maintenance Services and Consumable Supplies components thereof, as reflected on Xerox's books and records) remaining in the Term, discounted at 4% per annum; (c) the applicable Purchase Option; and (d) all applicable Taxes. You will pay all reasonable costs, including attorneys' fees, incurred by Xerox to enforce this Agreement. If you make the Equipment available for removal by Xerox within 30 days after notice of default, in the same condition as when delivered (reasonable wear and tear excepted), you will receive a credit for the fair market value of the Equipment as determined by Xerox, less any costs incurred by Xerox.

19. DATA SECURITY. Certain models of Equipment can be configured to include a variety of data security features. There may be an additional cost associated with certain data security features. The selection, suitability and use of data security features are solely your responsibility. Upon request, Xerox will provide additional information to you regarding the security features available for particular Equipment models.

GENERAL TERMS & CONDITIONS:

20. NON-CANCELABLE AGREEMENT. THIS AGREEMENT CANNOT BE CANCELED OR TERMINATED EXCEPT AS EXPRESSLY PROVIDED HEREIN. YOUR OBLIGATION TO MAKE ALL PAYMENTS, AND TO PAY ANY OTHER AMOUNTS DUE OR TO BECOME DUE, IS ABSOLUTE AND UNCONDITIONAL AND NOT SUBJECT TO DELAY, REDUCTION, SET-OFF, DEFENSE, COUNTERCLAIM OR RECOURT FOR ANY REASON WHATSOEVER, IRRESPECTIVE OF XEROX'S PERFORMANCE OF ITS OBLIGATIONS HEREUNDER. ANY CLAIM AGAINST XEROX MAY BE ASSERTED IN A SEPARATE ACTION AND SOLELY AGAINST XEROX.

21. REPRESENTATIONS. The individuals signing this Agreement are duly authorized to do so and all financial information you provide completely and accurately represents

your financial condition.

22. LIMITATION OF LIABILITY. For claims arising out of or relating to this Agreement whether the claim alleges tortious conduct (including negligence) or any other legal theory, but excepting liability under the indemnification obligations set forth in this Agreement, Xerox will not be liable to you for any direct damages in excess of \$10,000 or the amounts paid hereunder, whichever is greater, and neither party will be liable to the other for any special, indirect, incidental, consequential or punitive damages. Any action you take against Xerox must be commenced within 2 years after the event that caused it.

23. CREDIT REPORTS. You authorize Xerox or its agent to obtain credit reports from commercial credit reporting agencies.

24. FORCE MAJEURE. Xerox will not be liable to you during any period in which its performance is delayed or prevented, in whole or in part, by a circumstance beyond its reasonable control. Xerox will notify you if such a circumstance occurs.

25. PROTECTION OF XEROX'S RIGHTS. If for any reason whatsoever, this transaction is re-characterized as a secured financing, you are deemed to have granted to Xerox a first priority security interest in the Equipment in order to secure your performance under this Agreement. You authorize Xerox or its agent to file, by any permissible means, financing statements necessary to protect Xerox's rights as lessor of the Equipment. You will promptly notify Xerox of a change in ownership, or if you relocate your principal place of business or change the name of your business.

26. WARRANTY DISCLAIMER. XEROX DISCLAIMS THE IMPLIED WARRANTIES OF NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE. This Agreement is a "finance lease" under Article 2A of the Uniform Commercial Code and, except to the extent expressly provided herein, and as permitted by applicable law, you waive all of your rights and remedies as a lessee under Article 2A.

27. INTELLECTUAL PROPERTY INDEMNITY. Xerox will defend, and pay any settlement agreed to by Xerox or any final judgment for, any claim that a Xerox-brand Product infringes a third party's U.S. intellectual property rights. You will promptly notify Xerox of any alleged infringement and permit Xerox to direct the defense. Xerox is not responsible for any non-Xerox litigation expenses or settlements unless it pre-approves them in writing. To avoid infringement, Xerox may modify or substitute an equivalent Xerox-brand Product, refund the price paid for the Xerox-brand Product (less the reasonable rental value for the period it was available to you), or obtain any necessary licenses. Xerox is not liable for any infringement based upon a Xerox-brand Product being modified to your specifications or being used or sold with products not provided by Xerox.

28. TITLE & RISK OF LOSS AND INSURANCE. Until you exercise your Purchase Option: (a) title to Equipment will remain with Xerox; (b) Equipment will remain personal property; (c) you will not attach the Equipment as a fixture to any real estate; (d) you will not pledge, sublease or part with possession of it, or file or permit to be filed any lien against it; and, (e) you will not make any permanent alterations to it. Risk of loss passes to you upon delivery and remains with you until Xerox removes the Equipment. You will keep the Equipment insured against loss or damage and the policy will name Xerox as a loss payee ("Required Insurance"). You must provide Xerox or our agents, designees or assigns with satisfactory evidence of Required Insurance within 30 days of the commencement of this Agreement or any subsequent written request by Xerox or our agents, designees or assigns. IF YOU DO NOT PROVIDE SUCH EVIDENCE, THEN, IN LIEU OF OTHER REMEDIES FOR DEFAULT, XEROX, IN ITS DISCRETION AND AT ITS SOLE OPTION, MAY OBTAIN INSURANCE FROM AN INSURER OF ITS CHOOSING, IN SUCH FORMS AND AMOUNTS AS XEROX DEEMS REASONABLE TO PROTECT ITS INTERESTS (COLLECTIVELY "EQUIPMENT INSURANCE"). EQUIPMENT INSURANCE WILL COVER THE EQUIPMENT AND XEROX; IT WILL NOT NAME YOU AS AN INSURED, MAY NOT COVER ALL OF YOUR OBLIGATIONS UNDER THIS AGREEMENT AND WILL BE SUBJECT TO CANCELLATION BY XEROX OR THE INSURER AT ANY TIME. YOU AGREE TO PAY XEROX PERIODIC CHARGES FOR SUCH EQUIPMENT INSURANCE (COLLECTIVELY "INSURANCE CHARGES") THAT INCLUDE AN INSURANCE PREMIUM THAT MAY BE HIGHER THAN IF YOU MAINTAINED THE REQUIRED INSURANCE SEPARATELY AND/OR BILLING AND PROCESSING FEES WHICH MAY GENERATE A PROFIT TO XEROX OR A THIRD PARTY. XEROX MAY ADD INSURANCE CHARGES TO EACH INVOICE. XEROX SHALL DISCONTINUE BILLING OR DEBITING INSURANCE CHARGES FOR EQUIPMENT INSURANCE UPON RECEIPT FROM YOU OF SATISFACTORY EVIDENCE OF REQUIRED INSURANCE. Neither loss nor damage to Equipment or Xerox's receipt of insurance proceeds relieve you of any of your remaining

Terms and Conditions

obligations under this Agreement. YOU AGREE (i) AT XEROX'S OPTION, TO ARBITRATE ANY DISPUTE WITH XEROX OR OUR AGENTS, DESIGNEES OR ASSIGNS REGARDING THE EQUIPMENT INSURANCE AND/OR INSURANCE CHARGES UNDER THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION IN MONROE COUNTY, NY, (ii) ARBITRATION (NOT A COURT) IS THE EXCLUSIVE REMEDY FOR SUCH DISPUTES; AND (iii) CLASS ARBITRATION IS NOT PERMITTED. This arbitration requirement does not apply to any other provision of this Agreement.

29. ASSIGNMENT. Xerox may assign or otherwise transfer this Agreement or any part hereof (including some or all of its rights or obligations hereunder) without prior notice to or consent from you. If Xerox assigns only its rights (or certain of its rights) hereunder to an assignee then: (a) such assignee of Xerox shall have all the rights assigned to it but none of the obligations of Xerox hereunder; (b) such assignee shall not be liable to you for any reason whatsoever; (c) you shall continue to look to Xerox for performance of Xerox's obligations and hereby waive and release such assignee from any such claim; (d) all information obtained by Xerox relating to you may be disclosed to such assignee; (e) you shall not assert any defense, counterclaim or setoff you may have against such assignee; and (f) you will remit payments in accordance with instructions of such assignee. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding on the successors and permitted assigns of the parties hereto. Neither your rights nor obligations under this Agreement are assignable by you without prior written consent of Xerox. In the event Xerox consents to an assignment, you will pay the applicable costs related to the assignment and documentation change, which will not exceed \$500.

30. MISCELLANEOUS. Notices must be in writing and will be deemed given 5 days after mailing, or 2 days after sending by nationally recognized overnight courier. Notices will be sent to you at the "Bill to" address identified in this Agreement, and to Xerox at the inquiry address set forth on your most recent invoice, or to such other address as either party may designate by written notice. You authorize Xerox or its agents to communicate with you by any electronic means (including cellular phone, email, automatic dialing and recorded messages) using any phone number (including cellular) or electronic address you provide to Xerox. This Agreement constitutes the entire agreement as to its subject matter, supersedes all prior oral and written agreements, and will be governed by the laws of the State of New York (without regard to conflict-of-law principles). In any action to enforce this Agreement, the parties agree (a) to the jurisdiction and venue of the federal and state courts in Monroe County, New York, and (b) to waive their right to a jury trial. If a court finds any term of this Agreement unenforceable, the remaining terms will remain in effect. The failure by either party to exercise any right or remedy will not constitute a waiver of such right or remedy. Each party may retain a reproduction (e.g., electronic image, photocopy, facsimile) of this Agreement which will be admissible in any action to enforce it, but only the Agreement held by Xerox will be considered an original. Xerox may accept this Agreement either by signature or by commencing performance. Changes to this Agreement must be in writing and signed by both parties. Any terms on your ordering documents will be of no force or effect. Administrative and contract support functions hereunder may be

performed, inside or outside the U.S., by one or more of Xerox's subsidiaries or affiliates and/or third parties. The following four sentences control over every other part of this Agreement. Both parties will comply with applicable laws. Xerox will not charge or collect any amounts in excess of those allowed by applicable law. Any part of this Agreement that would, but for the last four sentences of this Section, be read under any circumstances to allow for a charge higher than that allowed under any applicable legal limit, is modified by this Section to limit the amounts chargeable under this Agreement to the maximum amount allowed under the legal limit. If, in any circumstances, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by Xerox in excess of that legally allowed will be applied by Xerox to the payment of amounts legally owed under this Agreement, or refunded to you.

31. REMOTE SERVICES. Certain models of Equipment are supported and serviced using product information that is automatically collected by Xerox or transmitted to or from Xerox by the Equipment connected to your network ("Remote Product Info") via electronic transmission to a secure off-site location ("Remote Transmission"). Remote Transmission also enables Xerox to transmit Releases of Software to you and to remotely diagnose and modify Equipment to repair and correct malfunctions. Examples of Remote Product Info include product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code information. Remote Product Info may be used by Xerox for billing, report generation, supplies replenishment, support services, recommending additional products and services, and product improvement/development purposes. Remote Product Info will be transmitted to and from you in a secure manner mutually agreeable to the parties. Remote Transmission will not allow Xerox to read, view or download the content of any of your documents or other information residing on or passing through the Equipment or your information management systems. You grant the right to Xerox, without charge, to conduct Remote Transmission for the purposes described above. Upon Xerox's request, you will (a) provide contact information for Equipment such as name and address of your contact and IP and physical addresses/locations of Equipment and (b) ensure that any Maintenance Release or Update released by Xerox to provide security patches, releases and/or certificates for the Remote Transmission and/or Software is promptly enabled by Customer upon notification by Xerox or by the Equipment or when otherwise made available on xerox.com. You will enable Remote Transmission via a method mutually agreeable to both parties, and you will provide reasonable assistance to allow Xerox to provide Remote Transmission. Unless Xerox deems Equipment incapable of Remote Transmission, you will ensure that Remote Transmission is maintained at all times Maintenance Services are being performed. If you are unable to maintain Remote Transmission, or if Xerox disables Remote Transmission from any Equipment at your request, or if you disable Remote Transmission from any Equipment, Xerox reserves the right to charge you a per device fee for such affected Equipment due to the increased service visits that will be required in order to (x) obtain such information, (y) provide such transmissions, and (z) provide such Maintenance Services and Consumable Supplies that otherwise would have been provided remotely and/or proactively.

Lease Agreement



Customer: CITY OF BREA

BillTo: CITY OF BREA
BSMT P2
1 CIVIC CENTER CIR
BREA, CA 92821-5792

Tax ID#: X

Negotiated Contract : 072829900

Install: CITY OF BREA
BSMT P2
1 CIVIC CENTER CIR
BREA, CA 92821-5792

Solution

Item	Product Description	Agreement Information	Trade Information	Requested Install Date
1.	VR280 (VERSANT 280 PRESS) <ul style="list-style-type: none">- Advanced Ohcf- Envelope Sup Kit- Infrface Decurlr Mod- Prod Rdy Std Finishr- Prd Rdy 2/3 Punch	Lease Term: 60 months Purchase Option: FMV	- Xerox V180 PERF S/N 1AB190252 Trade-In as of Payment 60	12/5/2022
2.	VR280STND (EX STANDALONE PS) <ul style="list-style-type: none">- Color Profiler Suite- Customer Ed- Analyst Services	Lease Term: 60 months Purchase Option: FMV	- Xerox V180FFPS S/N 4BP809431 Trade-In as of Payment 60	12/5/2022

Authorized Signature

Customer acknowledges receipt of the terms of this agreement which consists of 3 pages including this face page.

Signer: _____

Phone: (714)990-7125

Signature: _____

Date: _____

Thank You for your business!
This Agreement is proudly presented by Xerox and

Darren Lundrigan
(855)828-5658

For information on your Xerox Account, go to
www.xerox.com/AccountManagement

Monthly Pricing

Item	Lease Minimum Payment	Print Charges			Maintenance Plan Features
		Meter	Volume Band	Per Print Rate	
1. VR280	\$780.33	1: Color Impressions	All Prints	\$0.0390	- Consumable Supplies Included for all prints - Pricing Fixed for Term
		2: Black and White Impressions	All Prints	\$0.0079	
		3: Color Large Impressions	All Prints	\$0.0039	
		4: Extra Long Impressions	All Prints	\$0.0300	
2. VR280STND	\$444.00	N/A	N/A	N/A	- Full Service Maintenance Included - Pricing Fixed for Term
Total	\$1,224.33	Minimum Payments (Excluding Applicable Taxes)			

Terms and Conditions

INTRODUCTION:

1. NEGOTIATED CONTRACT. The Products are subject solely to the terms in the Negotiated Contract identified on the face of this Agreement, and, for any option you have selected that is not addressed in the Negotiated Contract, the then-current standard Xerox terms for such option.

SOLUTION/SERVICES:

2. RESPONSIBILITY FOR MEETING CERTAIN CUSTOMER REQUIREMENTS. You are solely responsible for fulfilling all of your obligations set forth in the Customer Expectations Document or Customer Expectation & Installation Guide, as applicable, for the Equipment executed by you contemporaneously with this Agreement, and which is deemed incorporated by reference into this Agreement ("CED/CEIG"), including, but not limited to, meeting all environmental, product space and power, media, and network connectivity requirements. In addition, the CED/CEIG and informational guides provided to you by Xerox set forth certain operator maintenance activities that you are responsible for performing at the intervals indicated therein. You may have Xerox perform, or assist in the performance of, any of these operator maintenance activities, subject to the availability of Xerox certified technicians, upon your agreement to pay Xerox's then-prevailing service call rates.

3. EXTRA LONG PRINTS. The following Equipment model(s), VR280 may now, or in the future, have extra-long print capability, which is the ability to produce a print that is longer than 491mm. Maximum print length may vary by model. The meters for Equipment with extra-long print capability will register the following, as applicable: (i) for impressions greater than 491mm, up to and including 661mm, the Extra Long Impressions meter will register two (2) prints for each such extra-long print, in addition to registering one (1) print on either the Color Impressions meter (in the case of a color print) or the Black Impressions meter (in the case of a B&W print); (ii) for impressions greater than 661mm, up to and including 877mm, the Extra Long Impressions meter will register three (3) prints for each such extra-long print, in addition to registering one (1) print on either the Color Impressions meter (in the case of a color print) or the Black Impression meter (in the case of a B&W print); (iii) for impressions greater than 877mm, up to and including 1,083mm, the Extra Long Impressions meter will register four (4) prints for each such extra-long print, in addition to registering one (1) print on either the Color Impressions meter (in the case of a color print) or the Black Impression meter (in the case of a B&W print); and (iv) for impressions greater than 1,083mm, up to and including 1,299mm, the Extra Long Impressions meter will register five (5) prints for each such extra-long print, in addition to registering one (1) print on either the Color Impressions meter (in the case of a color print) or the Black Impression meter (in the case of a B&W print).

PRICING PLAN/OFFERING SELECTED:

4. FIXED PRICING. If "Pricing Fixed for Term" is identified in Maintenance Plan Features, the maintenance component of the Minimum Payment and Print Charges will not increase during the initial Term of this Agreement.

GENERAL TERMS & CONDITIONS:

5. REMOTE SERVICES. Certain models of Equipment are supported and serviced using product information that is automatically collected by Xerox or transmitted to or from Xerox by the Equipment connected to your network ("Remote Product Info") via electronic transmission to a secure off-site location ("Remote Transmission"). Remote Transmission also enables Xerox to transmit Releases of Software to you and to remotely diagnose and modify Equipment to repair and correct malfunctions. Examples of Remote Product Info include product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code information. Remote Product Info may be used by Xerox for billing, report generation, supplies replenishment, support services, recommending additional products and services, and product improvement/development purposes. Remote Product Info will be transmitted to and from you in a secure manner mutually agreeable to the parties. Remote Transmission will not allow Xerox to read, view or download the content of any of your documents or other information residing on or passing through the Equipment or your information management systems. You grant the right to Xerox, without charge, to conduct Remote Transmission for the purposes described above. Upon Xerox's request, you will (a) provide contact information for Equipment such as name and address of your contact and IP and physical addresses/locations of Equipment and (b) ensure that any Maintenance Release or Update released by Xerox to provide security patches, releases and/or certificates for the Remote Transmission and/or Software is promptly enabled by Customer upon notification by Xerox or by the Equipment or when otherwise made available on xerox.com. You will enable Remote Transmission via a method mutually agreeable to both parties, and you will provide reasonable assistance to allow Xerox to provide Remote Transmission. Unless Xerox deems Equipment incapable of Remote Transmission, you will ensure that Remote Transmission is maintained at all times Maintenance Services are being performed. If you are unable to maintain Remote Transmission, or if Xerox disables Remote Transmission from any Equipment at your request, or if you disable Remote Transmission from any Equipment, Xerox reserves the right to charge you a per device fee for such affected Equipment due to the increased service visits that will be required in order to (x) obtain such information, (y) provide such transmissions, and (z) provide such Maintenance Services and Consumable Supplies that otherwise would have been provided remotely and/or proactively.